

UCF DIRECTORS' REPORT TO THE TRUSTEES
PROJECT HIGHLIGHTS
FOR 2021

About UCF

Uganda Conservation Foundation (UCF) is a UK charity (Reg. No. 1087295) and Uganda non-profit which aims to safeguard Uganda's natural heritage by implementing practical conservation and community interventions, influencing policy-makers and engaging the public. We currently have projects in Queen Elizabeth (QEPA), Murchison Falls (MFPA), Kibale Forest and Kidepo Valley National Parks.

We work closely with Uganda Wildlife Authority (UWA), their partners and local communities to achieve our goals in the protection of Uganda's wildlife, the development of park-adjacent communities, and the enforcement of the criminal justice system in tackling wildlife crime.

UCF is primarily funded by grants and donations from UK and US donors, and unrestricted funding from local and international fundraising campaigns.

UCF's Ugandan entity, UCU, employs a small team of sixteen employees and is governed by a Board of Directors (Ugandan-based) and Board of Trustees (UK-based.) UCF celebrated its 20th anniversary in September 2021.

UCF runs seven projects:

1. Recovery of Murchison Falls Protected Area Programme (MFPA)
2. Recovery of Queen Elizabeth Protected Area Programme (QEPA)
3. Carnivore & Scavenger Programme
4. UWA Capacity Development Programme
5. Technology in Conservation
6. Kidepo Valley National Park Conservation Development Programme
7. Community Led Conservancy Development & Management – Kidepo / Karamoja

1. THE RECOVERY OF MURCHISON FALLS NATIONAL PARK

The support to the UWA to restore and recover Murchison Falls National Park has increased in 2021, with UCF providing both capital and operational support, which have served to increase UWA's capacity and reach across the park. In relation to capital support, UCF facilitated the construction of the following buildings;

- Construction of Atil Camp Ranger Post, Chobe Sector - 8 man ranger post with 20,000 litre water catchment, and ablution block.
- Construction of Buligi Marine Ranger Post, Delta Sector - 6 man ranger post with 10,000 litre water catchment and ablution block.
- Completion of the Law Enforcement & Operations Centre: Solar power & stores centre.

UCF also provided the following vehicles and equipment to support the UWA in their day to day operations;

- Donation of a new Land Cruiser single cabin to MFPA, modified for field conditions, to support law enforcement operations in the park. Funding for this vehicle was received from Global Conservation and International Elephant Foundation. The vehicle, also doubling as a Quick Reaction Force vehicle, has been extremely busy supporting anti-poaching operations across the whole park. It is dedicated to supporting all stages across the prosecution lifecycle. From coordinating ambushes, delivering apprehended suspects to the law enforcement centre for further processing, and ultimately to delivering these suspects to court for convictions. It ensures the integrity of all prosecution and law enforcement activities. This part of UWA's law enforcement is now much more professional as a result.

- Donation of motorbikes to community conservation ranger posts along the northern boundary of MFPA for human – elephant conflict.
- Established hotline and mobile phone system coordinating phones across the park.
- Continued development and roll out of EarthRanger software, which plots and tracks collared animals across the park and is UWA's choice of specialist software to manage and monitor the park.
- Desktop computers provided for the Intelligence and Operations room
- Upgrade of software for existing laptops in the Operations & Wardens office
- Construction of jetty and quays in Paraa
- Fibre connectivity installed between the Law Enforcement & Operations Centre, HQ Administration and Veterinary Centre
- Establishment of Sengenge, Pakuba, Punu Rii, Ayago 3 and JOCC towers, equipment housing unit, solar power and fencing.
- Provision of 100 phones for park management
- Provision of equipment, including rucksacks from Marauder Tactical Ltd

In addition to buildings, equipment and technological support, UCF has provided the following operational support to the Law enforcement operations in the park during 2021;

- Refitted fibreglass onto one patrol boat and one UWA tourism boat
- Distributed monthly ranger food through COVID to every ranger post
- Provision of fuel for frontline vehicles
- Provision of COVID sanitizer and health PPE equipment to MFPA
- Provision of internet, phone network (closed user group) and hotline across the protected area.
- Installation of CORTEX / Semantic AI intelligence software
- Provision of new tyres for the Veterinary Response Unit vehicle, and vet drugs.
- Provided ongoing support to trained UCF and UWA staff on the use of EarthRanger, Radios, Phones
- Repair of Semanya Ranger Post – from bat damage.

Wildlife Ranger Challenge 2021

UCF coordinated the third Wildlife Ranger Challenge in MFPA, in September 2021. The WRC is an international fundraising campaign spearheaded by Tusk Trust to raise funds for frontline rangers during the COVID pandemic, following the collapse of tourism.

UCF coordinated all the fundraising and marketing on behalf of MFPA, QEPA, KVPA, Ziwa Rhino Sanctuary and various fun teams. The funds raised by this campaign helped

UCF continue to support UWA operations throughout the COVID period, as well keeping the community scouts programme running.

The event was attended by UWA Rangers, UCF staff, Directors and Trustees, British High Commission representatives, and celebrities, with kind support from Paraa Lodge. The event was won by Queen Elizabeth National Park.

Community Development:

Pacer Tree Nursery Project

Initially established in 2019, with funding from Dulverton Trust through David Shepherd Wildlife Foundation, the tree nursery programme at Pacer Community College, continues to grow tremendously. With only four full-time employees, the nursery has expanded to be able to provide more than 100,000 tree seedlings per season (there are two planting seasons in a year). Many local community members have benefited from tree planting and maintenance training ensuring that tree survival is high. During the year, UCF established a partnership with the Trees That Feed Foundation to support elements of the planting programme.

By year end, over sixty youth from both Pakwach and Nwoya, and at least fifty community groups have received training on agroforestry and tree management. All the tree seedlings are provided for free to the interested community members and youth groups.

The nursery has uplifted the status of the community college and is now a demonstration site for agroforestry, proving to many that trees can grow well in the region.

Youth Development Programme

UCF continued with the David Shepherd Wildlife Foundation and Dulverton Trust programme to support 100 youth in local households either impacted by elephant crop raiding or known to be supporting poaching. The programme has put youth through vocational courses, apprenticeships and has many of the 100 in full time employment.

During the pandemic the employment they had kept many very vulnerable community families safe and away from illegal activities. The flooding of the River Nile over farmlands, and the impacts of COVID caused considerable livelihood, health and social strains.

During this time twenty youth continued to undertake daily snare removal across the Delta Sector removing over 20,000 snares. Construction teams supported works within

the park, Entebbe and in Jinja. In addition, fencing teams helped with the radio tower fences, and a further group supported the repair of a bridge in southern MFPA and the creation of a 15km road to Sengenge Ranger Post and radio tower.

Living with Wildlife project

Formally titled, *Wildlife protection and sustainable livelihoods for communities neighbouring Murchison Falls Protected Area, Northern Uganda*, this three-year project aims to improve food security, increase livelihood opportunities and improve the relationship between UWA park management and the communities surrounding the park, in order to reduce illegal wildlife activity in the NW corner of Murchison Falls National Park.

UCF co-implements this project with Send a Cow Uganda (now Ripple Effect) and is overseen by Tusk Trust and Ripple Effect UK.

Through the course of the year, UCF managed to implement PACE (Pan African Conservation Education) to over 4,000 individuals (both community groups and school-going children in both Nwoya and Pakwach district).

The park / community outreach work included bringing over 150 community members into the park. Some were community elders and leaders, others teachers and students. These visits have proved most beneficial to building relationships, friendships, understanding and trust.

The work has opened lines of dialogue between park management and communities which were previously non-existent, or at best not well managed. Because of this the instances of positive interactions between both primary stakeholders (park and communities) have increased and UWA's efforts at community engagement are being recognised by both community groups and local leadership and the sub-county and district level.

