

ETERNAL LIFE ORGANIZATION INTERNATIONAL MINISTRIES

(ELOI MINISTRIES)



AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Eternal Life Organisation International Ministries (ELOI Ministries)
Audited financial statements
For the year ended 31 December 2021

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ORGANISATION INFORMATION

BOARD OF DIRECTORS

Apollo Kitaali	Chairperson
Steven Tendo	Member
Maria Miir Kafuko	Member
Lucy Mulugo Were	Member
Najjuma Prossy Geraldine	Member

REGISTERED OFFICE:

Plot 644, Nsereko Gregory Road,
P.O Box 32080 Clock Tower,
Kiwatule -Ntinda Kampala (U)

AUDITORS:

Evlo & Company Certified Public Accountants
Plot No. 2522 Bombo Road
P. O. Box 26689 Kampala
Uganda

BANKERS:

ABSA Bank Limited

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Director's report

The directors present their report together with the audited financial statements of the organisation for the year ended 31 December 2021.

Review of activities

Main business and operations

The organisation is passionately committed to the process of holistic transformation and improving access to health care, Education, Justice and rehabilitation for communities for Africa. We aim to restore the dignity and hope of those we serve by helping to provide humane conditions and services which help them to regain their dignity. We build and refurbish village medical and educational facilities to provide innovative services and work to change the attitudes of the societies we serve.

Results

The results for the year are set out in the statement of incomes and expenditure are as follows;

	2021 Ushs	2020 Ushs
Net surplus/(deficit for the year:	<u>(187,266,499)</u>	<u>(158,621,197)</u>

Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

Directors

The present membership of the board of directors is set out on page 1.

Auditors

The organisation's auditors', Evlo & Company Certified Public Accountants, have expressed their willingness to continue in office in accordance with the provisions of Section 167(2) of the Companies' Act (No.1) 2012 .

BY THE ORDER OF THE BOARD

SECRETARY

Date:..... 2023

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual report and financial statements and related financial information included in the report. It is their responsibility to ensure that the annual report and the financial statements fairly present the state of affairs of the organisation at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards for Small and Medium - sized Entities. The external auditors are engaged to express an independent opinion on the annual report and financial statements.

The annual report and the financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standard 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 through out the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing, and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within the predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by the 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 any material misstatement or loss.

The directors have reviewed the organisation's cash flow forecast for the year ended on December 31, 2021 and in light of this review and the current financial position, they are satisfied that the organisation has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the organisation's annual report and financial statements. The annual report and financial statements have been examined by the organisation's external auditors and their report is presented on pages 4 to 6.

The financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the board on _____ and were signed on its behalf by;

COUNTRY DIRECTOR



EVLO & COMPANY

Certified Public Accountants

Plot No. 2522 Bombo Road, Katongole Complex, Opp. Kawempe Police Post.
P. O. Box 26689 Kampala Uganda Tel: +256-755-411364 +256-776-411364 Email:
evlo.consult@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ETERNAL LIFE ORGANIZATION INTERNATIONAL MINISTRIES (ELOI MINISTRIES)

Audit Opinion

We have audited the accompanying financial statements of Eternal Life Organisation International Ministries (ELOI Ministries); which comprise the statement of financial position as at 31 December 2021, the statement of income and expenditure, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 16.

In our opinion, the financial statements give a true and fair view of the state of financial affairs of the Organisation as at 31 December 2022 and its performance and cash flows for the year then ended and are in accordance with International Financial Reporting Standards and the Ugandan Companies Act (No.1) 2012.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation 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.

Responsibility of management and those charged with governance 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 in the manner required by the Companies Act (No.1) 2012 and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is responsible for assessing the Organisation'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 management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditor's Responsibility for the audit of 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Victor Aiden Ssebudde CPA (U), ESAMI EXECUTIVE M.B.A*
Nono Walter Yorac CPA (U), ACCA (UK), MSC Acc & Finance (MUBS)*

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 skepticism throughout the audit. We also;

1.1 Identify and assess the risks of material misstatement of 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.

1.2 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 Organisation's internal control.

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

1.4 Conclude on the appropriateness of management'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 Organisation to cease to continue as a going concern.

