5.0 FINANCE & ADMINISTRATION

UGANDA CO-OPERATIVE ALLIANCE LIMITED

5.1 Report of the Directors Year Ended 30 June 2013

The directors present their report together with the audited financial statements for the year ended 30 June 2013, which discloses the state of affairs of the organization.

1. PRINCIPAL ACTIVITY

The organization's principal activity is to promote co-operatives in Uganda.

2. RESULTS

The results for the year are set out on page 59.

3. DIVIDENDS

The directors do not recommend the payment of a dividend.

4. DIRECTORS

The directors who served during the year and to the date of this report were:

Rev. Fr. George Angala	-	Chairman (Elected on 30 September 2012)
Mrs. Beatrice Katsigazi	-	Vice Chairperson (Elected on 30 September 2012)
Ms. Elizabeth Nsimadala	-	Treasurer
Mr. Netalisire Patrick Mutuma	-	Member (Elected on 30 September 2012)
Mr. Bogere Hakim	-	Member (Elected on 30 September 2012)

6. AUDITORS

The auditors, Messrs Price & King, have expressed their willingness to continue in office, in accordance with Section 22 (1) of the Ugandan Co-operative Societies Act.

By Order of the Board

Leonard Msemakweli
GENERAL SECRETARY - UCA

UGANDA CO-OPERATIVE ALLIANCE LIMITED

5.2 Statement of Directors' Responsibilities Year Ended 30 June 2013

The Ugandan Co-operative Societies Act, requires the directors to prepare financial statements for each financial year, which 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 organisation keeps proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the organisation. They are also responsible for safeguarding the assets of the organisation.

The directors are ultimately responsible for the internal controls. The directors delegate responsibility for the internal controls to management. Standards and systems of internal controls are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safe guard, verify and maintain accountability of the organisation's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied consistently using the going concern basis. These systems and controls include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The directors accept responsibility for the year's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ugandan Cooperative Societies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organisation and of its operating results. The directors further accepts the responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of these controls, resulting in material loss to the organization, has occurred during the year.

The directors have a reasonable expectation that the organization has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

The financial statements which appear on pages **58** to **61** were approved by the Board of Directors and signed on its behalf by:

Fr George		
....	....	....
Chairman	Treasurer	General Secretary
29th September 2013	*29th September 2013*	*29th September 2013*

Price & King

5.3 Independent Auditors' Report to the members of UGANDA CO-OPERATIVE ALLIANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Uganda Cooperative Alliance Limited as set out on pages **58** to **61** which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and a statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Ugandan Co-operative Societies Act. This responsibility includes: designing, implementing and maintaining internal controls 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.

Auditors' Responsibility

Our responsibility is to express an independent opinion on 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 organization as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ugandan Co-operative Societies Act.

Report on Other Legal and Regulatory requirements

As required by the Ugandan Co-operative Societies Act we report to you, based on our audit, that the business of the Uganda Co-operative Alliance Limited has been conducted:

i) Efficiently;
ii) In accordance with the Co-operative principles, and the auditing and accounting provisions of the Co-operative Societies Act; and
iii) In accordance with the Uganda Co-operative Alliance Limited objectives; and, byelaws, and other decisions made by the Annual General Meeting.

Price & King

Price & King
Certified Public Accountants
Kampala, Uganda

Date: **29th September 2013**

UGANDA CO-OPERATIVE ALLIANCE LIMITED

5.4 Statement of Financial Position
At 30 June 2013

	Note	2013 Ushs	2012 Ushs
ASSETS			
Non current assets			
Property, plant and equipment	2	4,974,190,320	5,088,393,359
Investment property - W.I.P	3	2,384,058,762	1,601,503,671
Investment property	4	1,177,074,796	1,420,307,796
Investment in shares	5	189,240,000	189,240,000
		8,724,563,878	8,299,444,826
Current assets			
Inventories	6	32,574,190	24,207,502
Trade and other accounts receivable	7	516,493,591	689,185,502
Amounts receivable from related parties	16(a)	73,547,971	73,547,971
Cash and bank	8	1,270,482,099	1,219,067,713
		1,893,097,851	2,006,008,688
TOTAL ASSETS		10,617,661,729	10,305,453,514
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	210,290,000	206,430,000
Statutory reserves	10	282,609,335	282,609,335
Capital reserves	11	821,078,950	821,078,950
Revaluation reserve	12	5,190,020,276	5,329,056,897
Retained earnings		2,453,454,476	2,407,806,328
		8,957,453,037	9,046,981,510
Non current liabilities			
Long term liabilities	13	53,963,976	53,373,076
Current liabilities			
Trade and other accounts payable	14	281,727,215	202,828,359
Deferred revenue grants	15	851,840,243	529,593,311
Amounts payable to related parties	16(b)	472,677,258	472,677,258
		1,606,244,716	1,205,098,928
TOTAL EQUITY AND LIABILITIES		10,617,661,729	10,305,453,514

These financial statements on pages 58 to 61 were approved by the board of directors on **29th September 2013** and were signed on its behalf by

Fr George   Kmed G.

