

**YADNET UGANDA LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2022**

Audited by:

**BWAHNUNA AND BADE ~~ONE~~
CERTIFIED PUBLIC ACCOUNTANTS
KAMPALA UGANDA**

**YADNET UGANDA LIMITED
PLOT 90, LUSAZE
P0 BOX 7325
KAMPALA**

Yadnet Uganda Limited
Financial statements
For the period ended 31 Dec 2022

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Executive corporate information

1. Registered Office and Place of Business

Plot 90, Lusaze Pubaga
P.O. Box 7325
kampala

2. Legal status

The business is run on the basis of a private limited liability company incorporated under Ugandan Companies Act 2012 of the laws of Uganda. It was incorporated on the 26 day of November 2020.

3. Main Activities:

The Company is engaged in supporting women and girl child in making and selling art-crafts in Eastern Uganda among other items.

4. Directors:

Mr Raymond Ruyoka
PO BOX 7325 KAMPALA

5. Auditors

BWAHNUNA AND BADEYE
CERTIFIED PUBLIC ACCOUNTANTS
KAMPALA UGANDA

6. Bankers

ABSA BANK UGANDA LIMITED
PLOT 16 KAMPALA ROAD
PO BOX 2971, KAMPALA.

7. TIN:

TIN: 1017611532

Report of the directors

The Company Directors Submit their report together with Audited financial statements which disclose the affairs of Praveen, for the period ended 31 December 2022

1. Principal Activities

The Company is engaged in selling art-crafts among other items.

2. Results for the year:

The results from operations of the company for the period ended 31 Decemeber 2022 are as summarised below:

	2022	2,021
Surplus/Deficit before Tax	13,185,185	-
Corporation Tax Expenses	-	-
Profit /Loss After Tax	<u>13,185,185</u>	-

3. Directors

The Directors that held office during the year in question are as disclosed on page 1.

4. Dividends:

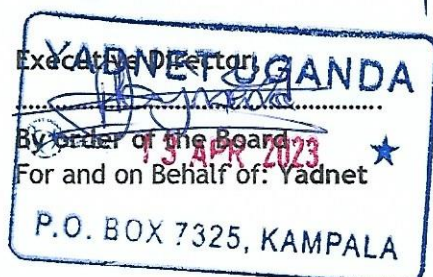
The directors did not declare any payment of dividents on profits made during the year of income

5 Auditors

We have audited the financial statements of Yadnet and have given our proffessional opinion

6. Approval of Accounts:

The Accounts were received and approved by the Directors at their meeting held on the 13 day of 4 2023



Statement of the Directors' Responsibilities

The Uganda Companies Act 2012 requires the Directors to prepare the financial statement for each financial period, which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the operating results for that period.

It also requires the Directors to ensure that the company maintains proper accounting records, which disclose with reasonable accuracy the financial position of the company. The directors are also responsible for safeguarding the company's assets and to take reasonable steps for prevention and detection of frauds and other irregularities.

The Directors accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates consistent with previous years, and are in conformity with the International Financial Reporting Standards and the requirements of the Ugandan Companies Act 2012. The Directors are of the opinion that the financial statements give a true and fare view of the state of the financial affairs of the company as at 30 June 2019 and of its operating results for the year then ended.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for atleast the next twelve months from the date of these financial statements.

Approved by the Board of Directors on.....¹³.....day of.....⁴.....2023 and signed for and on behalf of Praveen by



Bawunha & Badebye
Certified Public Accountants

PO. BOX. 9572, Kampala

Email: bawunhabadebye@gmail.com

Independent Auditors' Report

Tel: +256712769646

To the Shareholders of Yadnet Uganda Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yadnet Uganda Limited ("The Company") which comprise the Statement of Financial Position as at 31st December 2022, and the Statements of Comprehensive Income, Changes in Equity and Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Yadnet Uganda Limited as 31st December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' 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

We draw attention to the fact that the financial statements indicate that Yadnet Uganda Limited. Made project estimations based on the contractual obligations in the financial year but could not make the deliver due to COVID-19 pandemic that affected our donors business greatly operations in the last quarter. The Managing director believes that the Company's project goals will be achieved next year project appraisals since the economy is fully open. Our opinion is not modified in respect of this matter.