1.5 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other information

Management is responsible for other information. The other information comprises of the report from the directors and from management, but does not include the financial statements and our independent auditor's report. Our opinion on the financial statements does not cover 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 audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

As required by the Ugandan Companies Act 2012, 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 organisation, in as so far as appears from our examination of those books; and
- (iii) The Organisation's statement of financial position and statement of income and expenditure are in agreement with the books of account.

Evlo & Co.

Evlo & Company
Certified Public Accountants
Kampala, Uganda



.....2023

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STATEMENT OF INCOME AND EXPENDITURE

	Note	2021 Ushs	2020 Ushs
Revenue			
Income	2	217,760,185	209,760,185
Total revenue		<u>217,760,185</u>	<u>209,760,185</u>
Expenditure			
Operating expenses	3	(405,026,684)	(368,381,382)
		<u>(405,026,684)</u>	<u>(368,381,382)</u>
Surplus/(Deficit) for the year		<u>(187,266,499)</u>	<u>(158,621,197)</u>

The notes on pages 13 to 15 form an integral part of these financial statements.

The financial statements were approved by the board on2023 and were signed on its behalf by:

 COUNTRY DIRECTOR

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STATEMENT OF FINANCIAL POSITION

<u>Assets</u>	Notes	2021 Ushs	2020 Ushs
Non-current assets			
Property plant and equipment		200,251,242	213,574,379
		<u>200,251,242</u>	<u>213,574,379</u>
Current Assets			
Cash and cash equivalents	5	9,859,473	16,523,688
		<u>9,859,473</u>	<u>16,523,688</u>
Total Assets		<u><u>210,110,715</u></u>	<u><u>230,098,067</u></u>
<u>Equity and liabilities</u>			
Accumulated funds			
Accumulated surplus/(deficit)		41,831,568	229,098,067
		<u>41,831,568</u>	<u>229,098,067</u>
Liabilities			
Borrowings	7	209,110,715	-
		<u>209,110,715</u>	<u>-</u>
Current Liabilities			
Accounts payables	6	1,000,000	1,000,000
		<u>1,000,000</u>	<u>1,000,000</u>
Total equity and liabilities		<u><u>210,110,715</u></u>	<u><u>230,098,067</u></u>

The notes on pages 13 to 15 form an integral part of these financial statements.

The financial statements were approved by the board on2023 and were signed on its behalf by:

 COUNTRY DIRECTOR

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STATEMENT OF ACCUMULATED FUNDS

	Accumulated funds	Total
	Ushs	Ushs
As at 1 January 2020	387,719,264	387,719,264
Changes in accumulated funds	(158,621,197)	(158,621,197)
Balance at 31 December, 2020	229,098,067	229,098,067
As at 1 January 2021	229,098,067	229,098,067
Changes in accumulated funds	(187,266,499)	(187,266,499)
Balance at 31 December, 2021	41,831,568	41,831,568

'The notes on pages 13 to 15 form an integral part of these financial statements.

Eternal Life Organisation International Ministries (ELOI Ministries)
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STATEMENT OF FUNDS BALANCE RECONCILIATION

	Notes	2021 Ushs
Opening funds as at 1st January 2021		
Add: Total Income for the year	2	217,760,185
Add: Accounts payable		1,000,000
Less: Total expenditures for the year		(405,026,684)
Closing cash book balance as at 31 December 2021		<u>(186,266,499)</u>
Total actual cash balance as at 31 December 2021	5	<u>9,859,473</u>

Significant accounting policies

1.0 Presentation of annual report and Financial Statements

The annual report and financial statements have been prepared in accordance with Financial Reporting Standards for Small and Medium-sized Entities. The Financial Statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Uganda Shillings, rounded to the nearest thousand.

These accounting policies are consistent with prior periods.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual report and financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual report and financial statements and related disclosures. Use of available information and application of judgement is inherent in the formation of estimates. Actual results in future could differ from these estimates which may be material to the annual report and financial statements. Significant judgements include:

Property, Plant and Equipment

Critical estimates are made by directors in determining depreciation rates for property, plant and equipment.

1.2 Property, Plant and Equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on reducing balance at rates estimated to write off the assets over their expected useful life of property, plant and equipment, which is as follows:

Name of the asset	Average useful life (% of depreciation)
Furniture & Fittings	12.5%
Computers and Accessories	20.0%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditures in the year.