In quarter three, the LWW programme also provided an additional vocational course for 20 youth from both Nwoya and Pakwach Districts, on top of also establishing a demonstration site at Pacer College. All students benefit from nursery training at the college, with free trees provided to plant at their homes.

2. THE RECOVERY OF QUEEN ELIZABETH PROTECTED AREA

CITES MIKES Phase Two

UCF received funding from CITES MIKES via the European Union to support Phase 2 of the Recovery of Queen Elizabeth National Park programme.

This four-year project, beginning in 2020, aims to support UWA to develop their human and equipment capacity to strengthen law enforcement capacity and cross-border collaboration in combating wildlife crime. The programme also supports transboundary cooperation between Virunga National Park and QENP, which are MIKE focal sites. Major achievements in the programme in 2021 include;

- Construction of the Joint Operations Command Centre at Katunguru in July 2021 (completed in Q1 2022). The facility was partly funded by the African Elephant Fund, also EU funded. The facility, identical to the MFPA JOCC, will coordinate all the park's essential communications, information flow and operations including law enforcement and community conservation.

The facility provides security measures that limit access by non-law enforcement staff, which has been a major security risk, as the old law enforcement office at the park Headquarter administration block, is shared by other departments and passersby.

- Roll out of EarthRanger and other specialist technologies, which helps UWA to monitor and manage the park and combat the rising challenges of illegal wildlife trade and crime.
- Modification and delivery of two new Land Cruisers to UWA to be Quick Reaction Force vehicles; one based at HQ Katunguru, the other in southern QEPA.
- Provision of patrol boat and engine.
- Employment of Wildlife Crime Intelligence Support Officer (Ruth Apusan), who will form part of the QEPA operations team and will be responsible for building the intelligence handling capability of the QEPA Control Room. She has previous experience handling intelligence and crime scene investigation. She has previously trained with Dr. Andrew Lemieux under the WILDLEO programme.
- Construction of the four-man Kalinzu Ranger Post in December 2021. This ranger post secures the Kalinzu digital radio tower and supports both UWA and National Forestry Authority (NFA) operations in the area. Prior to its construction, neither UWA nor NFA had a permanent presence in the Kalinzu area. With this ranger post, they can now carry out joint operations to prevent illegal wildlife activity, illegal logging in the forest and encroachment.

- Provision of patrol and overnighting equipment worth USD 20,000 to 50 QEPA rangers on the frontline of conservation in QEPA. This included tents, rucksacks, gumboots, ponchos, water canteens and sanitizer / PPE equipment.

Ranger Support

Thanks to the Ranger Fund and Project Ranger, UCF was able to plug the operational funding gap caused by COVID and the lack of tourism revenues, on which UWA relies for nearly all funds.

- Provision of monthly patrol rations, field equipment and gear, fuel for patrols, all helping UWA continue its law enforcement operations which had become unsustainable in the wake of COVID19.
- Provision of 100 phones and a pre-paid closed user group integrated into EarthRanger Operations Room.

With finances steadily shrinking, UWA was forced to refocus law enforcement support to the main tourism areas and thereby neglecting the harder to reach areas: leaving them vulnerable to illegal wildlife activity. During the course of the year, UCF provided much needed emergency support to the parks, thus weathering the storm of COVID19 until such a time when tourism could be counted on to replenish much needed support for operational budgets.

- Repaired and refitted fibreglass to two patrol boats, and overhauled a frontline Land Cruiser.
- Kasenye Marine Ranger Station: Initial construction of a marine ranger station in Kasenye, providing UWA capacity to protect and conserve biodiversity, landscapes and communities along the Kazinga Channel towards Lake George.
- Repair of the Lions Bay Ranger Post roofing from bat damage

3. CARNIVORE AND SCAVENGER PROGRAMME

Conservation of lions and vultures has become an important next step for UCF and UWA across all of the core savannah parks. The lack of tangible conservation management of lions over the previous decades has driven numbers to be vulnerable. The UWA / UCF strategy plan entered its third year, and was of course impacted by COVID. However, all deliverables were completed.

Lion & Prey Protection

Core to the strategy plan has been protecting prey and lions across the whole of the protected areas, expanding historical academic research on 'conservation' from the small high intensity tourism areas, into the 95% of the rest of the park. The UCF aerial surveys of QE and MFs in 2018 and 2019 respectively, show the positive impact of this element of the plan with increasing prey numbers and distribution.

The Recovery of QE, MFs programmes, and now the Kidepo Valley and Karamoja programmes provide for this element of the strategy, protecting core landscapes and known lion populations with a permanent protection and presence.

UWA manpower throughout the period has remained very low. UCF identified various roles to support UWA to optimize the number of trained rangers and resources to be available to support field operations. These resources have targeted the protection of known lion distribution and likely expansion areas.

- Provision of dedicated teams, vehicles and operational support to UWA in QE & MFs.
- 20 UCF / UWA scouts with operational support to remove snares across the Delta region of MFs. The scouts were and are stationed in the Delta on a permanent basis and have removed over 2,000 snares every month, dramatically reducing the numbers of animals trapped and the demand on veterinary responses, which are also a considerable burden on limited finances and resources.
- Dedicated teams focused on target areas, including Ankole & Kyambura Sectors in QE, and Kiba, Tangi and Chobe Sectors in MFs.

Lions are satellite collared in non-tourism zones where little to no information is known about their use of the landscape and how to better target resources to conserve them. They are monitored by UWA and UCF through EarthRanger.

It is now UWA policy that all collared wildlife, including lions, must be registered on the UWA operational management system EarthRanger. Here they can be monitored 24/7 and preventative and response management deployed as necessary. As an example, on New Year's day two male lions went beyond the park boundaries, and were seen by the UCF team monitoring EarthRanger. A team was deployed to the coffee plantation and the two were pushed back into the park. UWA and the communities were otherwise unaware of their presence. Now a system is in place, conflict has been reduced, and with it the prevention of lion and community losses.

During the year the team worked with Richard Ssemenda running a trial fishing village lion awareness and response programme. UCF provided training to community scouts

from the village, and continues to link the community based system into the core operations room to ensure UWA is better able to respond and support community conservation.

UWA is the ONLY organisation mandated to conserve and manage wildlife, including lions, in the protected areas. It is UCF's role to help UWA have the capacity and systems to do so.

IUCN SOS grant

UCF secured funding from IUCN Save Our Species Programme, for a project titled, 'Emergency response to an upsurge in lion poaching due to COVID-19 in two critical hotspots in Uganda.' This one-year programme was co-funded by European Union International Partnerships.

The grant supported work in targeted areas away from tourism zones, specifically focusing on the sectors where lions will expand their ranges into.

The small grant supported a variety of actions, including helping to employ two UCF staff (Jimmy Kisembo and Robert Ntegeka who are ex-UWA rangers), the training and employment of community-scouts in MFPA, wildlife poison management courses and satellite collaring of lions in non-tourism zones.

Poison Management

Sadly, six lions were poisoned in Ishasha, southern QEPA in March 2021. The threat from carbofuran poison has always been present, however, UWA has not been trained and prepared to manage an incident for their own safety and to stop the devastation that it causes.

In response to this UCF arranged for Andre Botha to come to Uganda to deliver courses across QE, MFs and Kidepo about identifying poison scenes, safely managing and collecting key evidence from the scene, managing the incident to clear the poison from the area, and stop further spread of the incident. 30 staff from across various functional areas of UWA were trained in each park, with continuation plans in place for 2022.

Habitat restoration

With support from the Tusk Trust and the Lion Recovery Fund (LRF), UCF managed to restore sixteen waterholes in the Kamulikwezi, Kasenyi and Kabatoro Sectors of QEPA.

In partnership with the UWA QEPA Engineering department, the waterholes were identified as important to restore. They were dredged, invasive species removed where

necessary, and the surrounding habitat cleared to improve accessibility for both wildlife and in some cases, tourism.

