

Uganda Timber Growers Association

Annual Report

2018



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Participants at the UTGA cluster training held in Arua learn how to use aqua absorbents.

COVER: Grandis Urophylla (GU) eucalyptus ready for harvest of transmission poles in 2 years

VISION

To be the leading commercial forestry actor in Uganda.

MISSION

To support efficient, high quality and profitable commercial forestry investments that represents members' interests through collective effort.

CORE VALUES

- 1. Honesty:** We are open and truthful in whatever we do and we condemn all forms of dishonesty
- 2. Accountability:** We hold our selves accountable to the highest level of ethical behaviour and responsibility for our actions, while maintaining integrity in our performance.
- 3. Mutual Respect:** We respect each other's views and contributions cognizant of the fact that each individual is endowed with different and unique capabilities which are useful to the attainment of the Associations' objectives.
- 4. Gender Equality and Diversity:** In fulfilling our mission we treat men and women equally with fairness and acknowledge, respect and celebrate the diversity within our membership.
- 5. Participation:** We appreciate each other's participation and encourage all the members to actively participate in the affairs of the Association.
- 6. Value for quality:** We stand for the best standards and practices in commercial forestry



Walter Mapanda, FAO Technical Advisor working for the SPGS III project hugs a 13year old pine tree at Ruth Nankabirwa's plantation

CHAIRMAN'S REPORT

Greetings to all of you and thank you for making time to attend the 12th UTGA 2019 AGM. I wish to congratulate all of you for successfully going through 2018 which was not by any means a very easy year economically. We thank the Almighty God for the gift of life that has enabled us to continue with our mission of tree planting. I commiserate with all those who lost their dear ones especially those who were contributing to the success of tree planting in this country.

Membership

I wish to sincerely thank all the 221 UTGA members that have maintained their membership to UTGA. Special thanks to those who responded to the Secretariat's appeal to pay the arrears that amounted to over twenty million Uganda shillings (UGX.20M). I urge all those members who have arrears to settle them as your association heavily depends on members' contribution.

A very warm and sincere welcome to the fifty eight (58) new members who joined us in 2018. I wish to assure them that they are joining a viable and formidable association and you will not regret. I urge you to participate fully in all UTGA activities. The Association has registered a steady and modest growth both in membership, new and old and in subscriptions. I therefore salute you all for your commitment.

UTGA Board

On behalf of the outgoing Board, I wish to inform the membership that we have enjoyed a cordial relationship will all our stakeholders, membership and management.

When we were elected four years ago, we were handed an association that depended on 75% Grants and 25% internally generated funds. As we go out, I am glad and proud to report on behalf of the Board and management that we are handing over an association that has reversed the funding to over 75% own internally generated funds and less than 25% Grants.

This is no mean achievement, so the association is definitely sustainable and viable. We now own a model nursery that is producing quality planting material and thereby generating funds. We also have land for expansion and the resin tapping initiative is generating substantial funds for both tree growers and the association.

I therefore pay tribute to the team you elected four years ago and management of UTGA for this success. Thank you very much outgoing Board members, for the tremendous commitment and dedication you put in to ensure that the association is viable and can run on its own.

Furthermore, I wish to thank all the Board members for their regular attendance and frank discussions each time we met. Special recognition to the ladies on the Board who kept the meetings lively and focused. Please elect more ladies on the Board.

Special thanks go to the management team led by Mr. Dennis Kavuma for their commitment and resolve to continue putting in all they have despite continuing to have short term contracts. The team has been kept deliberately small only five in number in order to keep administrative costs low. They have had to multitask to cover up for the extra manpower required.

Furthermore, the Board wishes to appreciate the members on the various committees for the tremendous contributions they have given. I urge all of you members with specialized skills to volunteer and participate in the running of your association as and when called upon.

CHALLENGES

Despite the modest progress registered there has been a lot of challenges encountered during our term of tenure.

They include:-

Lobbying

One of the reasons for forming the association was to lobby for the wellbeing and sustenance of the association and its members, I must admit that we have not been very successful in this regard. Our lobbying for more land from NFA for tree planting was not very successful. However, we are glad that the presidential ban on NFA land allocation was lifted but unfortunately very few of our members were given land in CFRs in the recent NFA allocations. However, I wish to sincerely congratulate those who got land and hope that the new recipients will become members of the association. We need more members as numbers mean a lot to the sustenance of the association.

