

**BULAMU HEALTHCARE INTERNATIONAL  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31 2019**

**Bulamu Healthcare International  
Annual Report and Consolidated Financial Statements  
For the year ended 31 December 2019**

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**MANAGEMENT INFORMATION**

**Registered Offices and Principal Place of Operation**

1933 Waverley Street  
Palo Alto, CA 94301  
USA

Dembe Tower Apt 202, Mawanda Road  
P.O. Box 34066  
Kampala - Uganda.

**US Board of Directors**

Mr Richard Chandler	: Board Chair, CEO
Mr Richard Siegler	: Board member, President
Mr Bonnie Ng	: Audit Committee Chair
Ms Christine Russell	: Audit Committee member
Dr Ronald Ariagno	: Board member
Mr John Schniedwind	: Audit Committee member, CFO
Mr Volker Kuebler	: Board member

**Uganda Board of Directors**

Mr Richard Chandler	: Board Chair, CEO
Mr John Schniedwind	: Board Member, CFO
Mr Richard Siegler	: Board Member, President
Mr Ronald Ariagno	: Board Member
Mr Mackay Masereka	: Board Member
Mr. Gerald Atwine	: Board Member, Founder

**Bankers**

Stanbic Bank Uganda Limited  
P. O. Box 7131  
Kampala

Chase Bank  
JPMorgan Chase Bank, N.A.  
P O Box 182051  
Columbus, OH 43218- 2051

**Independent Auditor**

PKF Uganda  
Certified Public Accountants  
Plot 1B Kira road  
P.O Box 24544  
Kampala

**Solicitors**

KMT Advocates  
Kati House Plot 2. Kyagwe Road Nakasero  
P.O. Box 401  
Kampala  
Uganda

## REPORT OF INDEPENDENT AUDITOR TO THE MEMBERS OF BULAMU HEALTHCARE INTERNATIONAL

### Report on the Financial Statements

We have audited the accompanying financial statements of Bulamu Healthcare International which comprise the Statement of Financial Position as at 31 December 2019, Statement of Financial Activities, Statement of Functional Expenses and Statement of Cash Flows for the year then ended and the related notes to the consolidated financial statements.

### Board Members' Responsibility for the Financial Statements

The Board is responsible for the preparation of the consolidated financial statements of Bulamu Healthcare International which give a true and fair presentation of these in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation and maintenance of internal control relevant for the fair presentation of the financial statements that are free from material misstatement, whether due to fraud and error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal controls. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

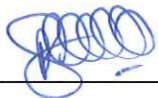
Kalamu House, Plot 1B, Kira Road, Kampala, Uganda, P.O. Box 24544  
T: +256 312 305800, E: pkfkam@ug.pkfea.com, www.pkfea.com

Partners: Charles Oguttu\*, Frederick Kibbedi \*, Alpesh Vadher\*\*, Piyush Shah\*\*, Gurmit Santokh\*\*, Sumesh D'Cruz\*\*, Ketan Shah\*\*\*, Shilpa Cheda\*\*\*  
(\*Ugandan, \*\* Kenyan, \*\*\* British)

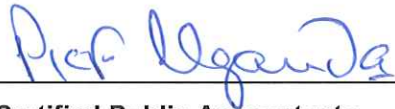
- However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the project Fund Accountability Statement, including the disclosures, and whether the Fund Accountability Statement 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.

The engagement partner responsible for the audit resulting to this report of the independent auditor is:



**Charles Oguttu (PC141)**



**Certified Public Accountants**

**Kampala**

**Date** 4/5/2020

**Ref: 0101/2020**



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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	Notes	2019 USD	2018 USD
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	3	16,601	14,984
<b>CURRENT ASSETS</b>			
Inventory	7	3,254	6,514
Receivables	4	12,023	10,530
Cash and bank balances	5	126,058	144,249
		<b>141,335</b>	<b>161,293</b>
<b>TOTAL ASSETS</b>		<b>157,936</b>	<b>176,277</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Payables	6	16,911	86
Deferred Contributions		-	75,000
		<b>16,911</b>	<b>75,086</b>
<b>NET ASSETS</b>			
Without donor restrictions		141,025	101,191
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>157,936</b>	<b>176,277</b>

The financial statements on pages 6 to 18 were approved by Board of Directors on  
 ..... *4 May* ..... 2020 and were signed on its behalf by:

*RH Chandler*  
 .....  
 Director

*John Schriedwind*  
 .....  
 Director

The notes set out on pages 10-19 form an integral part of these financial statements

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**STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	2019	2018
		USD	USD
<b>SUPPORT AND REVENUE</b>			
Contribution from individuals		430,437	348,008
Contributions from foundations		300,005	139,500
Other income	8	491	-
<b>Total support and revenue</b>		<b>730,933</b>	<b>487,508</b>
<b>EXPENDITURE</b>			
<b>Program services (Uganda)</b>			
Medical camps	9 (a)	371,419	313,763
Angel & follow-up programs	9 (b)	68,528	29,917
Health Center for Excellence (HCE)	9 (c)	150,924	70,119
Sub-total program services		590,871	413,799
<b>Support activities (United States)</b>			
General and administrative	10 (a)	87,708	34,264
Fundraising	10 (b)	12,520	13,542
Sub-total support activities		100,228	47,806
<b>Total expenditure</b>		<b>691,099</b>	<b>461,605</b>
<b>CHANGE IN NET ASSETS</b>		<b>39,834</b>	<b>25,903</b>
Net assets, beginning of year		101,191	75,288
<b>Net assets, end of year</b>		<b>141,025</b>	<b>101,191</b>

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STATEMENT OF FUNCTIONAL EXPENSES

Particulars	2019						2018					
	Supporting Activities			Supporting Activities			Supporting Activities			Supporting Activities		
	Program Activities	General and Administrative	Fundraising	Total	Program Activities	General and Administrative	Fundraising	Total	Program Activities	General and Administrative	Fundraising	Total
USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
US salaries and benefits	-	35,687	-	35,687	-	-	-	-	-	-	-	-
Uganda salaries and benefits	183,482	-	-	183,482	132,238	-	-	132,238	-	-	-	132,238
Medical and other equipment	32,511	-	-	32,511	35,352	-	-	35,352	-	-	-	35,352
Drugs and medical supplies	91,151	-	-	91,151	13,367	-	-	13,367	-	-	-	13,367
Travel	39,124	37,296	1,958	78,378	48,397	27,480	1,626	77,503	-	-	-	77,503
Meals and accommodations	67,272	-	-	67,272	56,766	-	-	56,766	-	-	-	56,766
Other operating	64,174	-	-	64,174	48,713	-	-	48,713	-	-	-	48,713
Services and professional fees	70,821	5,436	-	76,257	35,539	-	-	35,539	-	-	-	35,539
Office, occupancy and supplies	35,995	9,289	10,562	55,846	30,645	6,784	11,916	49,345	-	-	-	49,345
Depreciation	6,341	-	-	6,341	12,782	-	-	12,782	-	-	-	12,782
<b>Total Expenses</b>	<b>590,871</b>	<b>87,708</b>	<b>12,520</b>	<b>691,099</b>	<b>413,799</b>	<b>34,264</b>	<b>13,542</b>	<b>461,605</b>	<b>413,799</b>	<b>34,264</b>	<b>13,542</b>	<b>461,605</b>



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**STATEMENT OF CASHFLOWS**

	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	39,834	25,903
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities.		
Depreciation	6,341	12,783
Exchange difference adjustment	(129)	-
	<u>46,046</u>	<u>38,686</u>
<b>Change in assets and liabilities</b>		
Deferred contributions	(75,000)	75,000
Payables	16,825	(1,857)
Receivables	(1,493)	(5,083)
Inventory	3,260	(6,514)
<b>Net cash provided by (used in) operating activities</b>	<u><b>(10,362)</b></u>	<u><b>100,232</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(7,829)	(25,441)
<b>Net cash flows from (used in) investing activities</b>	<u><b>(7,829)</b></u>	<u><b>(25,441)</b></u>
Net change in cash and cash equivalents	(18,191)	74,791
Cash and cash equivalents at 1 January 2019	144,249	69,458
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2019</b>	<u><u><b>126,058</b></u></u>	<u><u><b>144,249</b></u></u>
<b>Represented by:</b>		
Cash at bank	126,058	144,249
	<u><u><b>126,058</b></u></u>	<u><u><b>144,249</b></u></u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

Bulamu Healthcare International is a non-profit organization incorporated and domiciled in the United States and also registered in Uganda. The address of its registered office and principal place of business in the United States is in California and in Kampala in Uganda.