With the restoration of these waterholes, wildlife, including prey species and predators will spend longer in more safe areas away from high poaching or human wildlife conflict regions, where UWA can more easily protect them.

In the Royal Circuit a large waterhole was restored to encourage the impacts of mega herbivore on the habitat to help push back scrubland and encourage prey and lion back into the area. Within weeks, 12 hippos were resident, with elephants also present in the area. With limited funding, the strategy has been to catalyse the positive impact that can be derived from the grazing pressure and impact of mega-herbivores on the thick bushland in the area, gradually restoring grasslands and re-opening up the habitat.

Invasive Species

UCF has undertaken trials to help remove *Dichrostachys cinerea*, a thorny tree that has aggressively expanded across considerable areas of QEPA. Trials have clearly shown a successful way to kill the tree, and the focus is now on how to expand the method to larger areas.

Trial areas have focused on areas in the Kabatoro Sector around waterholes and in areas to stop further expansion of the tree into grassland areas where prey species should be holding.

Vulture conservation

Across Africa, numbers of vultures have collapsed and most are now categorized as critically endangered. Uganda has yet to act on taking action to protect vultures and their critical ecological roles in the protected areas.

Species endemic to Ugandan protected areas, such as the hooded vulture (*Necrosyrtes Monochus*), Ruppell's vulture (*Gyps Rueppelli*), white headed vulture (*Trigonoceps occipitalis*), white backed vulture (*Gyps Africanus*) and lapped-faced vulture (*Torgos Tracheliotos*) are either endangered or critically endangered. Threats are not clearly understood. Consequently, UCF and UWA sought to better understand their needs, and manage known threats.

- Poisoning of lions and vultures has increased during the course of the COVID pandemic and three identified incidents of poisonings included the trade of vultures. Each of these resulted in the arrest of the poachers.
- Poison management courses were provided by leading poison management expert and IUCN Vulture Specialist Group Co-Chair, Andre Botha, including continuation curriculum.

- Four vultures were captured and fitted with satellite tracking devices - two in QE and two in MFs. The collars are all registered on EarthRanger in their respective protected areas, enabling 24/7 real time observations and long term analysis, identified nesting sites, movements and distributions, and carcasses.
- With support from the Endangered Wildlife Trust a system has been developed to ensure that likely poisoning events with satellite collared vultures trigger an alert in the EarthRanger system, prompting immediate management review and a potential response.

4. UWA CAPACITY DEVELOPMENT PROGRAMME

Junior Leadership Training

When rangers are recruited by UWA, they start with six months of basic training, led by the UWA and the Ugandan military (UPDF). As they get promoted to NCOs, the cohort requires Junior Leadership training.

UCF, with training teams from the UK and US military has provided both the standard course and the on-going training opportunities. Thus far over 800 rangers have been trained across the whole of UWAs estate, including a further 30 in 2021 by the 4th Btn. The Rifles.

The COVID pandemic severely disrupted all training programmes. In 2021 Arma dei Carabinieri joined the training efforts.

Junior leadership covers leadership and teamwork, briefing / de-briefing, medical, patrol strategy and techniques, navigation and field skills, law and human rights.

Marine Ranger Training

No training was carried out in 2021 due to the pandemic.

Wildlife Poison Management

Sixty UWA staff, UCF and other NGOs were trained by Andre Botha across QE, MFs and Kidepo – initiating an on-going and structured training programme.

EarthRanger & Smart Phone training

Operations Room teams were trained in Murchison Falls at the Law Enforcement & Operations Centre by UCF and external consultants.

Ranger Training College, Murchison Falls

Following planning by past British and US Defense Attaches with Michael Keigwin and UCF funding support, the US Government has signed off and funded the construction of the Ranger Training College in Murchison Falls. The procurement process was completed by the US State and the college is now being constructed.

5. TECHNOLOGY IN CONSERVATION

UCF has rapidly developed a leading design and technology implementing capability, both within UCF's own team, and through partnerships.

Across the savannah parks of Uganda in QE, MFs and Kidepo UCF has established Joint Operations Command Centres coordinating communications from digital radios, phones and hotlines, as well as satellite collars and cameras into the operations room to EarthRanger, where thousands of daily signals are easily interpreted on screens – easing immediate interpretation and decision making.

Each element needs considerable design, integration, training and mentoring, operational support, as well as constant power solutions from the radio towers and JOCC, to the sector command posts and beyond. The change management is considerable and UWA Operations has embraced the new system aligning departments and information management for their use and control.

UCF has also been heavily involved supporting Machine Learning to support the development of drone and other capabilities for the future.

6. KIDEPO VALLEY NATIONAL PARK

Joint Operations Command Centre at Geremech

UCF secured partial funding from Global Conservation to construct a JOCC at the park headquarters in Geremech. Funding was secured in quarter four of the year. This JOCC will be the first of its kind in Uganda, different from both MFPA and QEPA JOCCs which UCF has constructed. The Kidepo JOCC will also house offices for NFA and for the community conservancy office, in order to enable cross-organisation collaborative operations across the Kidepo landscape.

The JOCC will be installed with Earth Ranger capability, Semantic AI (Intelligence software) and will house all facets of law enforcement..

Construction will begin in 2022, when full funding is secured.

7. COMMUNITY CONSERVANCY PROJECT

UCF, partnering with Northern Rangelands Trust, National Forestry Association (NFA) and UWA, worked to establish a community led conservation project in Kaabong District, in order to develop and manage transboundary community led conservation and a wider regional development programme. This project aims to promote community-led conservation and livelihood projects within Kaabong District and the greater Kidepo landscape.

Representatives from UCF, UWA and NFA were initially invited to visit the NRT conservancy programmes in February of 2021. From this visit, vital contacts were made and partnerships proposed in order to pursue the goal of bringing the same successful conservancy model into the Karamoja landscape.

Initial funding was provided by NRT, and matched by Global Conservation. Preliminary project implementation programmes began in May 2021 and carried on positively throughout the course of the year. A stakeholder meeting involving partner representatives from NRT, UCF, UWA, NFA, district local leadership, religious leaders, and local council leaders from Kaabong, took place on 18th November 2021. Consequently, community engagement activities (using a bottom-up approach) followed, and were well-received by the target communities. Both the stakeholder and community engagement meetings led to the unanimous decision by both communities and their leadership structures to fully endorse this project. It was agreed that the community conservancy will cover five sub-counties; Kalapata, Lotim, Morungole, Timu and Kamion.

Two community mobilisers from the project area have been contracted and employed in December 2021 and will take part in exchange/learning visits to NRT conservancies.

Additional funding to progress beyond the inception stage of the community conservancy is already being secured collaboratively between UCF and NRT. Community engagement activities are still ongoing.



JP MAGSON

CPAs & Business Advisers

...Advice Beyond Numbers



UGANDA CONSERVATION (U) LIMITED

**Audit Report
and
Financial Statements
31 December 2021**

In association with



DFK
INTERNATIONAL

UGANDA CONSERVATION (U) LIMITED
(A company limited by guarantee without a share capital)



UGANDA CONSERVATION (U) LIMITED

**Audit Report
and
Financial Statements
31 December 2021**

AUDITOR
JP MAGSON
Certified Public Accountants
Plot 50 Kasumba Circular Road 1-36,
Off Kakungulu Road, Near UNEB Center Ntinda,
P. O. Box 7859,
Kampala-Uganda

Uganda Conservation (U) Limited
 Audit Report and Financial Statements
 For the Fiscal Year Ended 31 December 2021

	Table of Contents	Page
1	Directors' report	1-2
2	Statement of Directors' responsibilities	3
3	Independent Auditors' report	4-7
4	Financial statements & other information:	8
4.1	Statement of financial position	8
4.2	Statement of comprehensive income and expense	9
4.3	Statement of changes in reserves	10
4.4	Statement of cash flows	11
5	Notes to the Institution financial statements	12
5.1	General Information	12
5.2	Summary of Accounting policies	12-16
5.3	Share capital	16
5.4	Comparatives	17
5.5	Third party payments	17
5.6	Contingent assets, contingent liabilities and commitments	17
5.7	Related party transactions	17
5.8	Average number of employees	17
5.9	Events after the end of the reporting period	17
5.10	Restatement	17-18
5.11	Property and equipment	19
5.12	Receivables	20
5.13	Cash and equivalents	20
5.14	Capital Fund	20
5.15	Payables	20
5.16	Deferred income	21
5.17	Income	21-22

List of Acronyms



GAAP	Generally Accepted Accounting Practices
ICPAU	Institute of Certified Public Accountants of Uganda
NSSF	National Social Security Fund
PAYE	Pay As You Earn
URA	Uganda Revenue Authority
USD	United States Dollars
UGX	Uganda Shillings
LST	Local Service Tax
US	United States

1.0. Directors' Report

The Board of Directors present its directors' report and the audited financial statements for the fiscal year ended 31 December 2021.

