

JB PROCUREMENT AGENCIES LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

JB PROCUREMENT AGENCIES LTD
FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2021

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JB PROCUREMENT AGENCIES LTD
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OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Kaweesa John Bosco
Nakazzi Proscovia

AUDITORS

Mutumba Mukobe and Associates
Certified Public Accountants
P. O. Box 15240
Kampala

BANKERS

Stanbic Bank Uganda
P. O. Box 7131
Kampala

ADDRESS

JB Procurement Agencies Ltd
P.O.BOX 73245 Kampala
0772507852

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REPORT OF THE DIRECTORS

JB PROCUREMENT AGENCIES LTD was registered under the company's act as a private Limited Liability company domicile in Uganda.

ACTIVITIES

The Business is a major dealer in Procurement activities.

RESULTS	2021 Ushs	2020 Ushs
Profit before taxation	58,379,448	23,284,348
Net profit for the year	58,379,448	23,284,348

PROFITS

The Directors share profits and reinvest a percentage.

DIRECTORS

The details of the Directors of the Business are set out on page 2.


Director
Kampala

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of a company entity as at the end of the financial year and of the profit or loss of the business for that year. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the business, and to enable them to ensure that the financial statements comply with the Company's Act. They are also responsible for safeguarding the assets of the business and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the company by;



Director



Director

MUTUMBA MUKOBE AND ASSOCIATES

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REPORT OF THE INDEPENDENT AUDITORS

TO THE DIRECTORS OF JB PROCUREMENT AGENCIES LIMITED.

Report on the Financial Statements:

We have audited the accompanying Statement of Financial Position of **JB PROCUREMENT AGENCIES LIMITED** as at 31, December 2021, and the related statements of comprehensive income, Statement of cash flows and Notes to the financial Statements for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as of 31, December 2021 and the results of its operation and its cash flows for the year then ended in accordance with International Accounting Standards and comply with the Company's Act

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Report on Legal Requirement

The Uganda Companies Act requires that in Carrying out our Audit we consider and report to you the following matters. We confirm that we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;


Mutumba Mukobe and Associates
Certified Public Accountants

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STATEMENT OF COMPREHENSIVE INCOME

		2021	2020
	Notes	Ushs	Ushs
REVENUE	6	398,272,371	299,634,482
LESS COST OF GOODS SOLD		(205,011,942)	(154,980,363)
GROSS PROFIT		193,260,429	144,654,119
ADMINISTRATIVE & OPERATING EXPENSES	APP I	(134,375,113)	(120,978,535)
FINANCE COSTS	APP I	(505,868)	(391,236)
TOTAL EXPENSES		(134,880,981)	(121,369,771)
PROFIT FOR THE YEAR		58,379,448	23,284,348


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STATEMENT OF FINANCIAL POSITION

	Note	2021 Ushs	2020 Ushs
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	5	<u>47,386,334</u>	<u>53,092,578</u>
		47,386,334	53,092,578
Current Assets			
Inventory		20,125,677	14,053,262
Trade Debtors	7	108,643,608	54,788,466
Cash and bank balances	8	<u>23,621,876</u>	<u>15,429,050</u>
		152,391,160	84,270,778
Total Assets		<u>199,777,494</u>	<u>137,363,356</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Capital		2,000,000	2,000,000
Director Funds		30,000,000	30,000,000
Retained Earnings		<u>148,750,361</u>	<u>90,370,912</u>
		180,750,361	122,370,912
Current Liabilities			
Trade and other payables	9	<u>19,027,134</u>	<u>14,992,444</u>
		19,027,134	14,992,444
TOTAL EQUITY AND LIABILITIES		<u>199,777,494</u>	<u>137,363,356</u>

The notes set out on pages 10-16 form an integral part of these financial statements .

These Financial Statements were approved by the Directors and were signed by:


.....
Director

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STATEMENT OF CASH FLOWS

	2021 Ushs	2020 Ushs
OPERATING ACTIVITIES		
Operating Profit before tax	58,379,448	23,284,348
Adjustments for:		
Depreciation	5,706,244	6,679,297
Operating profit before working capital changes	64,085,692	29,963,645
Change in Inventory	(6,072,415)	(3,825,912)
Increase in Trade Receivables	(53,855,142)	(12,422,096)
Increase in other Payables	4,034,690	(1,073,336)
Cash generated from operations	(55,892,867)	(17,321,344)
Net cash generated from operating activities	8,192,825	12,642,300
INVESTING ACTIVITIES		
Purchase of fixed assets	-	(9,400,000)
Net cash used in investing activities	-	(9,400,000)
FINANCING ACTIVITIES		
Increase in Owner's Equity	-	-
Director Loans	-	-
Tax Paid	-	-
Net Cash flow from financing activities	-	-
Net increase in cash and cash equivalents	8,192,825	3,242,300
Cash and cash equivalents as at 1st January 2021	15,429,050	12,186,750
Cash and cash equivalents as at 31st December 2021	23,621,875	15,429,050
Reconciliation of Cash & Cash equivalents		
	2021 Ushs	2020 Ushs
Opening balance	15,429,050	12,186,750
Net increase in Cash & Cash equivalents	8,192,825	3,242,300
Bank and cash balances 31/12/2021	23,621,875	15,429,050

