

Uganda Timber Growers Association

**ANNUAL
REPORT
2021**



01	Chairperson's Statement	2
02	General Manager's Report	5
03	Financial Report	14
04	Statement of Changes in Reserves	14
05	Statement of Profit or Loss and Retained Earnings	15
06	Statement of Financial Position	16
07	Statement of Cash Flows	17



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.

CHAIRPERSON'S STATEMENT



On behalf of the Uganda Timber Growers Association (UTGA) board, I would like to congratulate all members and partners for the successful completion of the year 2021 in light of the COVID19 pandemic. I would also like to

appreciate continued member support and the work at their forest investments. UTGA continued to largely represent a private sector-led agenda on forestry in Uganda and the region. I also commiserate with those that lost loved ones.

The BOD

The Board continued to offer oversight and strategic support to the association, working with the secretariat to ensure smooth running of UTGA. The board and committees convened as required providing support to the secretariat to ensure that the organization's objectives were met.

Members

There was growth with new members joining and other existing members paying their subscription fees, the challenging times notwithstanding. This spirit should continue especially with existing members recruiting other tree growers to join UTGA and the prompt payment of annual subscription fees which allows UTGA to provide services to members.

We continued to encourage members to embrace the spirit of working together as the best way to deal with barriers and challenges in the field. On the markets for members' wood, UTGA worked to position itself as the marketing agent for all commercial timber growers in Uganda. Our outreach was extensive and we appreciate all those who responded to our call to join and/or subscribe to the association.

Partners

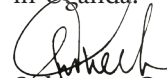
Establishment and strengthening of partnerships were a core focus during the year. The partners with whom we directly worked with in the past year included; Danish Forestry Extension (DFE), Sawlog Production Grant Scheme (SPGS) managed by Food & Agricultural Organisation (FAO), National Forestry Authority (NFA), GATSBY Africa Foundation and the World Bank. I thank all our partners for their interest in working with UTGA, the support rendered and for ensuring that together, we achieved.

The UTGA business plan.

A new Business Plan (BP) for UTGA was developed to guide the next five years (2022-27). The plan majorly focuses on how institutional capacity building and funding should be appropriated in the short term so as to enable the association to deliver on its mandate in the medium and long runs to meet the needs of its members especially in light of developing value addition opportunities. We acknowledge the support rendered to prepare the new BP by the government of Sweden through the partnership for support to the implementation of Uganda's National Development Plans Multidonor Trust Fund administered by the World Bank.

Conclusion

I call on all members, to strengthen the spirit of togetherness so that the association is able to tap into the richness of knowledge and capabilities of its membership. This will allow us to synergize and to provide the desired products and services while facing the challenges together. As the trees come to maturity, there will be increased focus on harvesting, processing, value addition and marketing in order to ensure a good return on investment which will in turn encourage replanting and expansion of the forest estate in Uganda.

A handwritten signature in black ink, appearing to read "Solomon Osewe Oketcho".

Solomon Osewe Oketcho
CHAIRPERSON

Message from FAO/SPGS

FAO support to wood processing for value addition and marketing of wood-base products.

The continued development of commercial forestry industry in Uganda is largely hinged on the private sector dedication towards establishment of quality tree plantations and subsequently processing of wood for value addition (though this is still at the infancy stage). The project - Sawlog Production Grant Scheme (SPGS) project- phase III funded by the European Union and implemented by the Food and Agriculture Organization of the United Nations (FAO) on behalf of the Government of Uganda has triggered private sector investment in downstream processing of wood for value addition, to acquire efficient wood processing machinery. This is expected to not only to help in improvement of wood recovery but also support production of a wide variety of wood-based products to meet the huge market demands in terms of product assortments and quality. This will also position investors to take advantage of the available local, regional and international market opportunities for premium earnings to sustain wood industry.