1.1. Registered Office:

Plot 17, Princess Ann Drive, Bugolobi, P. O. Box 34020, Kampala Uganda.

1.2. Bankers:

I & M Bank (U) Limited, P. O. Box 3072, Kampala Uganda.

1.3. Auditor:

JP MAGSON, Certified Public Accountants, Plot 50 Kasumba Circular Road 1-36, Off Kakungulu Road, Near UNEB Center Ntinda, P. O. Box 7859, Kampala-Uganda.

1.4. Goals

- Recovering and reconnecting neglected protected areas and supporting the recovery of their wildlife populations.
- Mitigating human – wildlife conflict
- Improving livelihoods of communities close to protected areas.

1.5. Directors

The trustees (also directors' company law purposes) who served during the fiscal year and to date of this report are:

#	Name	Citizenship	Board role and committee
1	Mr. Richard Ssemenda	Ugandan	Chairperson
2	Mr. William Smith	British	Director
3	Ms. Jean Byamugisha	Ugandan	Director
4	Mr. John Kabandize	Ugandan	Director
5	Mr. Kevin John Vallack	British	Director



1.6. Not-for-Profit /public benefit objective

We refer to our Organisation's constitution when planning our work. We believe our activities of working with Uganda Wildlife Authority (UWA), Park management and communities, are focused towards achieving the aims and objectives of the Organisation as a Not-for-profit Organisation while operating in Uganda. Therefore, as trustees we are confident that the Organisation continues to meet the Not-for-Profit /public benefit objective under the Ugandan laws and regulations.

1.7. In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the Company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

1.8. Current Year Audit Results

We the directors have reviewed all the operations of the Company, the work and reports of external consultants, the work and reports of the external auditors and that of management and found them appropriate and in agreement with the Company strategy and our expectations. In addition to the signed Statement of Directors' Responsibilities below, we expressly certify that:

- 1.8.1. We have honestly executed our responsibilities as detailed in laws, professional standards, contracts, and the Company policies;

1.8.2. We have established and continuously maintained an effective system of internal control and compliance to provide reasonable assurance as to the integrity and reliability of the data, financial reporting process, financial statements and to adequately safeguard, verify and maintain accountability of the Company's assets, prevent and detect fraud, error and other irregularities and to ensure that appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent basis;

1.8.3. We have provided the auditors with unrestricted timely access to accurate and complete records, data, explanations, personnel and other evidence as they requested for purposes of the audit.

1.9. **Post balance sheet events**

There have been no significant events affecting the Company since the fiscal year end.

1.10. **Going concern**

The Company's going concern is addressed in note 5.2.3.

1.11. **Disclosure of related party transactions**

Data relating to related parties and possible transactions and balances (if any) are disclosed at Note 5.7

1.12. **In accordance with the law, as directors, to the best of our knowledge, we certify that:**

- we have complied with the provisions of all applicable laws;
- so far as we are aware, there is no relevant information which could have a material impact on the Company operations or financial statements for the fiscal year ended 31 December 2021 and to the date of this report, of which the Company's auditors are unaware; and
- as the directors of the Company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the Company's auditors are aware of that information.


1.13. **Appointment of Auditors**


The auditor, JP MAGSON, have expressed their willingness to continue in office in accordance with Section 167(2) of the Companies Act, 2012 and accordingly JP MAGSON shall be proposed for reappointment in accordance with the Laws.

In approving this report of the directors, the directors are also approving the accounts included herein, in their capacity as Company Directors.

The report was approved by the Board of Directors on the date first signed on the Statement of Financial Position (the Balance Sheet) and signed on its behalf by:

By Order of the Board of Directors


BRJ Advisory Services
Secretary


09.09. 2022
Date



2.0. STATEMENT OF DIRECTORS' RESPONSIBILITIES

2.1. Under the applicable financial reporting framework, we have ultimate responsibility for among others:

- The design and operation of such internal control as we determine is necessary to prevent and detect fraud, error, financial improprieties, irregularities, or noncompliance and enable the preparation of the Annual Statutory Financial Statements that are free from any material misstatements.
- Preparing and presenting the Annual Statutory Financial Statements that present fairly, in all material respects, (or give a true and fair view of) the state of affairs of the Company as at the end of the reporting period and of its operating results and cashflows for that fiscal period in accordance with the applicable financial reporting framework.
- Ensuring our decisions and actions show probity and financial prudence to operate economically, effectively, and efficiently, safeguard, verify and account for the Company's assets and resources and hence taking reasonable steps to prevent, detect and correct fraud, error, and other irregularities.
- Assessing the going concern basis and preparing the financial statements on the going concern basis unless it is inappropriate for us to presume that the Company will continue in business.
- Providing the auditors with unrestricted timely access to all data, explanations, staffs, and other evidence so required and ensuring the reliability, accuracy and completeness of the data so provided and taking steps, as directors, to satisfy ourselves that the auditor had timely access to all relevant data including; (a) books of account, (b) all records, documents, data, and those persons (including staff, customers and suppliers when necessary) from whom the auditors determine it necessary to obtain necessary data for audit purposes, and (c) such additional data and explanations as the auditors consider necessary for their work unless prohibited by law.
- Those charged with governance are responsible for overseeing the Company's financial reporting process and cause management to fulfill their responsibilities.

2.2. We have reviewed the accompanying financial statements and other information therein, the appended independent auditor's report and having conducted inquiries as we considered necessary for purposes of appropriately informing ourselves, we are satisfied that we executed our duties as directors, the financial statements give a true and fair view of the Company's financial position for the fiscal year then ended in accordance with the applicable financial reporting framework and we hereby approve the financial statements and directors' report as the Board of Directors on the date first signed below and signed on behalf of the Board by:

RICHARD SCHEMMANDA
Chairperson

[Signature]
Signature

09/09/2022
Date

JOHN KABANDIZE
Director

[Signature]
Signature

09-09-2022
Date

SECRETARY



09.09.2022



JP MAGSON

CPAs & Business Advisers

...Advice Beyond Numbers

Is an independent Member of DFK International an association of Independent accounting Firms and business advisers

Certified Public Accountants
Plot 50 Motel Close- Off Kakungulu Road,
NTINDA, Near UNEB Centre
P.O. Box 7859, Kampala UGANDA
Tel: +256 414 259 013/4/15
+256 772 650 209
+256 702 670 000

Emails:
AuditingServices@jpmagson.com,
ConsultingServices@jpmagson.com
TaxServices@jpmagson.com
AccountingServices@jpmagson.com
Admin@jpmagson.com
Website: <http://www.jpmagson.com>
Partners: James Magson Musabe
Edward Lukwago

AF103 Licensed and regulated by the Institute of Certified Public Accountants of Uganda

3.0. INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UGANDA CONSERVATION (U) LIMITED

3.1. Report on the financial statements

3.1.1. Opinion



We have audited the accompanying financial statements of Uganda Conservation (U) Limited (the "Company") for the fiscal year ended 31 December 2021, which comprise the statement of financial position, the statement of financial performance, and statement of cash flows for the fiscal year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects (or give a true and fair view of) the financial position of the Company as at 31 December 2021, and (of) its financial performance and its cash flows for the fiscal year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as adopted and adapted to Charities' financial reporting in Uganda and the Companies Act, 2012

3.1.2. The Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 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.

3.1.3. Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs require us to report to you were:

- If the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- If the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

3.1.4. Other matters

The financial statements for the fiscal year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on August 2, 2021.