NFA Board

Our representation on NFA Board is still not yet cleared. We frantically made our position to the appointing authority very clearly but up to now no clear answer has come forth and we are still not sure about the NFA Board composition currently. I therefore strongly urge the incoming Board to continue with the struggle.

NFA land rates

The issue of land rates for those planting on NFA land continues to be a decision solely done by them. In spite of our efforts and plea to involve us as stake holders, NFA arbitrarily fixes the land rates without consulting UTGA.

Timber export

After lengthy engagement with the leadership of the Ministry of Water and Environment on timber exports, the Board thought we had made a headway only for the process agreed upon to mysteriously be halted for no given reason. Unfortunately, timber continues to be smuggled out of the country and again, we urge the incoming Board not to lose heart but to vigorously continue to pursue the matter with the authorities concerned.

Value addition

The issue of value addition particularly for the thinning

continues to be a major concern to members. The available private buyers of our thinning continue to offer peanuts! Transportation of the wood is also very costly. Majority of the planters were hoping that the downstream processing initiatives of the FAO/SPGS III was going to solve this problem. Unfortunately, this is still work in progress. We urge the incoming Board to pursue this matter with FAO/SPGS III to its logical conclusion.

We also urge growers to support the UTG-SACCO initiative of the particle board factory. In this regard let me urge all members of UTGA plus all other tree planters to join UTG-SACCO to boost the numbers and make the SACCO more viable and sustainable.

CONCLUSION

On behalf of the entire Board, I wish to sincerely thank all of you members, partners and management for the support you extended to us all throughout our term. Unfortunately, we were not able to do all we had planned to accomplish but it is our hope that the incoming Board will build on what we have put in the strategic plan to guide them. As alluded to earlier, the UTGA is viable and running, we need to support it by paying our dues on time and participating in its activities.

We are convinced that the model nursery will continue to expand and generate more revenue. It should eventually be a centre of training and research for nursery operators. The resin tapping will hopefully expand to other clusters and more planters will benefit. I wish you all a very successful 12th UTGA Annual General Meeting and please honestly contribute positively for the success of UTGA.

May God Bless you.



Dr. Sam Zaramba
CHAIRMAN

**Message from the
UTG-SACCO**

The Year 2018 was challenging economically. It was characterized by slow growth resulting in poor repayments of loans and growth of the SACCO. However, the UTG-SACCO remained profitable albeit slightly lower than the planned performance. The SACCO provided easy access to cash and so remained relevant to our members.

Performance

In 2018, eight (8) new members joined the SACCO and total membership increased from 69 to 77. Share capital increased from UGX 235,072,632 to UGX 334,080,000 and direct members' deposit were UGX 23,306,000. Total assets grew from UGX 310,787,709 in 2017 to UGX 382, 848,166 in 2018 and advances to members increased from UGX 204,084,636 in 2017 to UGX 256,775,321.

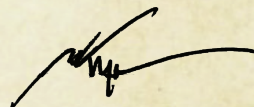
Yet this performance is still modest compared to what is committed for achievement in the strategic plan. In 2018, the SACCO developed a proposal for a value addition initiative, specifically focusing on setting up a particle board factory. The East African Development Bank (EADB) had announced Biodiversity Loan Funds to interested individuals and organized groups. The concept was well received by the Bank, meetings were held with various stakeholders and the EXCOM needs a General Assembly resolution to allow them proceed.

Challenges

Payments of compulsory savings by members was not up-to-date. Many SACCO members have not yet established monthly standing orders on their accounts to allow regular growth of the SACCO capital base. I thank those members who were committed to fulfilling their obligations. Members need to increase their savings and share amounts which shows commitment to the SACCO and makes it easier to approve loans that they want to take out.

Way forward

During the past two AGMs, EXCOM introduced an initiative to float shares during the AGM. The SACCO sold 215 Shares (equivalent to UGX 4,300,000) at 2018 AGM and UGX10,250,000 at the 2017 AGM. This practice should continue as a way of increasing share capital mobilization and the SACCO shall continue efforts to communicate effectively.

