

**UWEZO UGANDA LIMITED**  
**ANNUAL REPORT**  
**AND**  
**AUDITED FINANCIAL STATEMENTS**  
**31 DECEMBER 2025**

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**UWEZO UGANDA LIMITED  
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**UWEZO UGANDA LIMITED  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**GENERAL INFORMATION**

Uwezo Uganda Limited (the "Company") is a registered not-for-profit company limited by guarantee without share capital, incorporated, and domiciled in Uganda. The Company was registered under the Companies Act, 2012 on 15 October 2019 with registration number 80020002150575.

**REGISTERED OFFICE ADDRESS**

Uwezo Uganda Limited  
Corner House, Plot 436/437  
Mawanda Road, Kamwokya  
P.O. Box 33275  
Kampala, Uganda

**BANKERS**

Stanbic Bank Uganda Limited  
Garden City Branch  
Plot 64-86, Kitante Road  
Kampala, Uganda

**LEGAL ADVISOR**

KBW Advocates  
Plot 10, Clement Hill Road  
P.O. Box 21161  
Tel: +256-414-343168  
Kampala, Uganda

**COMPANY SECRETARY**

Mr. Kizito Ssekitooleko  
P.O. Box 21161  
Kampala, Uganda

**AUDITOR**

Ernst & Young  
Certified Public Accountants of Uganda  
EY House  
Plot 18, Clement Hill Road  
Shimoni Office Village  
P.O. Box 7215  
Kampala, Uganda

**UWEZO UGANDA LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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The directors submit their report together with the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of Uwezo Uganda Limited (the "Company").

**UWEZO UGANDA VISION**

A society in which all children are learning and realising their full potential.

**UWEZO UGANDA MISSION**

To promote support for quality education for all through assessment, research, engagement and influencing, in collaboration with other stakeholders

**PRINCIPLE ACTIVITIES AND CONTEXT**

Uwezo Uganda is an independent, non-profit organisation dedicated to enhancing all children's learning outcomes through the generation, sharing, and utilisation of data and evidence. Established as a Uganda entity, the organisation conducts citizen-led assessments of children's foundational literacy, numeracy and life skills as well as rigorous research and engages policy makers, practitioners and communities with actionable evidence.

In June 2025, we launched the organisation's second strategy (2025-2030), 'Promoting Support for Quality Education for All'. This strategy marks a new chapter for Uwezo Uganda as a fully independent organisation and clearly articulates the interconnectedness of our three core areas of work:

- Assessment: producing high-quality, nationally representative and district-level data on children's learning
- Research: generating deeper insights into factors that drive or hinder learning outcomes; and
- Evidence-based engagement and influencing – ensuring that the data and evidence we produce are actively used by government, civil society, development partners, and communities to inform policy, refine practices, and improve education delivery.

The strategy recognises that lasting improvements in children's learning depend on strong collaboration with government bodies (particularly Ministry of Education and Sports), development partners, civil society, researchers and communities at all levels. It commits Uwezo to deepening these partnerships so that evidence translates into concrete action and policy change, ultimately ensuring that every child in Uganda realises their full potential. We are confident that the 2025-2028 strategy provides a robust framework for the organisation's continued relevance and impact in the coming years.

**REVIEW OF THE YEAR – KEY ACHIEVEMENTS**

In addition to the formal launch of our second organisational strategy that provides the strategic anchor for all our activities and commitment to evidence-driven collaboration, 2025 was a year of other significant achievements. Despite the lingering effects of Covid-19 pandemic on the education sector, Uwezo Uganda advanced its mission through a series of high-impact initiatives that generated fresh evidence, fostered national and international dialogue, and strengthened sub-national-level engagement. The major highlights are summarised below.

- **Launch of the Uwezo Uganda National Learning Assessment Report – 'Are our Children Learning? Learning Recovery and Challenges for Uganda'**

On 18th March 2025, we launched our latest Uwezo national learning assessment report based on data collected in July-August 2024 from the same 29 districts assessed in 2021. The report revealed divergent trends: while reading levels in upper primary classes were lower than in 2021 – reflecting the long-term impact of the 2020-2021 school closures – numeracy levels were generally higher. The findings underscore the critical importance of human capital formation in the early stages of education and have informed national conversations on learning recovery.

## **REVIEW OF THE YEAR – KEY ACHIEVEMENTS (CONTINUED)**

- **Development and Launch of 29 District Report Cards**

Building on the national assessment, Uwezo Uganda developed individual report cards for each of the 29 districts covered by the study. These concise, district-specific report cards translate the survey data into locally relevant insights, highlighting literacy and numeracy performance and other factors such as preschool attendance, class size, etc., that have a bearing on learning outcomes. The report cards were disseminated with our district-based partners to district education officials, local government leaders and other key education stakeholders in the districts. This initiative strengthens decentralised decision-making and enables district-level actors to design and implement context-specific strategies **for learning improvement**.

- **Inaugural (Inter)National Conference on What Works in Girls' Education**

From 1-3 October, 2025, Uwezo Uganda, in partnership with Kyambogo University's School of Education, the University of Cambridge's Research for Equitable Access and Learning (REAL) Centre, and the Uganda Chapter of the Regional Education Learning Initiative Africa (RELI-Africa), hosted the first National Conference on What Works in Girls' Education under the theme 'Breaking Barriers, Building Futures: Evidence & Action for Girls' Education'. The conference, inaugurated by Uganda's Minister of State for Primary Education and concluded by the Permanent Secretary of the Ministry of Education and Sports, attracted 237 participants from 22 countries and 111 organisations. Over 100 presentations shared compelling evidence and innovative strategies. A conference communique' and full report were produced, and in 2026 selected papers will be invited for peer review for inclusion in an edited book volume.