Other information

The Managing director is responsible for the other information. The other information comprises the details included in the Company's Information; the Report of the Executive Committee's Responsibilities but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. There is nothing to report in this regard.

Responsibilities of Executive Committee for the Financial Statements

As stated above, the Managing director is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and for such internal control as managing Director determines as 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, the managing Director 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 governors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Report on the audit of the financial statements (Continued)

Auditors' 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 auditors' 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 scepticism 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 Executive Committee.
- Conclude on the appropriateness of Executive Committee'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 auditors' 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 auditors' 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 the Executive Committee 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.

The engagement partner responsible for the audit resulting in this independent auditors' report is 14/04/2023

AUDITORS
KAMPALA
Uganda

BAWUNHA & BADEBYE
Certified Public Accountants
P. O. Box 9752, Kampala - Uganda

Date: 14/04/2023
Sign: [Signature]

Date: 14/04.....2023

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	Notes	2022 Ushs	2021 Ushs
Income	3	408,008,622	314,884,000
		<u>408,008,622</u>	<u>314,884,000</u>
Adminstration and finance	6	73,782,309	61,483,317
Activity implementat	7	321,041,128	253,400,683
Surplus before tax		<u>394,823,437</u>	<u>314,884,000</u>
Income tax expenses	4		
Surplus		<u>13,185,185</u>	<u>-</u>
Accumulated fund at the start of the year			
Accumulated fund at the end of the		<u>13,185,185</u>	<u>-</u>

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	Notes	2022 Ushs	2021 Ushs
Assets			
Current assets			
Cash at hand & bank		13,573,222	127,798
Trade receivables		300,000	1,805,760
Total current assets		<u>13,873,222</u>	<u>1,933,558</u>
Non current assets			
Property, plant and equipments		608,640	614,400
Total non-current assets		<u>608,640</u>	<u>614,400</u>
Total assets		<u>14,481,862</u>	<u>2,547,958</u>
Liabilities and equity			
Capital & reserves			
Capital & reserves		13,799,585	614,400
Accumulated fund			
Total capital & reserves		<u>13,799,585</u>	<u>614,400</u>
Current liabilities			
Corporation tax			
Corporation tax			
Trade & other payables		560,000	1,800,000
Total current liabilities		<u>560,000</u>	<u>1,800,000</u>
Non-current liabilities			
Owner's contributions			
Total Non-current liabilities			
Total liabilities and equity		<u>14,359,585</u>	<u>2,414,400</u>

The Notes and accounting policies on pages 13 to 26 form an integral part of these financial statements.



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	Notes	2022 Ushs	2021 Ushs
Cash flows from operating activities			
Surplus for the year	I&E	13,185,185	
Adjustments for non cash income and expens			
Non cash finance costs			
Depreciation of property, plant and equipment	11		
Changes in operating assets and liabilities			
Increase/decrease in trade and other recievabl	15	1,505,760	469,200
Increase/decrease in inventories			
Increase/decrease in trade payables		(1,240,000)	(341,402)
Tax paid			
Net cash from operating activities		13,450,945	127,798
Cash flows from investing activities			
Proceeds from sale of equipments			-
Purchases of Property, Plant & Equipment			
Net cash used in investing activities		-	
Cash flows from financing activities			
Borrowed funds			
Dividends paid			
Issue of share capital			
Net cash used in financing activities			
Net increase or decrease in cash and cash equivalents		13,450,945	127,798
Cash and cash equivalents at beginning of the year			-
Cash and cash equivalents at end of the year		13,450,945	127,798

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	Capital fund	Revaluation Reserve	Total
	Ushs	Ushs	Ushs
Capital fund as at 1 Jan 2021	614,400		614,400
Surplus for the year			
Other comprehensive income			
Balance as at 31 Dec 2021	614,400	-	614,400
Capital fund as at 1 Jan 2022	614,400	-	614,400
Surplus for the year	13,185,185		13,185,185
Other comprehensive income	-	-	-
Balance as at 31 Dec 2022	13,799,585	-	13,799,585

1. Company Information

Yadnet is a corporation duly organized and operating under the laws of the State of Uganda. The Corporation was approved and registered by the registrar of companies on 26th November 2020.