**Edward Mupada**
UTG-SACCO Chairman

Message from FAO/SPGS



Despite the high rate of deforestation in Uganda over the last decades, there has been a significant increase in awareness creation about tree planting. This awareness and interest in tree planting is due to several factors including training and skills development, availability of tree planting guidelines and incentives to support private tree growers in their efforts to enhance afforestation. Since 2005, more than 70,000 hectares (ha) of forest plantations have been established by private commercial growers all over Uganda.

This milestone has been possible with support of the Government of Uganda and its development partners, through a number of initiatives to empower private investors in forestry. One such initiative is the Sawlog Production Grant Scheme (SPGS), currently in its third phase: 2016-2020. SPGS III is a Project of the Government of Uganda, funded by the European Union (EU) and implemented by the Food and Agriculture Organization of the United Nations (FAO).

Over the last three years, approximately 17,000ha of forest plantations have been established with the support of the FAO/SPGS III project. The achievements of the SPGS Project are premised largely on a unique and integrated approach aimed at fostering a sustainable commercial forestry industry and creating jobs along the entire forestry value chain. The tenets of this approach are: (i) co-investment; with retrospective disbursement of the grant to ensure establishment of quality forest plantations; (ii) extensive training and capacity building in standards and guidelines for establishing commercial forest plantations and (iii) certification of service providers (nursery operators and forest contractors). The project also promotes downstream processing and value addition in wood products, which are critical for market development.

FAO recognizes the important role that the private sector plays in promoting a successful and vibrant commercial forestry industry. Consequently, FAO recognizes the Uganda Timber Growers Association (UTGA) as a key player in the sector and collaborates with the Association in the implementation of the SPGS project. This partnership covers several areas, including support to the group forest certification process which aims at enhancing responsible investment in forestry, guided by the principles of the Forest Stewardship Council (FSC). This forest certification promotes responsible investments in commercial forestry; taking into account natural ecosystem management and benefits to workers and the people living around the forests, while ensuring economic viability through access to niche markets and consumption of certified wood products.

Further collaboration between FAO and UTGA is in form of advocacy for establishment and enforcement of relevant policies and legislations to promote a strong and organized commercial forestry and timber marketing environment. A key issue for the sector to address is the need to promote long-term investments in responsible forest management and feasible financing mechanisms to support these investments.

FAO through SPGS III, is committed to supporting civil society organizations and private sector associations in forestry (nursery operators, forest contractors, association of processors) to better contribute to the forestry industry. To this end, FAO and UTGA are collaborating with a range of stakeholders, including: (NaFORRI), National Forest Authority (NFA), the Forestry Sector Support Department of the Ministry of Water and Environment (FSSD), International Union for Conservation of Nature (IUCN) and the World Wildlife Fund (WWF).

Leo Hitimana
COORDINATOR

**GENERAL
MANAGER'S
REPORT**

There are fundamental interlinkages that exist between forests and people which calls for the right balance in actions, investments and partnerships directed towards food security, poverty alleviation, and ecological conservation which then ultimately leads to sustainable development.

Forests and trees make vital contributions to life, supporting livelihoods, providing clean air & water, conserving biodiversity and working to mitigate climate change. Forests are a source of food, medicine and fuel for more than a billion people and hold more than three quarters of the world's terrestrial biodiversity. They provide products and services to millions of people especially the needy and contribute to socio-economic development.

State of forestry in Uganda

In 2018, Uganda underwent scrutiny of governance of its forestry industry because of the growing realization of its importance to the country's economic growth and development and its role and impacts on the lives of the people. Forestry governance is assessed using three pillars which include 1. Policy, legal, institutional & regulatory framework, 2. Planning and the decision making process 3. Implementation, enforcement and compliance. A study conducted by ACODE (2017)

found out that Uganda scores 42%, 32% and 31% respectively in each of those areas.

UTGA participated in the development of a tool for prioritizing interventions using a Theory of Change approach for use to address key issues and gaps in Uganda's forestry. These include a dwindling national forest estate in quality and area that currently stands at 9%, weak forest management and utilization controls, weak stakeholder participation, illegal logging and smuggling. Good forest governance ensures forest sustainability, fair decision making and benefit distribution and is vital for achieving sustainable forest management.

UTGA MANAGEMENT

Membership

UTGA registered 58 new members in 2018 while 221 members met their membership obligations. UGX 5,700,000 was collected as registration fees and UGX 63,785,400 as subscription fees inclusive of UGX 20,435,400 as arrears. Total collections from members in 2018 were 69,485,400. UTGA continued to position itself as a meeting place for the sharing of ideas, skills and best practices, for networking, for sharing information and also as a source of news and updates on the wood/timber/forest industry in Uganda. UTGA is also a strategic partner to multiple players in processing, trade, academia, banking, publishing and business development.