- **Open Data and Evidence in Education Day (ODEED)**

On 12 December 2025, Uwezo hosted the inaugural Open Data & Evidence in Education Day in Kampala. The event showcased the key outputs from our learning assessments, collaborative research, and academic papers utilising Uwezo data from 2020 onwards. Officiated by Commissioner for Basic Education on behalf of the Minister of State for Primary Education and Permanent Secretary, the day brought together 137 participants, including Ministry of Education officials, civil society, district education leaders, academics, researchers and media. A summary of proceedings, together with links to the 13 disseminated reports, is available on our website.

- **State of Foundational Learning in the Global South: 2025 Assessment Report**

As a member of the People's Action for Learning (PAL) Network, Uwezo contributed to the regional 'State of Foundational Learning in the Global South: 2025 Assessment Report'. In Uganda, a nationally representative assessment using the International Common Assessment of Numeracy (ICAN) and the International Assessment of Reading (ICAR) tools was conducted in August-September 2025 across 222 enumeration areas in 119 districts, involving 413 citizen volunteers and 26 district-based partner organisations. The comparative report for 12 countries, including Uganda, provides minimum proficiency levels in reading and numeracy and will support in-country dissemination and advocacy for foundational learning improvements under Sustainable Development Goal (SDG) 4.1.1.a.

- **Engaging Parents in Children's Problem-Solving – Learning Brief Published**

As part of the Action for Life Skills and Values in East Africa (ALiVE) initiative, Uwezo Uganda implemented a 10-week theme-based parental and community engagement in collaboration with district-based partner CSOs in six districts of Oyam, Tororo, Mukono, Kanungu and Sheema. Through community dialogues involving parents, local leaders, school administrators, teachers, religious leaders and youth mentors, the programme equipped families with practical tools to foster problem-solving and other life skills. A learning brief capturing benefits, testimonials, and lessons learnt - including improved decision-making, communication, confidence, and responsibility – has been published is available for wider use.

These achievements were made possible through the generous support of our funders and system actors, as well as through the dedication of our staff, associates, district partners, citizen volunteers, Technical Advisory Committee and the Board.

**REVIEW OF THE YEAR – KEY ACHIEVEMENTS (CONTINUED)**

**FINANCIAL PERFORMANCE AND POSITION**

A detailed review of the financial performance and position of the organisation for the year ended 31 December 2025 is set out in the attached financial statements. We confirm that we maintained sound financial management through the year, ensuring that resources were applied efficiently to deliver on the omission and strategic objectives of the organisation.

**LOOKING AHEAD**

We are optimistic about 2026 and beyond. With the 2025-2028 strategy now in full implementation, we will continue to deepen our assessment work, expand research partnerships, and intensify evidence-based engagement and influencing efforts. We look forward to stronger collaboration with the Ministry of Education and Sports and global, national and sub-national partners to accelerate progress towards quality education for every child in Uganda. We extend our sincere gratitude to all partners, funders, staff, volunteers and stakeholders who contributed to another successful year. We also thank the Ministry of Education and Sports for its continued leadership and engagement. Together, we remain committed to ensuring that all children in Uganda are learning and realising their full potential.

**FINANCIAL RESULTS FOR THE YEAR**

The financial results for the year are presented in the statement of income and expenditure.

**FINANCIAL RESERVES**

The Company's financial reserves are set out in the statement of changes in reserves.

**DIRECTORS**

The directors who held office during the year and to the date of this report were:

Prof. Albert James Lutalo-Bosa	Chairperson, Board of Directors
Prof. Joyce Ayikoru	Director
Prof. Grace Ndeezi	Director
Dr. Charles Tony Mukasa-Lusambu	Director
Mr. James Muwonge	Director
Dr. Sarah Nakabo Ssewanyana	Director
Dr. Beatrice Byakutaga	Director
Dr. Mary Goretti Nakabugo	Executive Director

**AUDITOR**

The auditor, Ernst & Young, has expressed willingness to continue in office in accordance with Section 167 (2) of the Companies Act Cap. 106, of Uganda.

By order of the Board

.....  
**Secretary**

.....**2026**

**UWEZO UGANDA LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

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The Companies Act Cap. 106, of Uganda requires the directors to prepare financial statements for each financial period that present fairly the state of financial affairs of the Company as at the end of the financial year and of its financial results for that year. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors are ultimately responsible for the internal controls of the Company. The directors delegate the responsibility for the internal control to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the Company's assets. Appropriate accounting policies supported by reasonable and prudent judgements and estimates, are applied on a consistent basis and using a going concern basis. These systems and controls include proper delegation of responsibilities, within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and in the manner required by the Companies Act Cap.106, of Uganda. The directors are of the opinion that the financial statements present fairly in all material respects the state of the financial affairs of the Company and of its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

In preparing the financial statements, the directors have assessed the Company's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

The financial statements were approved by the Board of Directors on .....2026 and signed on its behalf by:

.....  
**Director**

.....  
**Director**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UWEZO UGANDA LIMITED**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of Uwezo Uganda Limited (the "Company") set out on pages 9 to 27 which comprise the statement of financial position as at 31 December 2025, and the statement of income and expenditure, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board ("IFRS for SMEs") and the requirements of the Companies Act Cap. 106, of Uganda.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Company and in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included on pages 1 to 4 of Uwezo Uganda Limited Audited Financial Statements for the year ended 31 December 2025, which includes the Directors' Report as required by the Companies Act of Uganda, Statement of Directors' Responsibilities for the Financial Statements, and Company Information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap.106, of Uganda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies Act Cap. 106, of Uganda, we report to you, based on our audit, that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) The Company's statement of financial position and statement of income and expenditure are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Julius Rwajekare - P0307.