Under the umbrella body of private commercial tree growers in the county- Uganda Timber Growers Association (UTGA), FAO has supported to the establishment of a merchant timber shed at UTGA's land located in Kiwawu Village-along Mityana road.

This timber yard structure has been equipped with a variety of wood processing machinery, aimed at demonstrating the best practices of wood value addition and initiation of operationalization of the timber grading standard

for soft wood sawn timber (already gazetted by UNBS) to ensure compliance with the global market timber standards requirements.

We live in the information age and the success of any business depends largely on one's ability to acquire relevant timely information. FAO realized the importance of availability of a mechanism for enhanced interaction between buyers and sellers of timber and other wood-based products and supported UTGA to develop a Marketing Intelligence Information system (MIIS) called TimbermartUg, the first Ugandan market place for timber and all other wood-based products to enhance trade, market transparency and market access in the forest sector of Uganda. This system is managed by UTGA and is expected to provide marketing services to its members. FAO commends the work done by UTGA and believes that the association is a key player that will promote commercial forestry in the region. FAO will keep working closely with UTGA in its efforts to support the forestry value-chain.

Leo Hitimana

Team Leader Forestry - FAO Uganda



Ugandan wood can be used to manufacture creative, attractive and unique products that offer great quality

Message from the UTG-SACCO

Greetings from the UTG-SACCO Secretariat and the entire UTG-SACCO Membership.

Preamble:

The UTG-SACCO is an initiative by some members of UTGA to provide financial services to tree growers in Uganda, whose financing needs were not being addressed by the banking industry due to long period and unclear cashflows of the forestry business. Over the years, the SACCO has achieved very impressive growth in terms of savings, shares capital growth, loan portfolio and profitability.

I would like to give you the highlights of the UTG-SACCO performance during the year that ended 31-December 2021

Performance:

Membership: The SACCO recruited 3 new members and thus increased SACCO membership from 85 to 88. **SACCO**

Loan portfolio: The SACCO's loan portfolio grew during the year to UGX. UGX 344,464,333, from UGX 315,284,236 in 2020, **Share capital growth:** Member's Share capital grew by 18.4% from UGX, 536,320,000 to UGX 635,220,000 hence an increment of UGX 98,900,000/=, Annual total loan turnover The SACCO annual total loan turnover increased from UGX 473,350,000 of 2020 to UGX 590,310,000 in 2021, SACCO's Total Assets: The SACCO total assets grew from UGX 613,522,796 to UGX 722,239,740. Sale of shares during the year: Direct sale of shares to members during the year was UGX 40,550,000 we encourage members to buy more shares as the only way we can grow the SACCO to the desired Financial Institution for the forestry sector.

The Secretariat and the SACCO EXCOM would like to thank members who borrowed from the SACCO and encourage all UTGA members to Sign up for UTG-SACCO.

The Wood Mill Ltd

As some of you are aware, the UTG-SACCO are pursuing the

project to set up a value addition wood mill to increase the value of members' investment in tree growing.

I would like to remind you that the results of the feasibility study indicated that we should start with a particle board factory because it is cheaper and it will use the thinning, offcuts and residues that farmers throwing away. The study also showed that the wood value addition mill is a profitable venture. We registered the UTG WOOL MILL (SMC) Ltd, we opened a bank account with absa for purposes of selling shares to members in the Wood Mill, registered for URA TIN, and also obtained KCCA operating licence.

We encourage you members to invest in the UTG-Wood Mill (SMC) Ltd to generate income that you will need even in your later years of life and leave an investment for your children and grandchildren. The financial projections indicated a Debt and Equity Internal rates of return (IRR) of 28% and 47% respectively and an overall projected IRR of 34%. The payback (PBP) period from the original projection was approximately 4 years.

The EXCOM therefore calls on members to buy shares in the Wood Mill company in order to help the private forestry sector develop its own capacity and value addition if the planters are to benefit from their hard work.