Board, Committee and Staff Meetings

The UTGA Board met on 21st February, 6th March, 13th July, 5th October and 18th /December 2018. Staff meetings were held every Monday for reporting, reviewing and planning.

Details	2018	2017	2016	2015	2014	2013	2012	2011
New Members	57	72	54	50	72	46	71	22
Paid up Members	221	208	194	144	144	172	176	80
Registration fees(M)	5.7	7.2	5.4	4.8	6.5	4.6	7.0	5.7
Subscription fees (M)	63.78	57.25	45.59	38.04	38.87	48.08	46.07	22.0
Total Collections (M)	69.48	64.45	53.74	42.89	45.46	52.68	53.07	27.7

Strategic plan

Consultations on the UTGA five-year strategic plan were wide and exhaustive. A consultant was used to collect, analyze and compile ideas from Members, Board, staff and other stakeholders. The new Strategic Plan under final review encompasses the aspirations and interests of many in the sector.

Cluster Development

Growers from the central, Mubende and West Nile clusters had the opportunity to meet up to further development activities in 2018. The activities held for two days in each of the clusters gave the growers an opportunity to get information about the sector, train on pertinent issues on plantations in their areas and also to network. Participants interacted with others in the forestry sector including officers from National Forestry Authority (NFA), nursery operators, forest contractors, timber dealers, input suppliers and prospective tree growers. It was however noticed that most plantation owners preferred to send their managers. The activities were implemented with support from the European Union under FAO/SPGS III project. Similar activities are scheduled for the Northern, Eastern, South Western and Albertine clusters in 2019.

UTGA News:

UTGA compiles and disseminates information using

an online newsletter sent out to members, partners and local, regional and international stakeholders.

UTGA Website and Facebook Page

UTGA runs a website, a Facebook page and a WhatsApp forum to engage and share information with those that are equipped and are able to use new media.

2018 UTGA Annual General Meeting & Forest Fair

This was held on 22nd March, 2018 with a cross section of participants that included UTGA members, nursery operators, forest contractors, herbicide suppliers; pole treatment plants, water system, suppliers of machinery and other tools, equipment and services along the value chain. The Forest Fair is an annual event where players in the forestry industry gather to showcase, learn, sell and buy best & new practices, inputs, tools and machinery.

SERVICES

UTGA continued to position itself as a leading forestry service provider in the sector. We continued to partner with and consolidate a data base of consultants for service provision and investing in collecting information about the forestry sector. This strategic positioning has increased UTGA's recognition within the region and in 2018 UTGA hosted a group of Ethiopian forestry sector

stakeholders in Uganda for a week who came to learn. Members continued to enjoy services such as collective procurement, access to vital forestry information, technical support among others. UTGA was also qualified on the 2019 National Supplier Database (NSD) for the supply of goods, works and services in the oil and gas sector in Uganda by the Petroleum Authority of Uganda.

Collective Procurement & Technical Extension


UTGA is a one-stop centre for forestry tools and equipment and is strengthening its capacity to provide administration and technical services including field visits to Members' plantations, plantation valuation and inventory. Over 80 members received technical support in forestry best practices onsite, online and at the secretariat.

Seed

Owing to the importance of using good planting material so that the growers are raising high quality tree plantations with good form, straight and uniform trees, UTGA continued to import improved seed for sale to nurseries. In 2018 UTGA imported 70kg of Pinus Caribaea Seed (F.2) sourced from only Australia. We are happy that there's been positive response to this strategy.

The UTGA Nursery

The UTGA nursery is up and running and in 2018 registered modest growth. While it is not where we want it to be, its work in progress with incremental progress. Starting from scratch 2 years ago, with new and young hands, there is evidence that its contribution as a service provider of good quality seedlings to many growers is steadfast and



The UTGA Board tour the plantation of a member, Mr. Isaac Kapalaga



A scenic view of a 6 year old eucalyptus plantation in Mukono

expanding. The nursery continues to contribute to research and production with trials on planting media and packaging. Its steady growth has and will continue to gradually contribute to the sustenance of the association. The nursery produced 66,600 euc (GU), 92,600 euc (GC), 154,000 pine and 76,000 pure *grandis* seedlings.