### **2. Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **a) Basis of Preparation**

The financial statements of Bulamu Healthcare International are prepared in accordance with US Generally Accepted Accounting Principles basis of preparation.

#### **b) Going Concern**

The financial performance of the organization is set out in the statement of income and expenditure (income statement). The financial position of the organization is set out in the statement of financial position (balance sheet). Based on the financial performance and position of the organization and its risk management policies, the Board is of the opinion that the organization is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

#### **c) Revenue Recognition**

Revenue is shown as donations, interest earned and other income. In general, revenue is recognised when: the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organization's activities. Specifically,

- i) All donor income is recognized when received
- ii) Interest income is recognized on a time proportion basis using the effective interest method.
- iii) All other miscellaneous income is recognized when received.
- iv) All donations are considered unrestricted unless stipulated by the donor.

#### **d) Property and Equipment**

All property and equipment (in excess of the threshold approved by the board of directors) is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organization and the cost can be reliably measured. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Depreciation is calculated on straight line basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	<b>Rate %</b>
Office Equipment	12.5%
Furniture and fittings	12.5%
Computer equipment	33.3%
Medical equipment	33.3%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating surplus/deficit.

**e) Inventories**

Inventories are stated at the lower of cost and net realizable value. Inventory cost is determined by first-in-first-out (FIFO) method. At least once per year, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

**f) Receivables**

Receivables are initially recognized at the transaction price. They are subsequently measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the statement of income and expenditure.

**g) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 91 days, net of bank overdrafts, money market lines and restricted cash balances.

**h) Payables**

Payables are recognized initially at the transaction price. They are obligations on the basis of normal credit terms and do not bear interest. Payables denominated in a foreign currency are translated into the functional currency using the exchange rate at the reporting date. The resulting differences from conversion and translation are dealt with in the statement of income and expenditure in the year in which they arise.

**i) Translation of Foreign Currencies**

The functional currency is Uganda shillings while the reporting currency is United States dollars. Balances in foreign currencies during the year are converted into US dollars at the average mid-point exchange rate (as reported by the Bank of Uganda) for the reporting period.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**j) Current Income Tax**

The organization is exempt from paying income tax as it is a charitable organization geared toward provision of health services under the National Bureau for Non- Governmental Organizations

**k) Employee Benefit Obligations**

**Pension Obligations**

In Uganda, the organization and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate. In the US, the organization contributes to the Social Security and Medicare funds as determined by law. In addition, a fixed portion of an employee's annual salary is given to the employee for contribution to a self-directed retirement account. The contribution percentage is determined annually by senior management.

**l) Impairment of Assets**

The carrying amounts of the organisation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such condition exists, the assets recoverable amount is estimated and an impairment loss recognised whenever the carrying amount of an asset exceeds its recoverable amount.

**m) Comparatives**

This is the first audit of the financial statements of the organization. Accordingly the comparative figures are unaudited.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. PROPERTY AND EQUIPMENT**

<b>Particulars</b>	<b>Computers USD</b>	<b>Furniture &amp; Fittings USD</b>	<b>Office Equipment USD</b>	<b>Medical Equipment USD</b>	<b>Total USD</b>
<b>Cost</b>					
At 1 January 2019	13,591	2,197	2,271	1,228	19,287
Additions	-	1,453	4,713	1,663	7,829
At 31 December 2019	<b>13,591</b>	<b>3,650</b>	<b>6,984</b>	<b>2,891</b>	<b>27,116</b>
<b>Depreciation</b>					
At 1 January 2019	3,749	173	120	132	4,173
Charge for the year	4,382	367	818	774	6,341
At 31 December 2019	<b>8,131</b>	<b>540</b>	<b>938</b>	<b>906</b>	<b>10,515</b>
<b>Net Book Value</b>					
At 31 December 2019	<b>5,460</b>	<b>3,110</b>	<b>6,046</b>	<b>1,985</b>	<b>16,601</b>