Chairman   Treasurer   General Secretary

UGANDA CO-OPERATIVE ALLIANCE LIMITED

5.5 Statement of Comprehensive Income
Year Ended 30 June 2013

INCOME	Note	2013 Ushs	2012 Ushs
Member subscriptions		5,825,000	5,810,000
Rental income		382,476,540	377,295,420
Other income	17	483,694,556	541,473,678
		871,996,096	924,579,098
EXPENDITURE			
Staff expenses	18	(346,719,732)	(368,785,924)
Vehicle and travel expenses	19	(74,477,761)	(51,558,579)
Other operating expenses	20	(537,629,659)	(593,764,892)
		(958,827,152)	(1,014,109,395)
OPERATING DEFICIT BEFORE FINANCE COSTS		(86,831,056)	(89,530,297)
Finance cost	21	(6,557,417)	(8,100,611)
OPERATING DEFICIT BEFORE TAXATION	22	(93,388,473)	(97,630,908)
TAXATION	23	-	-
DEFICIT FOR THE YEAR		(93,388,473)	(97,630,908)
OTHER COMPREHENSIVE INCOME	24	-	-
TOTAL COMPREHENSIVE (LOSS)		(93,388,473)	(97,630,908)

UGANDA CO-OPERATIVE ALLIANCE LIMITED

5.6 Statement of Cash Flows
Year Ended 30 June 2013

	Note	2013 Ushs	2012 Ushs
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit for the year		(93,388,473)	(97,630,908)
Adjustments for;			
Gain on disposal of fixed asset		(3,000,000)	(324,344,700)
Depreciation	2	139,036,621	132,981,350
Operating surplus/(deficit) before working capital changes		42,648,148	(288,994,258)
CASH FLOWS FROM WORKING CAPITAL CHANGES			
(Increase)/decrease in inventories		(8,366,687)	1,486,743
Decrease / (increase) in trade and other receivables		172,691,911	(238,198,144)
Increase/(decrease) in other accounts payable		68,898,855	(145,428,016)
(Increase) / decrease in amounts receivable from related co.		-	(32,248,554)
(Decrease) / increase in amounts payable to related companies		-	(516,196)
Increase/ (decrease) in other long term liabilities		590,900	(590,900)
Cash inflow /(outflow) from operating activities		276,463,127	(704,489,325)
Net cash inflow /(outflow) from operating activities		276,463,127	(704,489,325)
CASH FLOWS FROM INVESTING ACTIVITIES			
Naguru housing project	3	(782,555,091)	(1,601,503,671)
Purchase of fixed assets	2	(24,833,582)	(3,900,000)
Proceeds from sale of fixed assets		3,000,000	324,344,700
Purchase of investment property	4	(25,767,000)	(78,589,872)
Proceeds of Investment property		269,000,000	-
Net cash (outflow) inflow from investing activities		(561,155,673)	(1,359,648,843)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	3,860,000	1,550,000
Increase/(decrease) in deferred revenue grants	15	332,246,932	(2,753,380)
Net cash inflow /(outflow) from financing activities		336,106,932	(1,203,380)
Net increase /(decrease) in cash and cash equivalents		51,414,386	(2,065,341,548)
Cash and cash equivalents at 01 July	25	1,219,067,713	3,284,409,261
Cash and cash equivalents as at 30 June 2013	25	1,270,482,099	1,219,067,713

UGANDA CO-OPERATIVE ALLIANCE LIMITED

Donor Support
Year Ended 30 June 2013

	2013 Ushs	2012 Ushs
GRANT REVENUE	5,134,128,672	5,106,561,696
EXPENSES		
SCC/MFSP/HOUSING	239,441,670	317,225,435
SCC/EFTAF/MCB	1,253,584,773	1,557,756,154
FREDSKORPSET	117,049,988	65,047,251
EFTIMS/KILIMO	-	43,299,620
CCA/ IFAPI III	828,148,842	303,324,885
NORGES/VEL/EFTAF/MCB	788,041,209	1,472,998,669
AGRITERA	-	35,895,770
COOPAID	-	27,612,000
MUCOBS	114,789,625	395,084,374
AGRI-BUSINESS TRUST	211,879,200	29,055,350
VECO	278,341,400	292,935,327
GIZ	46,003,034	3,947,000
IFAD/GoU/RFSP	228,363,497	32,786,550
SCC – Vi	117,316,442	-
TRIAS	37,494,250	-
EAFF	21,834,499	-
	4,282,288,429	4,576,968,385
DEFERED REVENUE GRANTS (Note 15)	851,840,243	529,593,311