Challenges: Effects of Covid 19: We had many challenges during the year due to the continued effect of COVID-19 and in many cases we did not perform as we had envisaged. Delayed payment of the loan by some members. During the year 2021, we were faced with delayed payment of loans by some of our members who were affected in one way or the other by COVID 19. Low Savings caused by noncompliance to the Compulsory savings by some members: Majority of our members have not complied with the resolution of UGX 50,000 compulsory savings thus leading to slow growth of the SACCO.

Condolence: On the sad note, the SACCO lost one of its founder members and former V. Chairman Mr. Aggrey Kankunda who passed on in June 2021.

The Secretariat wish you a fruitful and prosperous year 2022



Moses Kasirivu
UTG-SACCO Officer

General Manager's REPORT

The COVID 19 pandemic in Uganda was worse in 2021. Its 2nd wave of the infestation in the country was responsible for the death of more than 3000 people. This year's Annual Report provides an opportunity to reflect

on our work in such a challenging year and hangs a backdrop against which we take the learning to build resilience against future outbreaks and large-scale disruptions. Fortunately, we were still able to develop and implement very interesting work projects and deliver valuable outcomes to benefit our members and the country at large for years to come.

One of the biggest achievements of COP26 held in Glasgow in November, was the Declaration on Forest and Land Use which commits countries to halving and reversing forest loss and land degradation by 2030. Signed by 141 countries, covering over 90% of the world's forests and backed by \$18 billion in funding, the Declaration to halt and reverse forest loss and land degradation by 2030 is remarkable for the breadth of its signatories that include Brazil, Russia, Indonesia and China. On the whole more than USD100bn commitments were made.

UTGA is looking to playing a role in Uganda's transition from plantation forestry base to the establishment of cluster-based investment centres. We are happy that a number of partners are willing to work with us in derisking the nature-based solutions that UTGA looks to facilitating. Commercial forestry requires conveyor belt financing which follows a definite business case, with facts and figures. Data is a must and at the centre of it. UTGA looks to work to ensure facilities, testing,



policies plus access to information are in place because they are vital for the industry. Globally, the average commercial tree farmer is a 57-year-old man while the average Ugandan is 14-year-old female. It continues to be important to make forestry and working with wood as attractive to the young people especially women as possible. This helps to make it inclusive and for everyone to have a role to play.

With a growing resource of +85,000ha, UTGA's mandate is growing and now includes supporting its members who continue to invest, helping to growing the demand of timber and wood products and organizing the supply.

Membership

The UTGA secretariat and nursery have 6 permanent staff (General Manager, Office Attendant, Programme Officer, Accounts & Administration Officer, Nursery Technician and Nursery Supervisor) the later has 26 casual workers.

In developing countries, the percentage of active and paid-up members is about 10%. While UTGA is slightly above that threshold, there is still room for improvement. The speed of the gang is determined by the slowest member.

Obituary

Aggrey Kankunda who died in May 2021. May his soul rest in peace!

Another senior member of the association, Gen Katumba Wamala was attacked by gunmen and while he survived, he lost a daughter and his driver!

UTGA registered 21 new members in 2021 and 148 members paid their annual subscription fees i.e., **UGX 2.1m** and **UGX 44.6m** was collected respectively.

Details	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
New Members	21	19	62	57	72	54	50	72	46	71
Paid up Members	148	128	201	221	208	194	144	144	172	176
Registration fees (Millions)	2.1	1.8	6.2	5.7	7.2	5.4	4.8	6.5	4.6	7.0
Subscription fees (Millions)	44.6	38.96	55.79	63.78	57.25	45.59	38.04	38.87	48.08	46.07
Total Collections (Millions)	46.7	40.79	61.99	69.48	64.45	53.74	42.89	45.46	52.68	53.07

Total receipts collected from members was **UGX 46.7m.**

In spite of the negative effects and hardships caused by the COVID 19 pandemic including lockdowns and other restrictions, UTGA appreciates all members who renewed their 2021 membership.