Pests & Diseases

The Commercial Forestry Research and Training forum (COMFORT) for which UTGA is a member works towards digesting and updating the pertinent issues in the commercial forestry sector especially regarding research and training. During early 2018 many growers across the country were faced with the tragedy of drying trees especially in the Central, Albertine, Mubende and Northern Uganda clusters. UTGA and FAO/SPGS worked with the National Forestry Research Institute (NaFORRI) to establish

the cause of the widespread drying of trees. It was found that it was a combination of a long, dry spell, very poor marginal sites and poor silvicultural practices like delayed or no thinning.

Timber trade

As the plantations mature, UTGA's support to sales of wood from members' plantations can only increase. Most of the timber trade in the country remains small and informal. The need to put in place a real supply of legal wood has never been greater especially since more wood is soon reaching maturity. An online database of wood buyers and sellers is planned to guide transactions.

Timber export

UTGA engaged the Ministry of Water and Environment (MWE) and efforts were made to lobby for a timber export license since several markets are available in



Participants at a UTGA cluster meeting for growers that took place in May 2018 in Nakaseke

the region. UTGA proposed the following:

- To work to create an adhoc internal grading system that works in line with certification & FSC standards,
- That the Minister of Water & Environment provides for the export of up to 50,000m3 of pine timber per year as an initial trial/pilot by UTGA farmers,
- That UTGA records and shares all the findings of this initiative with Ministry of Water & Environment (MWE) in order to learn, isolate challenges and create knowledge experiences that will assist to create channels and networks to underpin proper systems and a supporting structure that will help guide and regulate legal timber trade and timber exports in the future for Uganda.
- That UTGA works closely with the MWE to monitor and regulate the trade.

The Minister of Water and Environment agreed and

wrote to other government agencies to provide the necessary support to UTGA and its members who were ready with timber for export. However at a point during the process, it was halted by government and UTGA has resumed making the case.

Nursery operators and contractors

During the year UTGA supported and guided the formulation of nursery operators and forest contractor's associations at national level. These were registered as legal entities and will work closely with UTGA. That the actors along the commercial forestry value chain get organized into groups that coordinate with each other, signifies growth and brings order to the industry.

Certification

Uganda's National Forest Stewardship Standard (NFSS) was approved and launched by the FSC Director General, Kim Carstensen and the Minister of Water and Environment, Sam Cheptoris on