3.1.5. Information Other than the financial statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our auditors' report, we do not express an audit opinion or 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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. We have nothing to report in this regard.



3.1.5. **Emphasis of matter**

Without qualifying our opinion, we draw your attention to Note 4.1 to the financial statements which indicates that as at 31 December 2021, there is a negative shareholders' equity position in the statement of financial position of UGX 12,341,321 (2020: UGX 24,707,553). Such a balance implies that the company has incurred and or accumulated deficits, which offset the reserves, and therefore by reference to the Company's statement of financial position (balance sheet) date, the net assets of the Company do not exceed the aggregate of its called-up share capital, distributable and undistributable reserves. As at 31 December 2021, there is also a negative net current asset over current liability position in the statement of financial position of UGX 15,433,931 (2020: UGX 29,398,023). The financial statements have been prepared on a going concern basis on the assumption that the Company will continue to obtain funding support from the shareholders or directors, its suppliers, raise more capital as planned and generate adequate revenue to meet its day-to-day obligations.

3.1.6. **Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and for such internal control as management determines is 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

3.1.7. **Auditor's Responsibilities for the Audit of the Financial Statements¹**

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 is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 based on these financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 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 management.

¹Legislation in Uganda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

- 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 auditor's 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 auditor's 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the 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 circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



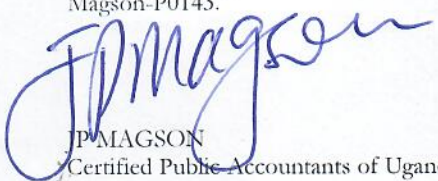
3.1.8. Report on other legal and regulatory requirements

Under Section 163 and 170 of the Uganda Companies Act 2012, we are required to report to you, based on our audit, that in our opinion:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- Proper books of accounts have been kept by the Company, so far as appears from our examination of those books and having taken into account the compensating documents available (where necessary), that the Company has no branches and accordingly we have no exception to report as to whether proper returns adequate for the purpose of our audit have been received from branches not visited by us.
- The Company's statement of financial position and Statement of Comprehensive Income (profit and loss account) are in agreement with the books of account and are prepared in accordance with the Act.
- To the best of our information and according to the explanations given to us, the accounts give the information required by the Act in the manner so required and give a true and fair view of the state of the Company's affairs as at the end of its financial period and of its financial performance and cash flows for the financial period then ended.
- The Company is not a holding Centre submitting group accounts and accordingly we are not obliged to report whether, in our opinion, the group accounts have been properly prepared in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs and profit or loss of the Company and its subsidiaries dealt with it, so as to give a true and fair view of the accounts subject to the non-disclosure of the matters to be indicated in the report which by virtue of Part III of the Seventh Schedule to the Act are not required to be disclosed.
- In our opinion, there are qualifications in our report that are material for purpose of determining by reference to the Company's Statement of Financial Position (Balance sheet) date, that the net assets of the Company are less than the aggregate of the Company's reserves.

- 3.2. This report is made solely to the Company's members, as a body, in accordance with the Companies Act, 2012 and or other specified applicable laws and accordingly our audit work will be undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for the audit report, or for the opinion we form or otherwise.

The engagement partner on the audit resulting in this independent auditor's report is CPA Musabe James Magson-P0143.


JP MAGSON
Certified Public Accountants of Uganda
Kampala, Uganda

27th September 2022




CPA Musabe James Magson
Partner
Kampala, Uganda

27th September 2022



4.0. FINANCIAL STATEMENTS

4.1. Statement of Financial Position

	Notes	2021 Shs	Restated 2020 Shs
ASSETS			
Property and equipment	5.11	3,092,610	4,690,469
Current assets			
Receivables	5.12	136,110,195	38,302,760
Cash and cash equivalent	5.13	1,581,569,962	1,233,146,159
		1,717,680,157	1,271,448,919
Total assets		1,720,772,767	1,276,139,388
RESERVES AND LIABILITIES			
Reserves			
Restricted funds		777,333,575	783,058,574
Unrestricted funds		(792,767,506)	(812,456,596)
Capital fund	5.14	3,092,610	4,690,469
Total reserves		(12,341,321)	(24,707,553)
Current liabilities			
Payables	5.15	23,191,626	23,693,075
Deferred income	5.16	1,709,922,465	1,277,153,867
		1,733,114,088	1,300,846,942
Total reserve and liabilities		1,720,772,767	1,276,139,388

The notes to these financial statements for the fiscal year ended 31 December 2021 form an integral part thereof and should be read and construed as such.

The Directors' report, the financial statements and other information therein were approved by the Board of Directors on the date first signed below and signed on behalf of the Board by:

RICHARD SEMMANDA
Chairperson

Signature

09/09/2022
Date

JOHN KABANDIZE
Director

Signature

09.09.2022
Date

Secretary

BRJ Advisory Services

09.09.2022

4.2. Statement of Comprehensive Incomes and Expense

		2021			2020		
	Notes	Restricted funds (Ugx)	Unrestricted funds (Ugx)	Total funds (Ugx)	Restricted funds (Ugx)	Unrestricted funds (Ugx)	Total funds (Ugx)
INCOME							
Grants	5.17	3,450,149,629	758,024,781	4,208,174,410	2,899,821,040	602,595,720	3,502,416,760
Gifts and donations		-	6,828,004	6,828,004	-	57,276,918	57,276,918
Fundraising		-	-	-	-	1,520,000	1,520,000
Membership		-	7,595,430	7,595,430	-	13,754,019	13,754,019
Merchandising income		-	7,000	7,000	-	793,000	793,000
Other income		-	7,767,472	7,767,472	-	41,243,486	41,243,486
Total income		3,450,149,629	780,222,687	4,230,372,316	2,899,821,040	717,183,143	3,617,004,183
EXPENDITURE							
Projects		2,736,977,393	184,915,713	2,921,893,106	2,227,483,950	336,644,987	2,564,128,937
Salaries & Wages		134,091,087	166,540,714	300,631,801	74,461,538	234,413,777	308,875,314
Staff welfare		5,547,365	3,579,600	9,126,965	2,649,700	6,407,000	9,056,700
Capacity Building & Org. Dev		4,322,455	10,752,218	15,074,673	68,154,937	2,965,000	71,119,937
Medical Insurance		3,924,536	13,395,024	17,319,560	406,904	11,601,317	12,008,221
Licenses and permit		-	7,828,500	7,828,500	-	-	-
Office rent		-	-	-	-	15,910,125	15,910,125
Audit fees		-	6,700,000	6,700,000	-	6,562,500	6,562,500
Motor vehicle Expenses		110,896,656	194,726,357	305,623,013	99,200,305	107,672,103	206,872,408
Office insurance		1,849,235	2,825,087	4,674,322	-	4,671,748	4,671,748
Security		-	-	-	-	3,160,000	3,160,000
Repairs & Maintenance		-	439,000	439,000	52,800	2,183,000	2,235,800
Utilities (Water & Yaka)		4,610,000	400,000	5,010,000	800,000	1,030,000	1,830,000
Other office / Project costs & Supplies		11,840,090	10,307,125	22,147,215	21,600	10,160,981	10,182,581
Bank charges		2,955,120	3,720,724	6,675,844	3,685,263	2,904,889	6,590,153
Fund raising		-	-	-	-	1,928,722	1,928,722
Travel and Subsistence		180,923,065	23,466,589	204,389,653	114,041,345	13,125,226	127,166,571
Professional fees		244,138,359	101,426,410	345,564,769	201,490,934	19,458,417	220,949,351
Telephone and internet		5,604,500	3,210,000	8,814,500	3,722,400	1,497,000	5,219,400
IT expenses		6,083,791	10,749,484	16,833,276	2,041,417	2,337,156	4,378,573
Printing & Stationery		1,417,300	2,344,000	3,761,300	1,770,700	914,100	2,684,800
Postage & Courier		24,000	790,000	814,000	885,100	2,405,500	3,290,600
Cleaning		377,900	287,500	665,400	231,800	2,576,100	2,807,900
Depreciation		-	-	-	-	5,829,392	5,829,392
Foreign exchange loss		291,778	12,129,551	12,421,329	19,534,874	-	19,534,874
Total expenditure		3,455,874,628	760,533,598	4,216,408,226	2,820,635,568	796,359,039	3,616,994,607
Surplus for the year		(5,724,999)	19,689,090	13,964,091	79,185,472	(79,175,896)	9,576