.....  
**Ernst & Young**  
**Certified Public Accountants of Uganda**  
**Kampala**

.....  
**CPA Julius Rwajekare**  
**Partner**

..... **2026**

**UWEZO UGANDA LIMITED**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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	<b>Notes</b>	<b>2025 Ushs</b>	<b>2024 Ushs</b>
Grant income	3	3,614,136,039	2,984,569,181
Other income	4	<u>158,060,379</u>	<u>121,630,742</u>
<b>Total income</b>		<b><u>3,772,196,418</u></b>	<b><u>3,106,199,923</u></b>
Program costs	5	2,696,316,697	1,942,765,809
Administration costs	6	<u>1,017,820,754</u>	<u>1,137,709,178</u>
<b>Total expenditure</b>		<b><u>3,714,137,451</u></b>	<b><u>3,080,474,987</u></b>
<b>Surplus before tax</b>	7	<b>58,058,967</b>	<b>25,724,936</b>
Income tax expense	8(a)	<u>(5,982,502)</u>	<u>(712,550)</u>
<b>Surplus for the year</b>		<b><u>52,076,465</u></b>	<b><u>25,012,386</u></b>

**UWEZO UGANDA LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

<b>ASSETS</b>	<b>Notes</b>	<b>2025 Ushs</b>	<b>2024 Ushs</b>
<b>Non-current assets</b>			
Property and equipment	9(a)	23,920,171	16,959,408
Deferred tax asset	8(d)	49,634,536	29,921,138
Held to maturity investments	10	<u>2,057,804,820</u>	<u>1,120,391,389</u>
		<b><u>2,131,359,527</u></b>	<b><u>1,167,271,935</u></b>
<b>Current assets</b>			
Accounts receivable	11	17,679,211	30,370,737
Cash and bank balances	12	<u>1,451,757,878</u>	<u>2,178,645,338</u>
		<b><u>1,469,437,089</u></b>	<b><u>2,209,016,075</u></b>
<b>TOTAL ASSETS</b>		<b><u>3,600,796,616</u></b>	<b><u>3,376,288,010</u></b>
<b>RESERVES AND LIABILITIES</b>			
<b>Reserves</b>			
General reserves		<u>231,390,486</u>	<u>179,314,021</u>
		<b><u>231,390,486</u></b>	<b><u>179,314,021</u></b>
<b>Non-current liabilities</b>			
Deferred capital income	9(b)	1,679,384	2,519,077
Deferred income: Non-current portion	13	<u>1,044,274,726</u>	<u>1,095,666,526</u>
		<b><u>1,045,954,110</u></b>	<b><u>1,098,185,603</u></b>
<b>Current liabilities</b>			
Deferred income: Current portion	13	2,232,542,268	2,029,045,687
Accounts payable	14	90,909,752	56,938,735
Current income tax payable	8(c)	-	12,803,964
		<b><u>2,323,452,020</u></b>	<b><u>2,098,788,386</u></b>
<b>TOTAL RESERVES AND LIABILITIES</b>		<b><u>3,600,796,616</u></b>	<b><u>3,376,288,010</u></b>

The financial statements were approved by the Board of Directors on .....2026 and signed on its behalf by:

.....  
**Director**

.....  
**Director**

**UWEZO UGANDA LIMITED  
STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Ushs**

At 1 January 2024	154,301,635
Surplus for the year	<u>25,012,386</u>
<b>At 31 December 2024</b>	<b><u>179,314,021</u></b>
At 1 January 2025	179,314,021
Surplus for the year	<u>52,076,465</u>
<b>At 31 December 2025</b>	<b><u>231,390,486</u></b>

**THE UWEZO UGANDA LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 Ushs	2024 Ushs
<b>OPERATING ACTIVITIES</b>			
Surplus for the year		58,058,967	25,724,936
<i>Adjustments for non-cash items:</i>			
Amortisation of deferred operating income	3	(3,614,136,039)	(2,984,569,181)
Amortisation of deferred capital income	4	(839,693)	(839,693)
Interest income		(143,125,664)	(120,529,756)
Unwinding of premium on bonds	10	26,429,964	14,023,468
Depreciation of property and equipment	9(a)	8,361,737	10,119,973
<i>Working capital adjustments:</i>			
Decrease/(increase) in accounts receivable		12,691,526	(821,666)
Increase in accounts payable		33,971,017	8,834,392
		<b>(3,618,588,185)</b>	<b>(3,048,057,527)</b>
Tax paid	8(c)	(38,499,864)	(42,943,441)
<b>Net cash flows used in operating activities</b>		<b><u>(3,657,088,049)</u></b>	<b><u>(3,091,000,968)</u></b>
<b>INVESTING ACTIVITIES</b>			
Interest received		5,816,026	14,256,599
Interest received on treasury bonds		125,209,420	106,011,864
Purchase of property and equipment	9(b)	(15,322,500)	(4,288,453)
Purchase of treasury bond	10	(132,091,564)	(318,246,360)
Matured bonds	10	77,166,241	-
Purchase of Unit Trust	10	(896,817,854)	(51,391,800)
<b>Net cash flows used in investing activities</b>		<b><u>(836,040,231)</u></b>	<b><u>(253,658,150)</u></b>
<b>FINANCING ACTIVITIES</b>			
Operating grant income received	13	3,766,240,820	2,859,286,878
<b>Net cash flows from financing activities</b>		<b><u>3,766,240,820</u></b>	<b><u>2,859,286,878</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>(726,887,460)</b>	<b>(485,372,240)</b>
Cash and cash equivalents at 1 January		2,178,645,338	2,664,017,578
<b>Cash and cash equivalents at 31 December</b>	12	<b><u>1,451,757,878</u></b>	<b><u>2,178,645,338</u></b>