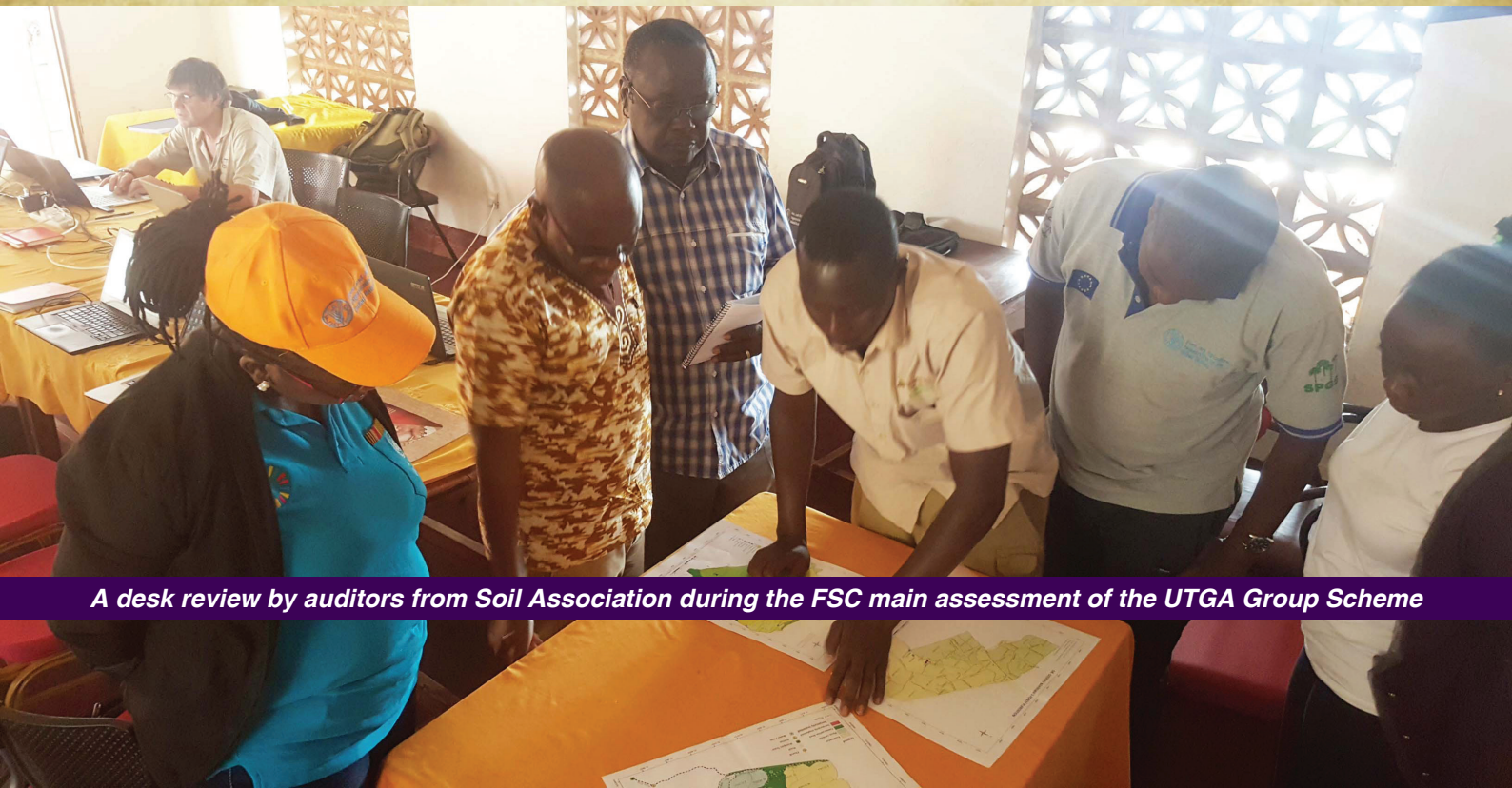
27th April 2018 and 6th June 2018, respectively. It became effective 1st September 2018. This is a great achievement as Uganda now becomes the 1st country in Africa and 8th in the world to have its own NFSS. UTGA was part of the Standards Development Group (SDG) that worked hard to have the NFSS.

The UTGA- FSC group scheme gained pace in 2018 and now UTGA is a holder of a group certificate for its first batch of growers in Mubende. This is a notable attainment as it is the first FSC group certificate for forest plantations in East Africa. Many activities including trainings, internal assessments and consultations were made. The major/external assessment was conducted towards the end of the year. FSC group certification will not only streamline forest management for better quality and valuable

forests but also send a strong message about UTGA members' plantations as responsibly managed forests. We look forward to having the greater number of our member plantations certified in the near future.

Resin tapping

During 2018, UTGA strengthened its partnership with CFID for the benefit of the growers. Over 10 UTGA members have benefited from resin tapping as a viable and interim source of revenue from their pine plantations. Challenges notwithstanding, the project extended to over 2000Ha with over UGX 2bn shillings paid out to pine tree growers. We have positioned ourselves in the resin and the market offers us exciting growth prospects into the future.



A desk review by auditors from Soil Association during the FSC main assessment of the UTGA Group Scheme

Processing

UTGA has been part of discussions on how to approach processing and value addition. UTGA growers have participated in deliberations on harvesting capabilities, product mix, technology, transport, waste management and maximizing recovery.

PARTNERS

FAO/SPGS


2018 has seen UTGA undertake the implementation of activities that contribute to SPGSIII project outputs. The grant has supported activities such as the annual forest fair, FSC group certification, formulation of forest contractors and nursery operator's associations, cluster development, lobbying, advocacy and visibility. The agreement worth UGX 216M will continue through 2019.

WWF

The World Wide Fund in Uganda was a key partner with UTGA and gave the association a platform to contribute to the sector through streamlining timber trade and exports, popularizing the national forestry stewardship standard, supporting FSC group certification and organizing tree planting communities in south western Uganda. WWF worked closely with UTGA and has accepted to support agreed activities.