All activities relate to continuing operations. The notes to these financial statements for the fiscal year ended 31 December 2021 form an integral part thereof and should be read and construed as such.

4.3 Statement of Changes in Reserves

	Capital Fund Shs	Restricted Funds Reserve Shs	Unrestricted Funds Reserve Shs	Revaluation Reserve Shs	Total Shs
For the year ended December 31, 2021					
At January 1, 2021	4,690,469	783,058,574	(812,456,596)	-	(24,707,552)
Surplus for the year	-	(5,724,999)	19,689,090	-	13,964,091
Depreciation charge	(1,597,859)	-	-	-	(1,597,859)
At December 31, 2021	3,092,610	777,333,575	(792,767,506)	-	(12,341,322)
For the year ended December 31, 2020					
At January 1, 2020	9,548,339	703,873,102	(738,138,570)	-	(24,717,129)
Surplus for the year	-	79,185,472	(79,175,896)	-	9,576
Revaluation Reserves	-	-	-	54,690,000	54,690,000
Prior period adjustment	(4,857,870)	-	4,857,870	(54,690,000)	(54,690,000)
At December 31, 2020	4,690,469	783,058,574	(812,456,596)	-	(24,707,552)

4.4 Statement of Cash flows

	Note	2021 Shs	2020 Shs
Cashflows from operating activities			
Surplus for the year		13,964,091	9,576
Adjustments for:			
Depreciation		-	5,829,389
Surplus before working capital changes		13,964,091	5,838,965
(Increase) / decrease in receivables		(97,807,435)	459,663,008
Decrease in payables		(501,449)	(71,848,632)
Increase in deferred income		432,768,597	650,999,800
Net cash generated from or spent on operating activities		334,459,712	1,038,814,177
Increase in cash and cash equivalents		348,423,803	1,044,653,142
Cash and Cash Equivalents			
At the start of the year		1,233,146,159	188,493,017
At end of the year	5.13	1,581,569,962	1,233,146,159



The notes to these financial statements for the fiscal year ended 31 December 2021 form an integral part thereof and should be read and construed as such.

5.0. THE NOTES TO THE FINANCIAL STATEMENTS

These Notes to the financial statements for the fiscal year ended 31 December 2021 form an integral part thereof and should be read and construed as such:

5.1. General Information

Uganda Conservation (U) Limited is a company limited by guarantee, incorporated on 03 September 2002 under the laws of Uganda.

5.2. Summary of Accounting Policies

The primary accounting policies applied in the preparation of these financial statements are set out below. Except for changes (if any) disclosed in the relevant accounting policy note, these policies have been consistently applied in dealing with items which are considered material to the Company's financial statements for all fiscal years presented unless otherwise stated.

5.2.1. Basis of Preparation and Presentation

The financial statements have been prepared under the historical cost convention, on accrual basis unless otherwise stated within these accounting policy note(s), in accordance with applicable laws and the International Financial Reporting Standard for Small and Medium sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as adopted and adapted to Charities' financial reporting in Uganda (the "applicable financial reporting framework"). There were no material departures from the applicable financial reporting framework.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates, judgements and assumptions in the process of applying the accounting policies. This may affect the reported amounts of certain assets and liabilities and the reported amounts of income and expenditures during the reporting period. Although these estimates are based on Management's best knowledge, actual results could differ from those estimates. In the process of applying the accounting policies, areas involving a higher degree of judgement or complexity, assumptions and estimations which are significant to the financial statements are described in note 5.2.2 below.

The financial statements are presented in Uganda Shillings (UGX), the Company's functional currency, and rounded to the nearest shilling.

5.2.2. Significant Accounting Estimates and Areas of Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

Income taxes-The Company is subject to income taxes. Significant judgments are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Provisions for bad and doubtful debtors-The Company assesses whether the receivable is impaired on an annual basis. This requires an estimation of the amounts that are irrecoverable.

Useful lives of assets-Due to the technical nature of the Company's assets, Management assesses useful lives based on general best practice in the sector. The assigned useful lives have a direct impact on the annual amount of depreciation or amortisation charged to the capital fund.

Critical areas of judgement

No estimates, judgements or assumptions have been made or identified that have significant risk of causing material adjustments to the carrying amounts of the assets and liabilities within the next fiscal year and no significant judgements were used when applying the accounting policies in the preparation of the financial statements.

5.2.3. Going Concern

Having considered the Company's future budgets, cash flows forecasts and strategy, the directors confirm that they have no material uncertainties about the Company's ability to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing these annual financial statements.

a) Covid – 19 Pandemic

While the impact of the Covid-19 virus has been assessed by the directors, so far as reasonably possible, due to its unprecedented impact on the wider economies globally, it is difficult to evaluate with any certainty the potential outcomes on the Company's future revenue streams particularly the ability to generate income. However, taking into consideration the Ugandan Government's response and the Company's planning, the directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future.

b) Negative reserves

There is a negative shareholders' equity position in the statement of financial position. Such a balance implies that a company has incurred and or accumulated deficits which offset the reserves and therefore by reference to the Company's statement of financial position (balance sheet) date, the net assets of the Company do not exceed the aggregate of its distributable and un-distributable reserves. If a company reporting negative reserves were to liquidate, its shareholders would probably receive nothing in exchange for their original investments in the company's share, though this depends on how much the company can earn by selling its remaining assets and settling any remaining liabilities.

While negative reserves is a strong indicator of impending insolvency, and so is considered a major warning flag by financial analysts, it should be noted that, the company is in the ramp-up stage, and has some running contracts and expectant of future project contracts.

During the year, the Company's total liabilities exceeded the total assets by UGX 15,433,931 (2020: UGX 29,398,023) thus creating a negative shareholders' equity position in the statement of financial position. As at 31 December 2021, there is also a negative net current assets over currently liability position in the statement of financial position of UGX 12,341,321 (2020: UGX 24,707,553).

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue delivering its mandate without operational interference.

The financial statements have therefore been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification that may be necessary if the organisation is unable to continue as a going concern.

Having considered the Company's future budgets, cash flows forecasts and strategy, the directors confirm that they have no material uncertainties about the Company's ability to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing these annual financial statements.

5.2.4. Property and equipment

All capital costs of UGX 1,000,000 or more are capitalised and subsequently measured at cost less accumulated depreciation and impairment losses. All other repairs and maintenance costs are charged to the income and expenditure during the year in which they are incurred.