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STATEMENT OF CHANGES IN EQUITY

	Share Capital Ushs	Retained Earnings Ushs	Total Ushs
As 1st January 2020	2,000,000	67,086,565	69,086,565
Profit/(Loss) for the year		23,284,348	23,284,348
At 31st December 2020	<u>2,000,000</u>	<u>90,370,912</u>	<u>92,370,912</u>
As 1st January 2021	2,000,000	90,370,912	92,370,912
Profit/(Loss) for the year		58,379,448	58,379,448
At 31st December 2021	<u>2,000,000</u>	<u>148,750,361</u>	<u>150,750,361</u>

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NOTES TO THE FINANCIAL STATEMENTS:

1 GENERAL

JB PROCUREMENT AGENCIES LTD was registered as a Limited liability company in Uganda.

2 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) BASIS OF ACCOUNTING

The financial statements are prepared in accordance with and comply with international accounting standards.

(b) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

(c) PROPERTY, PLANT & EQUIPMENT

Furniture, Computer and Equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a reducing balance basis at annual rates estimated to write the assets over their expected useful lives as follows:

Office furniture & Fittings	12.5%
Computer	20.0%

(e) TRADE RECEIVABLES

Trade receivables are carried at anticipated realisable value. Specific provision is made for bad and doubtful loans losses basing on the loans ageing analysis. Bad debts should be written off during the year in which they are identified when all possible measures for collection have been exhausted.

(f) CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprises of cash on hand and balances at bank.

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NOTES TO THE FINANCIAL STATEMENTS

2 ACCOUNTING POLICIES (Continued)

INVENTORY

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the 'First-In-First-Out' method. Net realisable value is the estimate of selling price in the ordinary course of business after allowing for realisation costs.

FOREIGN CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into Uganda shillings at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the dates of the transactions.

COMPONENTS OF CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash is considered to be cash on hand and in operating bank accounts.

COMPARATIVES

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

3 OPERATING PROFIT	2021	2020
The operating profit is arrived at after charging:	Ushs	Ushs
Depreciation	5,706,244	17,807,422
4 STAFF COSTS		
Salaries and wages	20,800,000	20,800,000
	20,800,000	20,800,000

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5 PROPERTY, PLANT & EQUIPMENT

	Office Equipment Ushs 5.0%	Furniture& Fittings Ushs 12.5%	Computer & Accessories Ushs 20%	Total Ushs
COST				
As at 1/01/2021	28,500,000	23,000,000	19,400,000	70,900,000
As at 31/12/2021	28,500,000	23,000,000	19,400,000	70,900,000
DEPRECIATION				
As at 1/01/2021	3,455,625	7,591,797	6,760,000	17,807,422
Charge for the period	1,252,219	1,926,025	2,528,000	5,706,244
As at 31/12/2021	4,707,844	9,517,822	9,288,000	23,513,666
NBV:				
As at 31/12/2021	23,792,156	13,482,178	10,112,000	47,386,334
As at 31/12/2020	25,044,375	15,408,203	12,640,000	53,092,578

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6 INCOME	2021 Ushs	2020 Ushs
Revenue	398,272,371	299,634,482
Total	398,272,371	299,634,482
7 TRADE AND OTHER RECIEVABLES		
Debtors	95,606,375	48,460,655
Prepayments	13,037,233	6,327,811
	108,643,608	54,788,466
8 Cash & Bank Balances		
Cash at hand	23,621,876	15,429,050
Total	23,621,876	15,429,050
9 Trade and other Payables		
Payables	15,026,634	11,392,444
Accruals	4,000,500	3,600,000
Total	19,027,134	14,992,444
10 Loans & Advances		
Director Loans	30,000,000	30,000,000
Total	30,000,000	30,000,000

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DETAILED EXPENDITURE STATEMENT

	2021 Ushs	2020 Ushs
Revenue	398,272,371	299,634,482
Opening Inventory	14,053,262	10,227,350
Purchases	211,084,357	158,806,275
Closing Inventory	(20,125,677)	(14,053,262)
Cost of Sales	205,011,942	154,980,363
GROSS OPERATING INCOME	808,296,256	609,595,209
ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries and wages	20,800,000	20,800,000
Printing & Stationery	2,724,798	2,314,798
Trading License and permit	450,000	450,000
Transportation Costs	23,833,062	21,666,420
Staff Lunch	13,150,746	12,110,000
Airtime and travel	903,100	810,000
Rent & Rates	24,000,000	24,000,000
Commissions	32,890,000	23,100,000
Bidding costs	5,496,000	5,400,000
Repairs and maintenance	2,461,163	2,178,020
News papers	1,960,000	1,470,000
Depreciation	5,706,244	6,679,297
TOTAL	134,375,113	120,978,535
FINANCE EXPENSES		
Bank charges	505,868	391,236
TOTAL	505,868	391,236