## **1. COMPANY INFORMATION**

Uwezo Uganda Limited (the "Company") was registered with registration number 80020002150575 on 15 October 2019 as a limited liability company. The Company's principal activity is contribute to the improvement of quality of education in Uganda by: a) assessing children's acquisition of basic skills and knowledge, b) observing the resources of schools, their educational processes and the conditions in which children attend and learn, c) carrying out research and encouraging innovations that may help to improve learning outcomes and the learning environment, d) raising the awareness of government, educators and citizens about the intended outcomes that are insufficient in general and unevenly distributed, and; e) raising awareness about children's rights relating to education and triggering discussions on issues of quality education for children. The address of its registered office is:

Uwezo Uganda Limited  
Plot 436/437, Corner House  
Kamwokya, Kampala District  
P.O. Box 33275  
Kampala, Uganda

## **2. BASIS OF PREPARTION AND SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of preparation**

The financial statements of the Company are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap.106, of Uganda.

The financial statements have been prepared on a historical cost basis, except where otherwise stated. The financial statements are presented in Uganda Shillings (Ushs).

For purposes of reporting under the Companies Act Cap.106, of Uganda, the balance sheet in these financial statements is represented by the statement of financial position and the profit and loss account is represented by the statement of income and expenditure.

### **b) Significant accounting judgements and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets, and liabilities including the disclosure of contingent liabilities, at the end of the period. However, uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected, in future periods. All estimates and assumptions required in conformity with IFRS for SMEs Accounting Standards as issued by the International Accounting Standards Board are best estimates undertaken in accordance with the applicable standards.

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that could have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are described below. The Company bases its assumptions and estimates on the conditions / parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may, however, change due to market changes or circumstances arising beyond the control of the Company. Such changes shall be reflected in the assumptions when they occur.

#### **Taxation**

The Company is subject to income taxes under the Income Tax Act, Cap 340 (as amended). Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b) Significant accounting judgements and assumptions (Continued)**

**Estimates and assumptions (Continued)**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.

Refer to Note 8 for further disclosures on taxation.

*Useful lives of assets*

The estimated useful lives and residual values of items of property and equipment are reviewed annually and are in line with the rates at which they are depreciated.

Refer to Note 9 for the carrying amount of property and equipment.

**c) Going concern**

The Company's management and directors have assessed the Company's ability to continue in operation as a going concern and are satisfied that the Company has access to the necessary resources to continue in operation for the foreseeable future. Furthermore, the directors and management are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

**d) Summary of significant accounting policies**

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

**Income and deferred income**

Funding is sourced from donors to enable execution of the annual activities and ultimately the achievement of the Company's objectives. Grant income is recognised to the extent of utilisation on the expenses during the reporting period. The grant income utilised on project activities is recognised in the statement of income and expenditure and the amount not utilised recognised as deferred grant income in the statement of financial position.

Other income is recognised when earned.

**Taxation**

The tax expense for the period comprises current income and deferred tax. Tax is recognised in the statement of income and expenditure for the period except to the extent that it relates to items recognised in other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or directly through equity respectively.

Current income tax is the amount of income tax payable on the taxable income for the year determined in accordance with the Uganda Income Tax Act, Cap 340 (as amended). Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax is provided for in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Summary of significant accounting policies (Continued)**

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be utilized.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the end of reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax relating to items recognised outside surplus or deficit is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

**Property and equipment**

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement income and expenditure during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life, as follows:

Computers and accessories	33.3%
Office equipment	25%
Furniture and fittings	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of income and expenditure.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the statement of income and expenditure.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Summary of significant accounting policies (Continued)**

**Accounts receivables**

Amounts recoverable are measured at fair value less an estimate made for doubtful recoverable based on a review of all outstanding amounts at year end. Specific provisions are made for all known doubtful debts. Bad debts are written off in the period in which they are identified when all reasonable steps to recover them have been taken without success.

Payments to partners and service providers are recorded as prepayments in the statement of financial position and only expensed when the related services or supplies have been received by the Company or the related activities have been implemented by the partners.

**Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and balances held with the banks.

Bank balances are initially measured at fair value including transaction costs and subsequently measured at amortised cost, using the effective interest method.

**General reserves**

These relate to the accumulated surplus or deficit from the Company's operations. The Company is not-for-profit and therefore the reserves are not distributable.

**Deferred income**

Deferred operating income relates to unutilised grant income as at the end of financial period.

Deferred capital income relates to the unamortised amount of donations for purchasing of property and equipment. The amount is amortised to the statement of income and expenditure over the useful lives of the related assets.

**Employee benefits**

The Company and its employees contribute to the National Social Security Fund which is a defined contribution scheme. A defined contribution plan is a retirement benefit plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company's contributions of 10% on employee emoluments are charged to the statement of income and expenditure in the period to which they relate.

**Provisions**

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**Foreign currency translation**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Ushs.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and expenditure.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Summary of significant accounting policies (Continued)**

**Financial liabilities**

The Company's financial liabilities comprise accounts payables.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the original financial liability and the consideration paid is recognised in the statement of income and expenditure.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**e) New and amended standards and interpretations**

The new standards and amendments, which are effective for the reporting period, had no significant impact on the Company's financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The new standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are not expected to have a significant impact on the Company's financial statements.