1.3 Tax

Current tax assets and liabilities

Nantale Lifeline Childrens' Home Limited is registered as a non-profitable organisation established as a child focused community based livelihood improvement organization with a strategic focus to care for disadvantaged children and fostering family re-union. The organisation is therefore exempt from income tax, under the Uganda Income Tax Act.

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Significant accounting policies

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases-leasee

Operating lease payments are recognised as an expense on a straight-line basis over the lease period. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.5 Revenue

Donations and grants are recognised as and when are received and payments when made or on contracted commitments. Restricted funds may only be used as specified by the donor. Such funds may not be transferred out, or spent on other purposes without the donor's permission, whereas unrestricted funds may be used with in the overall organisation's objectives, at the discretion of the management.

Donations in kind are valued at the lower of advised invoice value or management valuation and incorporated in the financial statements as income and expensed through the income and expenditure.

All other incomes has been accounted for on accrual basis.

1.6 Translation of foreign currencies

Foreign currency translation

Foreign currency transactions are translated into the functional currency (Uganda Shillings) using the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the year end changes of monetary assets and liabilities dominated in foreign currency are recognised in the income and expenditure account.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.8 Accounts payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

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NOTES TO THE FINANCIAL STATEMENTS

11 Property, plant and equipment

Cost	Motor vehicle	Furniture &	Office	Total
	Land	Fittings	equipment	
	0.0%	10.0%	12.5%	
	Ushs	Ushs	Ushs	Ushs
Balance as at 1st January 2021	86,800,000	120,604,200	32,535,000	239,939,200
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2021	86,800,000	120,604,200	32,535,000	239,939,200
Depreciation				
Balance as at 1st January 2021	-	19,657,803	6,707,018	26,364,821
Depreciation charge for the year 2021	-	10,094,640	3,228,498	13,323,137
Depreciation elimination on disposal 2021	-	-	-	-
At 31 December 2021	-	29,752,443	9,935,516	39,687,958
NBV as at 31 December 2021	86,800,000	90,851,757	22,599,484	200,251,242
NBV as at 31 December 2020	86,800,000	100,946,397	25,827,982	213,574,379

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Notes to the financial statements

	2021 Ushs	2020 Ushs
4 Surplus/(deficit)		
Surplus/(Deficit) for the year is stated after accounting for the following non cash items:		
Surplus/(deficit)	(187,266,499)	(158,621,197)
Depreciation on property, plant and equipment	-	-
Auditor's remuneration (provision)	1,000,000	1,000,000
	<u>(186,266,499)</u>	<u>(157,621,197)</u>
5 Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash at hand	9,859,473	16,523,688
	<u>9,859,473</u>	<u>16,523,688</u>
6 Trade and other Payables		
Audit fees payable	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
7 Borrowings		
Bank loan	209,110,715	-
	<u>209,110,715</u>	<u>-</u>

8 Comparative figures

Where necessary, comparative figures have been adjusted to confirm to changes in presentation in the current year.

9 Contingencies

In the opinion of the directors, the scheme did not have any contingent liabilities as at 31 December, 2021.

10 Financial reporting period

The financial reporting period is twelve months to 31 December, 2021.

Eternal Life Organisation International Ministries (ELOI Ministries)

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Notes to the financial statements

	2021	2020
	Ushs	Ushs
2 Incomes		
Donations/Grants	184,032,000	134,032,000
Membership contribution	6,410,000	8,410,000
Other incomes	27,318,185	67,318,185
	<u>217,760,185</u>	<u>209,760,185</u>
3 Operating expenses		
Water Bills	5,530,954	5,530,954
Fuel	56,793,630	16,793,630
Motor Expenses	14,858,400	14,858,400
Office Rent	36,000,000	36,000,000
Office Supplies	13,088,000	13,088,000
Postage and Delivery	1,522,000	1,522,000
Printing and production	17,028,230	17,028,230
Telephone	9,328,268	9,328,268
Repairs	4,500,000	4,500,000
Electricity	6,357,100	6,357,100
Computer Expenses	13,220,000	13,220,000
Welfare (School fees inclusive)	145,894,302	179,249,000
Staff allowances (transport refund)	21,550,000	11,550,000
Loan repayment	22,950,000	22,950,000
Bank charges	210,000	210,000
Other expenses	36,195,800	16,195,800
	<u>405,026,684</u>	<u>368,381,382</u>