Below is a summary of 2021 collections compared to previous years;

2021 UTGA Annual General Meeting and Forest Fair:

The 14th UTGA Annual General Meeting (AGM) was

held on 18th March, 2021 at the Silver Springs Hotel in Kampala. The Forest Fair ran side by side with the meeting. 80 people inclusive of 8 guests and staff plus 14 exhibitors plus 29 attendants participated for the AGM and Fair.

Improved seed

UTGA imported **78 kg** of *Pinus Caribeeae* (PCH) from Australia while **370grams** of pure *Eucalyptus Grandis* from South Africa was sold to in 2021. There is remarkably an increase in the rate of growing pines once again.



Bush mills are a starting point in downstream processing and its expected that this will transition in the development of semi and full automation of this segment of the timber value chain

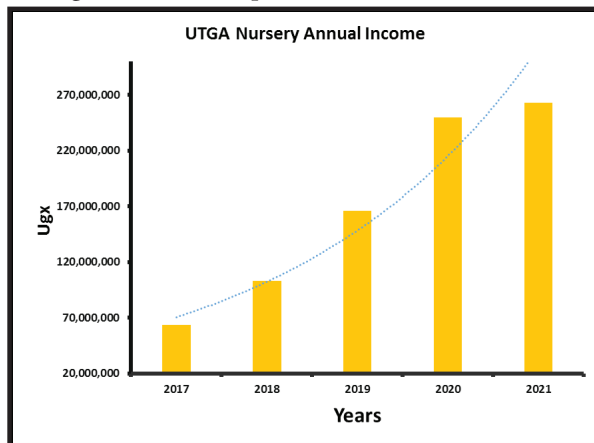
Year	2017	2018	2019	2020	2021
Annual Income	63,656,000	103,257,000	166,029,000	249,772,100	263,211,800

Corporate Governance Training for the New Board

After the election of the new board at the 14th AGM, the members were taken for training in corporate governance for 2 days in May by the Institute of Corporate Governance Uganda. Members were taken through corporate governance principles & practices, ethical perspectives, their roles & functions, board evaluation, appreciation of financial statements, board reporting, business strategy, implementation & execution practices, holding effective & successful meetings.

The UTGA Nursery

In spite of COVID 19 and its effects, the UTGA Nursery continued to grow its performance using earnings as one of the parameters as shown below: -



Demo Merchant Timberyard

There is need to add value to the wood that has been grown in Uganda. Its early days for the downstream

processing in Uganda and there's going to be need to put in place systems, processes and conditions that will hinge the industry.

A demo merchant timber yard was established towards the end of 2021. A 2,400 square meter shed constructed at Kiwawu (the UTGA nursery site too) will be a training, and demonstration facility. UTGA obtained equipment from FAO/SPGS III which include; a vertical band saw, a cross-cut saw machine, saw teeth sharpening equipment, saw teeth setting equipment, saw doctoring hand tools, board planer, thicknesser, tungsten carbide machine and a 30m³ timber-drying kiln. FAO also supported the construction of the shed. Further support in form of construction materials (poles and timber) was realized from the New Forests Company (NFC) and Green Resources/Busoga Forestry Company (BFC). We thank them immensely.

This will be a one-stop center for exposure, a demo for best practices and training center for modern wood processing and value addition for members. The yard will provide an opportunity to tree growers to gain from services like skilling & training, sharing experiences and learning from the big companies and other experts that UTGA will bring to facilitate these processes. The yard will also help to show woodworkers the importance of using kiln dried wood/timber in value addition.

Cluster development

The 2021 cluster development was affected by the COVID 19 pandemic. Uganda experienced a 2nd

wave of COVID and was resultantly plunged into a 2nd lockdown during which, meetings and get togethers were curtailed.