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
<b>4. RECEIVABLES</b>		
Activity advance	1,484	4,830
Donations receivable	10,539	5,700
<b>Total</b>	<b>12,023</b>	<b>10,530</b>
<b>5. CASH AT BANK</b>		
Chase Bank account	36,472	56,281
Stanbic Bank - Main account	966	42,917
Stanbic Bank - NGO account	5,960	1,055
Stanbic Bank - Medical Camp	1,737	5,273
Stanbic Bank - HCE/Clinic management	4,087	5,009
American Century Brokerage	76,836	19,970
DFCU Uganda bank account	-	13,744
<b>Total</b>	<b>126,058</b>	<b>144,249</b>
<b>6. PAYABLES</b>		
Credit Card Payable	218	86
Sara OHara	113	-
Grazitti	3,750	-
CURE	3,069	-
CORSU	1,512	-
NSSF	712	-
PAYE	1,291	-
KMT Advocates	810	-
PKF Uganda	5,436	-
<b>Total</b>	<b>16,911</b>	<b>86</b>
<b>7. INVENTORY</b>		
<b>Drugs</b>	<b>3,254</b>	<b>6,514</b>

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	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
<b>8. OTHER INCOME</b>		
Interest earned	491	-
<b>Total</b>	<b>491</b>	<b>-</b>
<b>9. PROGRAM EXPENSES (UGANDA)</b>		
<b>A) Medical camps</b>		
Medical and other equipment	17,072	23,894
Drugs and medical supplies	86,046	8,080
Office and administrative expenses	7,009	3,645
Medical treatment	7,482	9,754
District facilitation	651	-
Staff wages	100,607	114,570
Local transportation	19,986	30,956
Meals and accommodations	55,918	43,569
Operating expenses	5,571	
Stationary and printing	12,604	21,459
Advertising and promotion	9,365	-
Bank charges and fees	257	-
Other expenses	6,006	19,998
Program management	42,845	37,838
<b>Total</b>	<b>371,419</b>	<b>313,763</b>

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	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
<b>B) Angel and follow up programs</b>		
Medical equipment expense	67	76.86
Drugs and medical supplies	5,050	1,155.80
Office and other supplies	31	25.63
Diagnostic services	9,605	8,059.64
Medical treatment	29,782	-
Staff wages	5,499	2,257.39
Local transportation	5,155	5,897.23
Accommodations	615	840.18
Phone and internet	143	1,704.41
Operating expenses	159	-
Stationary and printing	215	-
Advertising and promotion	161	-
Office and admin expenses	30	18.75
Bank charges and fees	25	187.41
Meals and entertainment	1,261	234.66
Other expenses	19	-
Program management	10,711	9,460
<b>Total</b>	<b>68,528</b>	<b>29,917</b>
<b>C) HCE Program</b>		
Medical equipment expense	10,340	-
Other equipment	4,242	6,496.38
Drugs and medical supplies	28	-
Office and other supplies	3,511	945.74
District facilitation	1,104	-
Staff wages	10,005	8,194.81
Local transportation	10,884	3,013.08
Accommodations	3,089	2,267.15
Phone and internet	2,413	348.79
Operating expenses	8,781	-
Stationary and printing	15,017	341.76
Advertising and promotion	14	-
Office and admin expenses	4,057	-
Bank charges and fees	52	152.49
Meals and entertainment	4,183	740.04
Other expenses	1,246	321.16
Software and applications development	18,402	-
Program management	53,556	47,298
<b>Total</b>	<b>150,924</b>	<b>70,119</b>

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	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
<b>10. SUPPORT ACTIVITIES (U.S)</b>		
<b>A) General and administrative</b>		
Bank/Currency exchange fees	295	-
Travel to/from Uganda	35,330	27,480
Bank fees US	1,222	716
Audit fees	5,436	
Office expenses US admin	1,472	1,180
Software and software support	416	-
Travel and entertainment US admin	1,966	-
Board and advisory council	5,789	3,803
State and federal registration fees	95	25
Staff compensation US	35,687	-
Contractor expenses admin	-	995
Credit card fees	-	39
Shipping and Handling US	-	26
<b>Total</b>	<b>87,708</b>	<b>34,264</b>

	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
<b>B) Fundraising</b>		
Communications US	2,537	2,276
Office expenses fundraising	2,388	2,988
Website design and maintenance	1,005	2,919
Travel and entertainment fundraising	1,958	1,626
Strip/Donation fees	922	222
Commission/fees on security donations	10	50
Printing and mailing for fundraising	-	1,304
Video production	-	2,100
Losses on securities transactions	3,700	57
<b>Total</b>	<b>12,520</b>	<b>13,542</b>

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**11. CONTINGENT LIABILITIES**

There were no known contingent liabilities

**12. COMMITMENT**

There were no contractual commitments

**13. PERIOD OF REPORTING**

The financial statements have been prepared and audited for a period of 12 months to 31 December 2019.