Depreciation is calculated to write down the carrying value of all depreciable tangible fixed assets, other than freehold and mailo land and assets under construction (capital work-in-progress), over their expected useful lives, on a straight-line balance basis with a full year's charge in the year of acquisition, as follows:

Furniture	:	12.5% annually
Computers	:	33.3% annually
Motor vehicles	:	25.0% annually

Motor vehicles funded by projects are depreciated over the life of the project funding the purchase.

Any asset acquired under finance lease and those funded by projects are capitalised at the lower of their cost and fair value (or the estimated present value of the underlying lease payments) and depreciated over the shorter of lease or contract term and estimated useful life of the asset to the Company.

Assets in the course of construction (capital work-in-progress) are not depreciated. Upon completion of the project, the accumulated cost is transferred to an appropriate asset category where it is depreciated according to the policy set out above.

Where factors indicate that the residual values or useful lives of tangible assets may have changed, a review will be carried out of residual value, depreciation methods and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

5.2.5. Impairment of non-financial assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist for asset (or group of related assets termed Cash Generating Unit-CGU) and compared to the carrying amount. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. All impairment adjustments are accounted for in accordance with the IFRS for SMEs.

5.2.6. Cash and Cash Equivalents

Cash and bank balances represents cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Unless specifically stated, there are no significant cash and cash equivalent balances held by the Company that is not available for use by the Company because of, among other reasons, foreign exchange controls, or legal restrictions.

5.2.7. Receivables and prepayments

Receivables and prepayments with no stated interest rate and receivable within one year, are initially measured at transaction price, less trade discounts and impairment. Loans or advances receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment and or provision for doubtful debts.

5.2.8. Payables and provisions for liabilities

Payables and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured for estimated reliably. Payables and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Other financial liabilities, including bank loans (if any), are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the fiscal year, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in statement of incomes and expenditure in the period it arises.

5.2.9. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rentals applicable to operating leases are charged to income or expense on a straight-line basis over the lease term.

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor. Where a lease includes pre-set increases in the rent payable to reflect expected inflation, then the annual expense is recognised in line with this stepped schedule (rather than spreading the total cost over the period of the lease).

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

5.2.10. Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

5.2.11. Taxation

No tax has been provided for in the financial statements because management believes the Company is involved in charitable activities and not engaged in enterprising activities in pursuit for profits or private individuals benefit (which would have been reported and disclosed separately as profit seeking activities); which conforms to the requirements for exemption from income tax as detailed in Section 2(bb) (i) (B) of the Income Tax Act (Cap 340).

Section 2(bb) (i) (B) of the Income Tax Act (Cap 340) defines or provides for the interpretation of an exempt Organisation as “(bb) “exempt Organisation” means any company, institution, or irrevocable trust – (i) which is – (A) an amateur sporting association; (B) a religious, charitable or educational institution of a public character; or (C) a trade union, employees’ association, an association of employers registered under any law of Uganda or an association established for the purpose of promoting farming, mining, tourism, manufacturing, or commerce and industry in Uganda; and (ii) which has been issued with a written ruling by the Commissioner currently in force stating that it is an exempt Organisation; and (iii) none of the income or assets of which confers, or may confer, a private benefit on any person;”.

Significant Factors affecting tax charge for the year

There were no significant factors that affected the tax charge for the year which has been calculated on the taxable profits on ordinary activities before tax at the standard rate of income tax in Uganda of 30% (2020: 30%).

5.2.12. Foreign Exchange

The Company’s functional and presentational currency is Uganda Shillings (UGX).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each fiscal year end foreign currency monetary items are translated using the closing rate unless a contracted rate applies. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Source of the foreign rate of exchanges-majorly the Company uses the daily transaction dealing rate as advised by the banks on the day of transacting. For any other transactions it uses the daily mid-rate foreign exchanges rates between the Uganda Shilling and the major foreign currencies as published by the Bank of Uganda (BOU) unless a contracted rate applies.

5.2.13. Income Recognition

All income is recognised once the Company has irrevocable entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably and specific criteria have been met for each of the Company's activities, as described below:

- i. **Donations**-When there is reasonable certainty of its ultimate receipt otherwise on actual receipt.
- ii. **Grants and similar assistance whether 'capital' or 'revenue' grants**-when there is reasonable certainty of its ultimate receipt and not deferred, otherwise on actual receipt. Capital grants are deferred and amortised in line with depreciation over the life of the assets through the capital fund.

All income received in advance of planned activities' implementation are treated as deferred income and released to the statement of income and expenditure for the fiscal year in which the related activities are implemented.

5.2.14. Expenditure

Expenditure is recognised on accruals basis as incurred (inclusive of irrecoverable value added tax where applicable) as soon as there is legal or constructive obligation committing the Company to that expenditure, it is probable that settlement will be required, and the amount of obligation can be measured reliably.

Allocation and apportionment of costs

For financial reporting purposes, costs are grouped into direct charitable program costs, costs of generating voluntary income and governance or administrative costs heads by the directors guided by professional standards and or best practices in the sector. Support costs are allocated where possible on a time basis, as with salaries. Any remaining allocations over charitable activities is pro-rated according to the relative amounts of already allocated direct costs or the numbers of staff in the unit.

5.2.15. Employee retirement benefits

The Company operates a defined contribution plan (legal requirement through National Social Security Fund by paying 10% of the employee's gross monthly salary to the NSSF which is an independent establishment from the Company) scheme for the benefit of its employees. Contributions are recognised as an expense in the fiscal year in which they are incurred.

Termination benefits are recognised as an expense when a detailed formal plan for the termination has been announced to the employees affected and are measured at the estimated expenditure required to settle the obligations at the reporting date.

5.3. Share Capital

The Company is limited by guarantee without a share capital. Each member accepts to contribute such amount as may be required not exceeding UGX. 1,000,000 (Uganda Shillings One million Only) in the event of the Company being wound up while he, she or it is a member or within one year afterwards.



5.4. Comparatives

Whereas every effort may have been made to match year on year figures, some inevitable reclassifications may have occurred that may affect the precise comparison of figures in the current fiscal year with those in the prior period.

5.5. Third Party Payments

Payments made to vendors directly by the donor (if any) on behalf of any project being implemented by the Company are recognised and included within the income (receipts) and appropriate expenditure (disbursements) heads. This is all done ensuring that there is no double accounting.

5.6. Contingent assets, contingent liabilities and commitments

There are no contingent assets and or contingent liabilities arising from events occurring before the end of the fiscal reporting period, whose existence will be confirmed only by the occurrence of events not wholly within the Company's control.

Other than the liabilities summarised in the financial statements, there are no commitments.

5.7. Related party transactions

Due to the nature of the Company's operations and the composition of the Board, being drawn from local public and private sector Organisations, it is inevitable that transactions will take place with entities in which a member of the Board may have an interest. All transactions involving entities in which a member of the Board may have an interest are conducted at arm's length and in accordance with the Company's finance and procurement procedures. No such transactions were identified in the current or previous year unless as detailed in the notes to the financial statements.

Directors, trustees and their close relatives may qualify as related parties as defined in the applicable financial reporting framework. Directors and trustees do not receive remuneration and amenities unless as employees of the Company. Details of such payments and reimbursed expenses to directors and trustees are disclosed separately in the financial statements (as and when applicable).

The Company is a collection of Projects. Material interdependencies between the Company and its Projects arise as a consequence of this relationship. For reporting purposes, the Company and the other Projects are not treated as related parties.

Except to the extent disclosed in a schedule (if any) to this note, there were no transactions to sale of goods and services, purchases of goods and services, key management compensation, loans and advances, transactions involving key management personnel and or fiscal year-end balances arising from such transactions involving related parties or those controlling the Company.

5.8. Average number of employees

The average monthly number of employees, including salaried directors, during the fiscal year was 10.

5.9. Events after the end of the reporting period

The directors have evaluated subsequent events through to the date of signing these financial statements. As a result of this evaluation, there are no material subsequent events that require adjustments, disclosure or would have a material impact on reported financial performance, net assets or changes in net assets.