In June 2018, the New Generation Plantations (NGP) platform held a study tour in Uganda which was hosted by the New Forests Company (NFC) and WWF-Uganda. This was NGP's first African study tour outside South Africa bringing together more than 50 participants from Africa, Europe, Asia and the Americas. They included participants from forestry companies, civil society and financiers.

The five-day tour included a one-day workshop in Kampala, visits to NFC plantations, conversations with



A resin tapping operation in Mubende



Ethiopian visitors enjoying their time in a young tree plantation in Namyoya CFR, Mukono district

out growers and communities in Mayuge, guided discussion and opportunities for reflection & sharing.

Carbon

It is important to formally recognize the carbon sequestration benefits of plantation forests. Uganda Carbon Bureau were at the fore front of working hard to complete the Gold Standard (GS) carbon credit documentation for the past SPGS growers. They indicated that they were working closely with the National Forestry Authority (NFA) to ensure that all the growers who registered with them have licenses for their plantings in the CFRs, as a large number have not been issued with them yet, largely because, in the words of the NFA Executive Director, "...most of the tree farmers are not up to date with payment of annual land fees...". Uganda Carbon Bureau is also checking on growers' land titles to ensure that they are valid and cover the areas that have been planted. The GS auditors will need to see licenses and/or land titles and leases as part of their verification work leading up to the issuance of the carbon credits.

Ethiopian Forestry Team visit

UTGA hosted a training mission for nursery stakeholders from Ethiopia on their excursion to Uganda from 22nd to 27th July 2018. The aim of the excursion was to build their capacity in the production of high quality clones of high priority timber tree species as a starting point for excellent timber products. It included a 3- day training conducted from 23rd to 25th of July 2019 in Mityana. The team together with UTGA staff traveled to Kisaana Clonal Nursery where a practical hands-on and intensive training was delivered by the nursery owner Mr. Abubaker Mwima. They also visited other nurseries including Seeta seedling nursery, Schnelle Nursery in Namagoma, National Tree Seed Centre in Namanve and Isabella investments plantation in Mpigi.

Gender & equity

In 2018 UTGA were key respondents in a study by FAO/SPGS on the theme 'Gender and Commercial Forestry'. During and after the process, UTGA committed itself to sensitizing its members on the importance of

mainstreaming gender in forest activities and recommending to its members various approaches that can be used to reach compliance yet maximize productivity. Going forward, UTGA will always seek to provide sex-disaggregated information in order to show clear progress in gender related aspects. UTGA will also endeavor to identify and disseminate technical knowledge of improved approaches to closing the gender gap on access to land, financial services, outreach and market access by particularly women smallholder farmers.

ACKNOWLEDGEMENT

It's been a year of 2 halves.

2018 started off with pessimism surrounding the worry of trees that were drying in parts of Uganda coupled with the red gum infestation. By close of year, there was tremendous reduction in incidences of new tree deaths and the lerp psyllid was generally washed away by ample rainfall received all over the country. At a time when the macro-economics were not as supportive, UTGA performance was balanced by the support of members, commitment and passion of the Board with the diligence and loyalty of staff.

SUMMARY

Challenges & Outlook for 2019

Mobilising growers to fully engage

in a long term initiative such as commercial forestry still requires huge efforts and a bounty of creativity. Many get apathy along the way especially if they have to dip into their pockets to carry out activities in their plantations let alone contribute to their association.

2018 was a year of breakthroughs in the novel area of resin. We hope to expand this portfolio to other areas of the country and therefore to more farmers. We are working to realize cross border trade in legal timber and other forest products especially since Uganda is part of the East African Common Market.

UTGA is part of the FAO/SPGS-led discussions on processing and our growers have participated in tabling of initial ideas to be used to come up with guidelines on how to optimally approach this subject.

As the industry grows and the trees come of age, there is need for skills development in lower areas of the value chain. UTGA will continue to lobby for formality, order and regulatory support for investment and the requisite infrastructure around plantation clusters.



Dennis David Kavuma

General Manager - UTGA



UTGA staff at the office

ACCOUNTS

Uganda Timber Grower's Association (limited by guarantee)
Annual report and financial statements
For the year ended 31 December 2018

REPORT OF THE BOARD MEMBERS

The board members submit their report and the audited financial statements for the year ended 31 December 2018, which disclose the state of affairs of the Company.

PRINCIPAL ACTIVITIES

To promote and ensure a sustainable, profitable, social economic and environmentally sound commercial forestry industry in Uganda.