Therefore, assets and liabilities are classified as current and non-current based on a one year operating cycle.

2. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board and are consistent with the previous period. The financial statements have been prepared on the historical cost basis as described below and incorporate the principal policies set out below. These financial statements are presented in "Ugandan shillings(Ushs).

2.1 Income recognition;

Income is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of operations.

Rendering of services

Revenue is recognised with reference to the stage of completion provided that the amount of revenue and its related costs can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company.

Other

Royalty revenue is recognised based on the accrual principal and in accordance with the substance of the relevant agreements in terms of which the royalties are earned. Interest is recognised, in profit or loss, using the effective interest rate method.

2.2 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.3 Taxation

2.4 Property Plant and Equipment

Property plant and equipment are tangible items that:

- . Are held for use in the production or supply of goods and services, for rental to others or for administrative purposes; and
- . Are expected to be used during more than one period.

Items of property, plant and equipment are initially recognised at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When land and buildings are revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses

Any increase in the asset's carrying amount, as a result of revaluation, is recognised in the other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in the other comprehensive income to the extent that any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity

The revaluation reserve related to land and buildings is transferred directly to retained income when the asset is derecognised.

2.4 Property Plant and Equipment- *Continues*

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the reducing method. The following annual rates are used for the depreciation of property, plant equipment.

Motor vehicle	
Computers	15%
Fixtures and equipment	10%
Machinery	20%

If there is an indication that there has been a significant change in depreciation rates, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations

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Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Ugandan shillings using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

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3 Revenue	2022 "Ushs"	2021 "Ushs"
Plan(She-Leads)	264,555,970	218,000,000
Girl Up(Niyetu)	127,260,375	96,884,000
Margaret Pyke	16,192,277	-
	408,008,622	314,884,000

4 Income tax	2022 "Ushs"	2021 "Ushs"
Current tax		
Deffered tax		-
	-	-

Income tax is calculated at 30% of the estimated assessable surplus for the year.

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6 Administration and Finance	2022 ' Ushs"	2021 "Ushs"
NSSF	7,725,548	6,456,228
Tax expenses	258,000	-
Bank charges	1,897,599	1,320,933
Salary	39,738,412	36,546,156
Rent	17,900,000	11,400,000
Office consumables	6,256,990	5,760,000
Depreciation	5,760	
	73,782,309	61,483,317
7 Activity Implementation expenses	2022 ' Ushs"	2021 "Ushs"
Facilitation during field activities	186,275,268	112,214,300
Travel expenses	2,522,277	13,500,000
Meals and venue	85,577,940	79,211,383
Media engagements	11,377,643	15,000,000
Car hire	7,750,000	8,560,000
Perdiem & SDA	12,710,000	12,205,000
Printing	14,828,000	12,710,000
	321,041,128	253,400,683

8 Income tax- Continues	2022	2021
	Ushs	Ushs
Deficit/Suplus as per Income and expenditure	13,185,185	-
Profit or loss income chargeable	<u>13,185,185</u>	<u>-</u>
Brought forward losses of the previous year	<u>-</u>	<u>-</u>
Business income	<u>13,185,185</u>	<u>-</u>
Losses carried Forward	<u>-</u>	<u>-</u>
Income tax	<u><u>3,955,556</u></u>	
9 Other comprehensive income	2022	2021
	Ushs	Ushs
Revaluation of land buildings		-
Deffered tax origination from revaluation of land and buildings		-
Revaluation of land and buildings at the year end		<u>-</u>
10 Cash and cash equivalentents	2022	2021
	Ushs	Ushs
Cash on hand (Petty cash)	5,436,986	
Cash at Bank	8,136,236	127,798
	<u><u>13,573,222</u></u>	<u><u>127,798</u></u>