5.10. Restatement

In the Statement of Financial Position, the Revaluation reserve of Shs. 54,690,000 relating to valuation of fully depreciated vehicles still in use previously capitalised has been reversed due to absence of valuation reports from qualified professional(s) to support the amount. Refer to **Note 5.11** Property and Equipment and these changes have been written to the capital fund.





The Capital Fund balance has been adjusted with depreciation charge amounting to Shs. 5,829,392 and prior period adjustment of Shs. 971,522 to match the property and equipment amount of Shs. 4,690,469 to the capital fund for fair presentation. Refer to Note 5.14 Capital Fund.

Uganda Conservation (U) Limited
Audit Report and Financial Statements
For the Fiscal Year Ended 31 December 2021

5.11. Property and equipment

	Computer and equipment Shs	Furniture and fittings Shs	Motor vehicles Shs	Total Shs
Cost				
At January 1, 2021 and December 31, 2021	30,387,305	12,989,115	88,072,744	131,449,164
Depreciation				
At January 1, 2021	29,600,671	9,085,279	88,072,745	126,758,695
Charge for the year	786,634	811,225	-	1,597,859
At December 31, 2021	30,387,305	9,896,504	88,072,745	128,356,554
Net book value				
At December 31, 2021	-	3,092,610	-	3,092,610
At December 31, 2020	786,634	3,903,836	54,689,999	59,380,469



None of the Company assets has been pledged as security for borrowing. There are no assets under finance or operating lease arrangement. There is no contractual commitment to acquire property and equipment.

5.12. Receivables

	2021 Shs	2020 Shs
Trade receivables	10,852,390	11,711,000
Prepayments	26,013,691	11,847,194
Other Receivables (Deferred Project Costs)	62,498,022	5,172,398
Staff advances	36,746,091	9,572,168
Total	136,110,195	38,302,760

5.13. Cash and equivalents

Orient Bank - USD	173,977,829	1,022,370,047
Orient Bank - UGX	20,074,216	60,720,183
Orient Bank - GBP	1,369,179,459	125,026,501
Petty Cash - USD	2,812	1,312,560
Orient Bank - USD Operations	8,531,779	10,849,001
Orient Bank - UGX Operations	7,749,685	12,525,767
Petty Cash - UGX	2,054,183	342,100
Total	1,581,569,962	1,233,146,159

5.14. Capital fund

As at the end of the year	4,690,469	9,548,339
Prior year adjustment	-	971,522
Depreciation	(1,597,859)	(5,829,392)
Total	3,092,610	4,690,469

A capital fund is the carrying value of grant income used to acquire non-current assets. Depreciation and Amortisation for the fiscal year are charged to this fund (not to the statement of income and expenditure) because the non-current assets under a charitable entity are not expressly used and consumed for purposes of generating income.

5.15. Payables

Accrued Audit fees	6,700,000	6,562,488
Withholding Tax	3,443,635	8,715,433
Payroll liabilities	13,047,991	8,415,154
Total	23,191,626	23,693,075

5.16 Deferred income

	2021	2020
	Shs	Shs
Ranger Education Fund	2,757,308	6,641,308
Dart Gun for UWA QE -Niddles	-	2,213,489
Lion Research	23,314,805	22,429,715
Radio and Solar	3,256,902	14,200,747
Rweshama RP	21,868,056	23,794,656
CITES MIKES -Phase 2	510,479,941	564,260,898
Atil Camp Ranger Post	-	118,444,036
Ayago 3 Ranger Post	-	8,784,880
UWA MF Car -Land Cruiser	-	29,895,823
Lion Recovery Fund -QE Water Holes	-	140,962,250
Living With Wildlife Project	-	72,592,143
AEF QE Radio, tower and solar Installation	-	107,538,527
Wildlife Ranger Challenge Support: JOCC & Dihychlostatus	9,498,478	9,498,478
Operations Support:Murchison Falls -Ranger Fund	10,620,780	59,290,632
Operations Support:Queen Elizabeth -Ranger Fund	21,350,541	68,349,545
Operations Support:Queen Elizabeth -Project Ranger	11,584,661	28,256,739
Power, Radios and tower Installation -MF	91,208,602	-
Sengenge Ranger Post	50,942,475	-
Operations Support:Queen Elizabeth -Ranger Fund 2	18,408,168	-
UCF CORE Operations -IEF (\$20,000)	69,533,581	-
TT UCF CORE Operations Support -\$4220	14,939,897	-
Operations Support:Murchison Falls -Project Ranger (Scouts)	37,288,212	-
IUCN SOS Lion Project	289,217	-
Murchison Falls JOCC Operations Support	113,808,946	-
Kidepo Community Project	130,516,335	-
Kidepo JOCC Construction Project	198,841,553	-
WRC 3 -MFPA	48,658,300	-
WRC 3 -QEPA	69,810,491	-
WRC 3 -Ziwa	4,926,064	-
TT Key Stone Grant:Buligi Marine Ranger Station	87,462,349	-
Operations Support:Queen Elizabeth -Project Ranger (Scouts)	4,223,508	-
TT key stone -Murchison Falls	154,333,296	-
Total	1,709,922,465	1,277,153,867



5.17 Income

a) Restricted Income	2021	2020
	Shs	Shs
Grants		
David Shepherd Wildlife Foundation	130,917,837	86,690,867
International Elephant Foundation	266,406,841	474,293,920
Sea World Busch Gardens Conservation Foundation	22,429,715	112,784,814

Tusk Trust Grants	678,174,359	495,472,878
WildAid	1,926,600	12,342,132
Dulverton Trust	197,730,789	51,236,444
United Nations	660,372,387	622,081,002
UWA Contributions CITES	228,137,443	37,467,369
Global Conservation	238,373,997	566,203,990
Olsen Animal Trust	21,380,670	36,716,511
Cincinnati Zoo	-	25,713,310
Milwaukee Zoo	-	7,359,660
Tim Spicer	-	11,214,197
Wildlife Protection Solutions	14,200,747	41,888,003
Great Plains Conservation Foundation	131,764,344	147,932,000
Lion Recovery Fund	140,962,250	44,076,750
Tusk Trust -UK Matching Aid	401,675,993	60,388,480
Other Restricted Grants -Tusk Trust	-	9,236,425
Other Grant Income -Tusk Trust	-	56,722,290
European Union -IUCN SOS	200,024,841	-
Northern Lowrange Trust (NRT)	58,458,963	-
Other Restricted Grants	57,211,852	-
Total grants	3,450,149,629	2,899,821,040



b) Unrestricted Funds

Gifts and donations	6,828,004	57,276,918
Project Services	415,751,107	431,153,440
Other Restricted Grants	12,795,860	-
International Elephant Foundation	106,761,919	-
Tusk Trust Grants	202,832,682	-
Global Conservation	10,464,353	-
Northern Lowrange Trust (NRT)	9,418,860	-
IEF/GC/TT UCF Car Contribution	-	171,442,280
Fundraising / Events	-	1,520,000
Membership	7,595,430	13,754,019
Merchandise Income	7,000	793,000
Other Income	7,767,472	41,243,486
Total	780,222,687	717,183,143



Section A

Independent Examiner's Report

Report to the trustees/
members of

Charity Name
Uganda Conservation Foundation

On accounts for the year
ended

31 December 2021

Charity no
(if any)

1087295

Set out on pages

1 & 2

(remember to include the page numbers of additional sheets)

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended **31/12/2021**.

Responsibilities and
basis of report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent
examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below *) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed:

Date:

18/10/2022

Name:

Kelly Chadwick

Relevant professional
qualification(s) or body
(if any):

ACCA

Address:

CCF Accountancy Limited

Ground Floor, 30 Victoria Avenue

Harrogate, HG1 5PR

Only complete if the examiner needs to highlight matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.