Timber Traceability

In a bid to contribute to streamlining timber trade within Uganda and beyond, UTGA with support from the Food and Agricultural Organization of the United Nations (FAO) under the FAO/FLEGT program initiated the establishment of a timber traceability system in Uganda. The collaboration aimed at exploring technical options for developing and implementing a timber traceability system in Uganda and proposing a technical solution for its potential national upscaling. The major interventions undertaken included;

- Conducting a scoping study to assess the country's needs and opportunities for developing a biomass/timber traceability system and validating its findings.,

- Organizing a benchmarking visit for partner members from the Ministry of Trade, the Forest Sector Support Department, the National Forestry Authority and the Uganda National Bureau of Standards) to Ghana for learning and linking with the existent traceability systems and the lessons learnt provided an input to the development of the system in Uganda.,
- Development of a technological approach document for a full traceability system and mapping it out (conceptual diagrams and analysis).,
- Dialoguing with policy makers to ensure the development of an of operator-led traceability system.

Tracking tools for profitability and sustainability help the proof of concept as forests hold capital for 8 to 20 years.



A well raised mature plantation holds capital and is an asset that can be bought or sold.

PARTNERS

The World Bank

In 2021, UTGA had valuable engagements with the World Bank (WB). They agreed to facilitate technical and business development support to UTGA and commissioned UNIQUE forestry consultants and Land use, to undertake a capacity assessment of the association and develop a Business Plan (BP). The Consultants met and shared with UTGA growers, the Board and the secretariat and after working for 4-5 months, they compiled the new UTGA Business Plan which was reviewed, verified and adopted by the UTGA organs. The WB also agreed to design and print, both the BP and a brochure that summarizes the key tasks and activities that were identified as the main drivers for growth and sustainability. They also agreed

to meet and work with UTGA to fund the activities of the new BP.

National Forestry Authority (NFA)

After years of lobbying the Minister of Water for a slot on the NFA Board, Mrs. Tina Achilla was named on the NFA Board. We congratulate her. Her presence on the board will enable the commercial tree growers to have a direct voice at the NFA and allow the relationship between the two organisations to grow in strength and value. Going forward, it is important for NFA to determine how much land should be set aside for commercial plantations so that there is a known national target that the industry strives to reach.

Sawlog Production Grant Scheme (SPGS) under the FAO

The SPGS III project run by the Food and Agricultural Organisation (FAO) wound up in December 2021 with a major contribution to the commercial forestry industry as a continuation of the previous phases. On



UTGA Chairman Solomon Oketcho and General Manager Dennis Kavuma in the company of Antony Ngugi of Gatsby Africa Foundation and the proprietor of Elifurni furniture Ltd, one of Kenys's creative joinery and furniture market leaders Mr. Eliud Gathecha.

the part of UTGA, the major contribution was through institutional development for modern commercial forest management. In particular, UTGA partnered with SPGS III through the following initiatives;

- Cluster development
- Support to forest certification
- The establishment of Tree Nursery and Forest Contactor's Associations
- The establishment of an Association of wood processing SMEs.
- Support to lobbying and advocacy for a conducive commercial forestry industry
- Creating awareness through annual forest fairs.
- Engage financial institutions to support sustainable commercial forestry sector development
- Development and promotion of bankable

business proposals and plans.

- Advocacy to private sector on commercial forestry policy and investment opportunities

In general, SPGS III supported commercial forestry industry through;

- a) Stimulating interest from private sector to invest more in commercial forestry,
- b) Developing capacity and skills for industry service providers,
- c) Increased knowledge and information on forestry investment
- d) Developing tools, standards and guidelines to support industry development
- e) Ensuring sustainability of the interventions achieved through all the phases through



Timber drying and timber treatment are important components of the value chain that have got to be embraced by players in the industry because they add quality and ease usability of wood.

- Sustained financing for plantation development
- Institutional development for the key actors along the commercial forestry value chain.
- Investing in wood processing and value addition majorly through support to acquisition of wood processing and value addition equipment.
- Support to market development (local regional and international)
- Research and development potential of indigenous species to grow in plantations, engineered wood products etc.
- Overall policy support to forestry

investment.