**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**3. GRANT INCOME**

	Note	2025 Ushs	2024 Ushs
Mott/FCDO Uganda	13	290,744,076	-
Wellspring Philanthropic Fund (WPF)	13	382,947,943	694,910,335
Echidna Giving	13	1,055,077,714	954,765,022
Luigi Giussani Institute of Higher Education	13	238,847,411	4,756,126
UNESCO	13	-	30,564,021
Zizi Afrique Foundation	13	837,815,413	1,099,857,878
Other donors/funding partners*	13	-	199,715,799
PAL Network	13	792,744,482	-
Foundation for Inclusive Community Help (FICH)	13	15,959,000	-
		<b><u>3,614,136,039</u></b>	<b><u>2,984,569,181</u></b>

Grant income relates to funding sourced and recognised during the year from donors, including utilisation of prior deferrals

**4. OTHER INCOME**

	2025 Ushs	2024 Ushs
Amortisation of deferred capital income (Note 9 b)	839,693	839,693
Interest earned on bank balances	5,816,026	14,256,599
Interest earned on treasury bonds	137,309,638	106,273,157
Interest on investments in Unit Trusts	14,095,022	261,293
Unrealised foreign exchange gain	-	-
	<b><u>158,060,379</u></b>	<b><u>121,630,742</u></b>

**5. PROGRAM COSTS**

	2025 Ushs	2024 Ushs
Salaries and staff costs for evidence goal	325,501,941	293,051,483
Salaries and staff costs for engagements goal	170,859,693	174,319,808
Salaries and staff costs for insights goal	135,908,508	137,032,635
Employee benefits expenses	52,306,694	54,459,993
Sub-national engagements	146,576,864	67,730,392
Engaging with policy makers	158,436,930	4,733,850
Action for Life Skills & Values in East Africa (ALiVE)	591,507,850	371,981,070
Basic Assessment of Learning Outcomes	-	548,363,517
KIX (ICARE & ICAN assessments)	613,555,894	170,893,500
Increasing uptake of Uwezo data	80,395,909	48,541,658
Positive Deviance Study	29,408,534	71,657,903
PAL Network - SEL-EiE Assessment	21,072,936	-
National conference on what works in girls education	119,829,277	-
Package research products to suit different audiences	32,728,730	-
Mapping research that has been done on Special Needs	22,949,811	-
Education in Sub Saharan Africa	-	-
Monitoring & Evaluation	32,105,237	-
Partnerships	17,871,176	-
Tapping Emergent Talent	145,300,713	-
	<b><u>2,696,316,697</u></b>	<b><u>1,942,765,809</u></b>

**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**6. ADMINISTRATION COSTS**

	<b>2025</b>	<b>2024</b>
	<b>Ushs</b>	<b>Ushs</b>
Salaries and staff costs, independent of Uwezo goals	342,656,643	386,336,667
Employee benefits expenses	28,815,582	34,086,149
Other staff expenses	23,553,893	18,072,764
Bank charges	5,854,581	6,254,987
Engagement at Global level-contribution to global knowledge through presentations and publications	28,304,785	29,204,557
Planning and reporting	63,661,949	169,021,024
Uwezo values, policies, procedures and compliance	74,791,416	54,635,254
Governance, board and donor meetings	113,009,807	130,629,591
Repairs and maintenance	2,414,780	2,012,764
Transport	4,216,800	9,607,500
Office assets insurance	1,749,260	1,046,494
Electricity bills	3,951,335	4,158,692
Office stationery costs	4,722,449	4,059,757
Office telephone expenses	-	200,000
Staff mobile phone airtime	8,324,000	8,938,000
Office internet and website maintenance costs	25,437,665	21,059,634
Minor equipment purchases	4,664,900	5,282,137
Routine and internal servicing of IT equipment	2,672,700	1,775,900
Staff recruitment and motivation to realize Uwezo goals in a supportive environment	7,148,400	6,355,900
Office rent	79,393,399	79,489,727
Office cleanliness	9,264,000	7,825,500
Organisational learning	19,158,398	18,511,558
Interns expenses	34,447,606	14,450,519
Depreciation of donated assets	839,693	839,693
Depreciation of purchased assets	7,522,046	9,280,282
Office courier expense	1,150,000	90,000
Office software licenses	20,932,949	19,418,016
Unrealised foreign exchange loss	99,161,718	95,066,112
	<u>-</u>	<u>-</u>
	<b><u>1,017,820,754</u></b>	<b><u>1,137,709,178</u></b>

**7. SURPLUS BEFORE TAX**

	<b>2025</b>	<b>2024</b>
	<b>Ushs</b>	<b>Ushs</b>
The surplus before tax is stated after charging/(crediting):		
Depreciation of donated assets [Note 9(b)]	839,693	839,693
Depreciation of purchased assets [Note 9(b)]	8,361,737	9,280,281
Amortisation of deferred capital income [Note 9(b)]	(839,693)	(839,693)
Interest earned on bank balances	5,816,026	14,256,599
Interest on treasury bonds and Unit Trust	(151,404,660)	(106,273,157)
Foreign exchange loss/(gain)	99,161,718	95,066,112
Auditor's remuneration	<u>20,093,887</u>	<u>21,874,860</u>