RESULTS

	2018 Shs '000	2017 Shs '000
Profit/(loss)	<u>140,183</u>	<u>(98,767)</u>
Profit/(loss) for the year	<u>140,183</u>	<u>(98,767)</u>


DIRECTORS

The directors who held office during the year and to the date of this report are shown

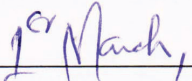
INDEPENDENT AUDITOR

PKF Uganda was appointed during the year and continues in office in accordance with the Companies Act, 2012

BY ORDER OF THE BOARD



CHAIRMAN
KAMPALA



1st March, 2019

ACCOUNTS

Uganda Timber Grower's Association (limited by guarantee)
Annual report and financial statements
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STATEMENT OF PROFIT OR LOSS AND RETAINED EARNINGS

	Notes	2018 Shs'000	2017 Shs'000
Revenue	3	473,897	347,802
Cost of sales		<u>(321,204)</u>	<u>(282,616)</u>
Gross profit		152,693	65,186
Other operating income	4	458,018	146,927
Administrative expenses		(237,472)	(215,410)
Other operating expenses		<u>(233,056)</u>	<u>(95,469)</u>
Operating profit/(loss)	5	140,183	(98,767)
Profit/(loss) for the year		<u>140,183</u>	<u>(98,767)</u>
Retained earnings at the start of the year		504,827	603,593
Prior year adjustment	12	48,211	-
Profit/loss for the year		<u>140,183</u>	<u>(98,767)</u>
Retained earnings at the end of the year		<u><u>693,221</u></u>	<u><u>504,827</u></u>

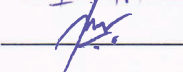
ACCOUNTS

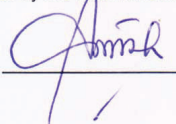
Uganda Timber Grower's Association (limited by guarantee)
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STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2018 Shs'000	2017 Shs'000
CAPITAL EMPLOYED			
Retained earnings		693,221	504,827
Equity attributable to owners of the Company		<u>693,221</u>	<u>504,827</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	7	156,905	155,187
Current assets			
Inventories	8	59,185	78,419
Trade and other receivables	9	237,131	151,535
Cash and cash equivalents	10	249,427	127,927
		<u>545,743</u>	<u>357,881</u>
Current liabilities			
Trade and other payables	11	9,427	8,241
		<u>536,316</u>	<u>349,640</u>
Net current assets		<u>693,221</u>	<u>504,827</u>

The financial statements on pages 7 to 15 were approved and authorised for issue by the Board members on 1st March 2019 and were signed on its behalf by:


CHAIRMAN


SECRETARY

ACCOUNTS

Uganda Timber Grower's Association (limited by guarantee)
 Annual report and financial statements
 For the year ended 31 December 2018

STATEMENT OF CASH FLOWS

	Notes	2018 Shs'000	2017 Shs'000
Cash flows from operating activities			
Profit/(loss) before tax		140,183	(98,767)
Adjustments for:			
Depreciation on property and equipment	7	4,382	4,487
Prior year adjustment	12	48,211	-
Changes in working capital:			
- inventories		19,234	(19,643)
- trade and other receivables		(85,596)	(75,154)
- trade and other payables		<u>1,186</u>	<u>2,750</u>
Net cash from/(used in) operating activities		<u>127,600</u>	<u>(186,528)</u>
Cash flows from investing activities			
Cash paid for purchase of property and equipment	7	<u>(6,100)</u>	<u>(4,500)</u>
Increase/(decrease) in cash and cash equivalents		<u>121,500</u>	<u>(191,028)</u>
Movement in cash and cash equivalents			
At start of year		127,927	318,955
Increase/(decrease)		<u>121,500</u>	<u>(191,028)</u>
At end of year	10	<u>249,427</u>	<u>127,927</u>



CFID a strategic partner of UTGA

China Forestry International Development Ltd. (CFID) wishes Uganda Timber Growers Association (UTGA) a successful 2019 Annual General Meeting (AGM) and Forestry Fair.

We are committed to being a valuable associate in the resin tapping business which offers an interim income stream from your mature pine plantation along this long-term investment journey of commercial forestry!

**African Shandong Industrial Park, Luzira,
P.O.Box 21713 Kampala,**



Uganda Timber Growers Association

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