Timbermart Application

FAO/SPGS III supported UTGA to establish an online platform to link producers/growers of wood with buyers. The app, TimberMartUg can be downloaded by android users from play store or by logging to www.timbermart.ug. The application will provide an opportunity to both sellers and buyers to engage directly without middleman activity.

Fair Ventures Worldwide (FVW)

UTGA and FVW with funding support from German Ministry for Economic Cooperation and Development (BMZ), developed a 3-year project on development of sustainable business models for restoration in Uganda. This is running from 2021 to 2024.



UTGA timber shed constructed with support from FAO Uganda



SECURITY DOORS: High end use of East African grown wood used to make functional design products.

Danish Forestry Extension (DFE)

With support from the Danish Forestry Extension (DFE), UTGA implemented a forest restoration project in West Bugwe CFR in Busia District. The project aimed to restore and enhance the CFR as a natural forest by planting indigenous trees while contributing to long term carbon sequestration. A total of 159 hectares was restored in 2021. Eventually, activities in the area will also include community engagements aimed at reducing pressure on the forest and working towards getting the reserve certified as an area of responsible forest management. UTGA applied for an extra 2000ha and looks forward to the allocation of that extra area since several other partners have picked interest in the initiative.

Others

UTGA participated in many other events where we made presentations to make a case for commercial forestry in Uganda or for the business of UTGA and its members. The UTGA General Manager made presentations at the World Conservation Conference (WCC) in Marseille, France in September, the Kenya Forestry Research Institute (KEFRI) conference in Nairobi in November while the Programme Officer led the team to Ghana that was benchmarking on the timber traceability.

UTGA chairs the commercial forestry sub forum hosted by the Ministry of Water and Environment and 2 meetings were held to look at issues that were impacting on commercial forestry in Uganda.

Financial position

To be as reflected from audited financial report

MILESTONES FOR 2021_

- Publication of a quarterly timber price leaflet that provides wood market prices and intelligence information across the country.
- Development of a position paper on taxation of trees, wood and timber
- Development of an App that will link timber growers to the buyers(market)

OUTLOOK FOR 2021

1. An organized and formal export market for Ugandan-grown timber/wood.
2. Value addition to the wood grown by UTGA members.
3. Organized supply of wood biomass for energy in form of charcoal, chips and briquettes.
4. Member learning and realization of the benefits of natural forest restoration and the use and growing of indigenous trees.

ACKNOWLEDGEMENTS

The UTGA office offered internship opportunities to 3 university students and one Nyabyeya Forestry College student during the year. I'd like to thank the UTGA members for keeping the Association alive, the Board members and officers at the Secretariat for the work done in 2021 and the achievements realized amid the difficulties caused by COVID 19 pandemic.



Dennis David Kavuma
General Manager - UTGA

ACCOUNTS

*Uganda Timber Growers Association Limited (limited by guarantee)
Annual report and financial statements
For the year ended 31 December 2021*

REPORT OF THE BOARD MEMBERS

The board members submit their report and the audited financial statements for the year ended 31 December 2021, which disclose the state of affairs of the association.

PRINCIPAL ACTIVITIES

The principal activity of the association is to promote and ensure a sustainable, profitable, social economic and environmentally sound commercial forestry industry in Uganda.

RESULTS	2021	2020
	Shs '000	Shs '000
Profit/(loss)	<u>587,338</u>	<u>(128,264)</u>
Profit/(loss) for the year	<u><u>587,338</u></u>	<u><u>(128,264)</u></u>

PRINCIPAL RISKS AND UNCERTAINTIES

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the association's services. The Association's strategic focus is to enhance revenue growth whilst maintaining profit margins, the success of which remains dependent on overall market conditions and other factors such as the impact of the recent coronavirus outbreak. Whilst at this stage it is too early to predict the full potential impact of this outbreak on the Association's operations, the members continue to monitor this situation closely with a view to assessing and mitigating its impact on the Association.