**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**9. PROPERTY AND EQUIPMENT**

**(a) Net carrying amount**

**Year ended 31 December 2025**

	<b>Computer &amp; accessories Ushs</b>	<b>Furniture &amp; fittings Ushs</b>	<b>Office equipment Ushs</b>	<b>Total Ushs</b>
<b>Cost</b>				
<b>At 1 January 2025</b>	80,101,875	18,307,314	27,576,759	125,985,948
Additions	<u>11,744,000</u>	<u>1,590,000</u>	<u>1,988,500</u>	<u>15,322,500</u>
<b>At 31 December 2025</b>	<b><u>91,845,875</u></b>	<b><u>19,897,314</u></b>	<b><u>29,565,259</u></b>	<b><u>141,308,448</u></b>
<b>Depreciation</b>				
At 1 January 2025	77,461,774	10,066,703	21,498,063	109,026,540
Charge for the year	<u>3,683,714</u>	<u>2,454,048</u>	<u>2,223,975</u>	<u>8,361,737</u>
<b>At 31 December 2025</b>	<b><u>81,145,488</u></b>	<b><u>12,520,751</u></b>	<b><u>23,722,038</u></b>	<b><u>117,388,277</u></b>
<b>Net carrying amount</b>				
<b>At 31 December 2025</b>	<b><u>10,700,387</u></b>	<b><u>7,376,563</u></b>	<b><u>5,843,221</u></b>	<b><u>23,920,171</u></b>

**Year ended 31 December 2024**

	<b>Computer &amp; accessories Ushs</b>	<b>Furniture &amp; fittings Ushs</b>	<b>Office equipment Ushs</b>	<b>Total Ushs</b>
<b>Cost</b>				
<b>At 1 January 2024</b>	77,677,822	18,307,314	25,712,359	121,697,495
Additions	<u>2,424,053</u>	<u>-</u>	<u>1,864,400</u>	<u>4,288,453</u>
<b>At 31 December 2024</b>	<b><u>80,101,875</u></b>	<b><u>18,307,314</u></b>	<b><u>27,576,759</u></b>	<b><u>125,985,948</u></b>
<b>Depreciation</b>				
At 1 January 2024	74,747,098	7,778,280	16,381,189	98,906,567
Charge for the year	<u>2,714,676</u>	<u>2,288,423</u>	<u>5,116,874</u>	<u>10,119,973</u>
<b>At 31 December 2024</b>	<b><u>77,461,774</u></b>	<b><u>10,066,703</u></b>	<b><u>21,498,063</u></b>	<b><u>109,026,540</u></b>
<b>Net carrying amount</b>				
<b>At 31 December 2024</b>	<b><u>2,640,101</u></b>	<b><u>8,240,611</u></b>	<b><u>6,078,696</u></b>	<b><u>16,959,408</u></b>

**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**9. PROPERTY AND EQUIPMENT (CONTINUED)**

**(b) Analysis of depreciation and net carrying amount of purchased and donated assets**

**Year ended 31 December 2025**

<b>Description</b>	<b>Donated assets Ushs</b>	<b>Purchased assets Ushs</b>	<b>Total Ushs</b>
Computers and accessories	-	3,683,714	3,683,714
Furniture and fittings	839,693	1,614,356	2,454,048
Office equipment	-	<u>2,223,975</u>	<u>2,223,975</u>
<b>Total depreciation charge</b>	<b><u>839,693</u></b>	<b><u>7,522,045</u></b>	<b><u>8,361,737</u></b>

**Year ended 31 December 2024**

<b>Description</b>	<b>Donated assets Ushs</b>	<b>Purchased assets Ushs</b>	<b>Total Ushs</b>
Computers and accessories		2,714,676	2,714,676
Furniture and fittings	839,693	1,448,731	2,288,424
Office equipment	-	<u>5,116,874</u>	<u>5,116,874</u>
<b>Total depreciation charge</b>	<b><u>839,693</u></b>	<b><u>9,280,281</u></b>	<b><u>10,119,974</u></b>

**Purchased assets**

<b>At 31 December 2025</b>	<b>Computer &amp; accessories Ushs</b>	<b>Furniture &amp; fittings Ushs</b>	<b>Office equipment Ushs</b>	<b>Total Ushs</b>
At 1 January 2025	75,094,234	11,589,773	26,706,260	113,390,267
Additions	<u>11,744,000</u>	<u>1,590,000</u>	<u>1,988,500</u>	<u>15,322,500</u>
<b>At 31 December 2025</b>	<b><u>86,838,234</u></b>	<b><u>13,179,773</u></b>	<b><u>28,694,760</u></b>	<b><u>128,712,767</u></b>

**Depreciation**

At 1 January 2025	72,454,133	5,868,240	20,627,564	98,949,937
Charge for the year	<u>3,683,714</u>	<u>1,614,356</u>	<u>2,223,975</u>	<u>7,522,045</u>
<b>At 31 December 2025</b>	<b><u>76,137,847</u></b>	<b><u>7,482,596</u></b>	<b><u>22,851,539</u></b>	<b><u>106,471,982</u></b>

**Net carrying amount**

<b>At 31 December 2025</b>	<b><u>10,700,387</u></b>	<b><u>5,697,177</u></b>	<b><u>5,843,221</u></b>	<b><u>22,240,785</u></b>
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**Purchased assets**

<b>At 31 December 2024</b>	<b>Computer &amp; accessories Ushs</b>	<b>Furniture &amp; fittings Ushs</b>	<b>Office equipment Ushs</b>	<b>Total Ushs</b>
At 1 January 2024	72,670,181	11,589,773	24,841,860	109,101,814
Additions	<u>2,424,053</u>	-	<u>1,864,400</u>	<u>4,288,453</u>
<b>At 31 December 2024</b>	<b><u>75,094,234</u></b>	<b><u>11,589,773</u></b>	<b><u>26,706,260</u></b>	<b><u>113,390,267</u></b>

**Depreciation**

At 1 January 2024	69,739,457	4,419,509	15,510,690	89,669,656
Charge for the year	<u>2,714,676</u>	<u>1,448,731</u>	<u>5,116,874</u>	<u>9,280,281</u>
<b>At 31 December 2024</b>	<b><u>72,454,133</u></b>	<b><u>5,868,240</u></b>	<b><u>20,627,564</u></b>	<b><u>98,949,937</u></b>

**Net carrying amount**

<b>At 31 December 2024</b>	<b><u>2,640,101</u></b>	<b><u>5,721,533</u></b>	<b><u>6,078,696</u></b>	<b><u>14,440,330</u></b>
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**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**9. PROPERTY AND EQUIPMENT (CONTINUED)**

**(b) Analysis of depreciation and net carrying amount of purchased and donated assets (Continued)**

**Donated assets**

<b>At 31 December 2025</b>	<b>Computer &amp; accessories Ushs</b>	<b>Furniture &amp; fittings Ushs</b>	<b>Office equipment Ushs</b>	<b>Total Ushs</b>
At January 2025	5,007,641	6,717,541	870,499	12,595,681
Additions	-	-	-	-
<b>At 31 December 2025</b>	<b><u>5,007,641</u></b>	<b><u>6,717,541</u></b>	<b><u>870,499</u></b>	<b><u>12,595,681</u></b>
<b>Depreciation</b>				
At January 2025	5,007,641	4,198,463	870,499	10,076,603
Charge for the year	-	839,692	-	839,692
<b>At 31 December 2025</b>	<b><u>5,007,641</u></b>	<b><u>5,038,155</u></b>	<b><u>870,499</u></b>	<b><u>10,916,295</u></b>
<b>Net carrying amount At 31 December 2025</b>	<b><u>-</u></b>	<b><u>1,679,386</u></b>	<b><u>-</u></b>	<b><u>1,679,386</u></b>
<b>At 31 December 2024</b>	<b>Computer &amp; accessories Ushs</b>	<b>Furniture &amp; fittings Ushs</b>	<b>Office equipment Ushs</b>	<b>Total Ushs</b>
At January 2024	5,007,641	6,717,541	870,499	12,595,681
Additions	-	-	-	-
<b>At 31 December 2024</b>	<b><u>5,007,641</u></b>	<b><u>6,717,541</u></b>	<b><u>870,499</u></b>	<b><u>12,595,681</u></b>
<b>Depreciation</b>				
At January 2024	5,007,641	3,358,771	870,499	9,236,911
Charge for the year	-	839,692	-	839,692
<b>At 31 December 2024</b>	<b><u>5,007,641</u></b>	<b><u>4,198,463</u></b>	<b><u>870,499</u></b>	<b><u>10,076,603</u></b>
<b>Net carrying amount At 31 December 2024</b>	<b><u>-</u></b>	<b><u>2,519,078</u></b>	<b><u>-</u></b>	<b><u>2,519,078</u></b>

The unamortised amount of the grants relating to property and equipment is recognised as deferred capital income. The deferred capital income amount is amortised over the useful lives of the donated assets. As such, the deferred capital income is equivalent to the above net carrying amount of the donated assets.

**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**10. HELD TO MATURITY INVESTMENTS**

The Company invested in the following treasury bond through Stanbic Bank Uganda Limited:

- Investment of Ushs 1,000,046,360 with face value of Ushs 951,700,000, a coupon interest rate of 13.50% per annum and maturity on 9 July 2026.
- Investment of Ushs 132,091,564 with face value of Ushs 128,900,000, a coupon interest rate of 14.13% per annum and maturity on 13 Jan 2028.
- Investment of Ushs 80,071,784 with face value of Ushs 76,400,000, a coupon interest rate of 14% per annum and matured on 29 May 2025.
- Investment of Ushs 948,470,947 with UAP Umbrella Fund

**At 31 December 2025**

	<b>Opening balance Ushs</b>	<b>Additions Ushs</b>	<b>Matured Ushs</b>	<b>Accrued interest Ushs</b>	<b>Unwinding of premium Ushs</b>	<b>Closing balance Ushs</b>
Treasury bond	1,068,738,296	132,091,564	(77,166,241)	-	(26,429,964)	1,097,233,655
Unit Trust	<u>51,653,093</u>	<u>896,817,854</u>	<u>-</u>	<u>12,100,218</u>	<u>-</u>	<u>960,571,165</u>
<b>Total</b>	<b><u>1,120,391,389</u></b>	<b><u>1,028,909,418</u></b>	<b><u>(77,166,241)</u></b>	<b><u>1,210,218</u></b>	<b><u>(26,429,964)</u></b>	<b><u>2,057,804,820</u></b>

**At 31 December 2024**

	<b>Opening balance Ushs</b>	<b>Additions Ushs</b>	<b>Accrued interest Ushs</b>	<b>Unwinding of premium Ushs</b>	<b>Closing balance Ushs</b>
Unit trust	-	51,391,800	261,293	-	51,653,093
Treasury bonds	<u>764,515,404</u>	<u>318,246,360</u>	<u>-</u>	<u>(14,023,468)</u>	<u>1,068,738,296</u>
<b>Total</b>	<b><u>764,515,404</u></b>	<b><u>369,638,160</u></b>	<b><u>261,293</u></b>	<b><u>(14,023,468)</u></b>	<b><u>1,120,391,389</u></b>

**11. ACCOUNTS RECEIVABLE**

	<b>2025 Ushs</b>	<b>2024 Ushs</b>
Supplier prepayments	4,094,895	13,978,425
Other prepayments	<u>13,584,316</u>	<u>16,392,312</u>
	<b><u>17,679,211</u></b>	<b><u>30,370,737</u></b>

**12. CASH AND BANK BALANCES**

	<b>2025 Ushs</b>	<b>2024 Ushs</b>
Cash at bank	1,451,400,478	2,176,760,438
Cash at hand	<u>357,400</u>	<u>1,884,900</u>
	<b><u>1,451,757,878</u></b>	<b><u>2,178,645,338</u></b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the above balances.