BOARD MEMBERS

The board members who held office during the year and to the date of this report are shown on page 1.

INDEPENDENT AUDITOR

The Association's Auditor, PKF Uganda, has indicated willingness to continue in office in accordance with the Ugandan Companies Act, 2012.

BY ORDER OF THE BOARD



**CHAIRPERSON
KAMPALA**

09th March 2022

ACCOUNTS

Uganda Timber Growers Association Limited (limited by guarantee)
Annual report and financial statements
For the year ended 31 December 2021

STATEMENT OF INCOME AND RETAINED EARNINGS

	Notes	2021 Shs'000	2020 Shs'000
Revenue	3	562,786	379,110
Cost of sales		<u>(358,907)</u>	<u>(177,329)</u>
Gross profit		203,879	201,781
Other operating income	4	993,758	248,018
Administrative expenses		(299,400)	(265,475)
Other operating expenses		<u>(310,899)</u>	<u>(312,588)</u>
Operating profit/(loss)	5	587,338	(128,264)
Profit/(loss) for the year		<u>587,338</u>	<u>(128,264)</u>
Retained earnings at the start of the year		506,672	634,936
Profit/(loss) for the year		<u>587,338</u>	<u>(128,264)</u>
Retained earnings at the end of the year		<u><u>1,094,010</u></u>	<u><u>506,672</u></u>

ACCOUNTS

Uganda Timber Growers Association Limited (limited by guarantee)
Annual report and financial statements
For the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION

	Notes	2021 Shs'000	2020 Shs'000
CAPITAL EMPLOYED			
Retained earnings		<u>1,094,010</u>	<u>506,672</u>
Equity attributable to members of the Association		<u><u>1,094,010</u></u>	<u><u>506,672</u></u>
REPRESENTED BY			
Non-current assets			
Property and equipment	7	571,823	166,434
Investment	12	<u>1,100</u>	-
		<u>572,923</u>	<u>166,434</u>
Current assets			
Inventories	8	56,745	37,116
Trade and other receivables	9	245,447	216,485
Cash and cash equivalents	10	<u>269,232</u>	<u>104,446</u>
		<u>571,424</u>	<u>358,047</u>
Current liabilities			
Trade and other payables	11	<u>50,337</u>	<u>17,809</u>
		<u>50,337</u>	<u>17,809</u>
Net current assets		<u>521,087</u>	<u>340,238</u>
		<u><u>1,094,010</u></u>	<u><u>506,672</u></u>

The financial statements were approved and authorised for issue by the Board members on 09th March
 2022 and were signed on its behalf by:


 _____ CHAIRPERSON
 
 _____ SECRETARY

ACCOUNTS


Uganda Timber Growers Association Limited (limited by guarantee)
Annual report and financial statements
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STATEMENT OF CASH FLOWS

	Notes	2021 Shs'000	2020 Shs'000
Cash flows from operating activities			
Profit/(loss) before tax		587,338	(128,264)
Adjustments for:			
Depreciation on property and equipment	7	15,370	5,473
Changes in working capital:			
- inventories		(19,629)	36,598
- trade and other receivables		(28,960)	55,116
- trade and other payables		<u>32,527</u>	<u>(7,026)</u>
Net cash from/(used in) operating activities		<u>586,647</u>	<u>(38,103)</u>
Cash flows from investing activities			
Cash paid for purchase of property and equipment	7	(420,761)	(12,312)
Cash paid for investment		(1,100)	-
Net cash used in investing activities		<u>(421,861)</u>	<u>(12,312)</u>
Increase/(decrease) in cash and cash equivalents		<u>164,786</u>	<u>(50,415)</u>
Movement in cash and cash equivalents			
At start of year		104,446	154,861
Increase/(decrease)		<u>164,786</u>	<u>(50,415)</u>
At end of year	10	<u>269,232</u>	<u>104,446</u>



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