**13. DEFERRED INCOME**

	<b>2025 Ushs</b>	<b>2024 Ushs</b>
<b>Non-current portion</b>		
Mott/FCDO	318,246,360	369,638,160
Wellspring Philanthropic Fund	270,672,691	270,672,691
Twaweza East Africa	<u>455,355,675</u>	<u>455,355,675</u>
	<b><u>1,044,274,726</u></b>	<b><u>1,095,666,526</u></b>

**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**13. DEFERRED INCOME (CONTINUED)**

At 31 December 2025

Donor/Funding Partner	Opening balance – Total Ushs	Amount received Ushs	Amount utilised Ushs	Closing balance		
				Total deferred income Ushs	Investment in Unit trusts Ushs	Current Ushs
Mott/FCDO	732,342,717	-	(290,744,076)	441,598,641	51,391,800	492,990,441
Wellspring Philanthropic Fund	383,787,635	-	(382,947,943)	839,692	-	839,692
Education Sub Saharan Africa (ESSA)	9,015,869	-	-	9,015,869	-	9,015,869
Aga Khan Foundation	82,574,645	-	-	82,574,645	-	82,574,645
Center for Strategic Litigation	5,654,048	-	-	5,654,048	-	5,654,048
Luigi Giussani Institute of Higher Education	169,887,900	-	-	169,887,900	-	169,887,900
The Tides Center (Humentum)	8,832,400	-	-	8,832,400	-	8,832,400
EPRC	3,278,673	-	-	3,278,673	-	3,278,673
Hello World	25,836,003	-	-	25,836,003	-	25,836,003
AWAAZ	17,063,854	-	-	17,063,854	-	17,063,854
PAL Network	-	955,377,038	(792,744,482)	162,632,556	--	162,632,556
Echidna Giving	298,728,164	1,120,643,980	(1,055,077,714)	364,294,430	-	364,294,430
Zizi Afrique	292,043,779	1,414,535,495	(837,815,413)	868,763,861	-	868,763,861
Luigi Guissani Institute for Higher Education	-	259,725,307	(238,847,411)	20,877,896	-	20,877,896
Foundation for Inclusive Community Help (FICH)	-	15,959,000	(15,959,000)	-	-	-
<b>Total</b>	<b><u>2,029,045,687</u></b>	<b><u>3,766,240,820</u></b>	<b><u>(3,614,136,039)</u></b>	<b><u>2,181,150,468</u></b>	<b><u>51,391,800</u></b>	<b><u>2,232,542,268</u></b>

**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**13. DEFERRED INCOME (CONTINUED)**

At 31 December 2024 Donor/Funding Partner	Opening balance – Total Ushs	Amount received Ushs	Amount utilised Ushs	Refunds Ushs	Closing balance		
					Total deferred income Ushs	Non-current: Investment in treasury bonds Ushs	Current Ushs
Mott/FCDO	1,101,980,877	-	-	-	1,101,980,877	(369,638,160)	732,342,717
Wellspring Philanthropic Fund	305,778,510	772,919,461	(694,910,335)	-	383,787,636	-	383,787,635
Other donors/ partners	312,533,754	209,325,437	(199,715,799)	-	322,143,392	-	322,143,392
Echidna Giving	495,742,342	757,750,844	(954,765,022)	-	298,728,164	-	298,728,164
Zizi Afrique	272,610,521	1,119,291,136	(1,099,857,878)	-	292,043,779	-	292,043,779
Luigi Guissani Institute for Higher Education	4,756,126	-	(4,756,126)	-	-	-	-
UNESCO	30,564,021	-	(30,564,021)	-	-	-	-
<b>Total</b>	<b><u>2,523,966,151</u></b>	<b><u>2,859,286,878</u></b>	<b><u>(2,984,569,181)</u></b>	<b><u>-</u></b>	<b><u>2,398,683,848</u></b>	<b><u>(369,638,160)</u></b>	<b><u>2,029,045,687</u></b>

The Company operates a four-year strategy out of which an annual plan is developed setting out the activities to be carried out and resources required to achieve the annual plan. The annual plan is based on availability of funding. Funding is sourced from donors to enable execution of the annual activities and ultimately the achievement of the strategy. Income is recognised to the extent of the expenses incurred during the reporting period. The grant income received but not utilised by the end of the reporting period is recognised as deferred income.

**UWEZO UGANDA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**14. ACCOUNTS PAYABLES**

	<b>2025</b>	<b>2024</b>
	<b>Ushs</b>	<b>Ushs</b>
Other suppliers	66,095,865	30,343,875
Audit fees payable	20,093,887	21,874,860
Internal audit fees payable	<u>4,720,000</u>	<u>4,720,000</u>
	<b><u>90,909,752</u></b>	<b><u>56,938,735</u></b>

**15. COMMITMENTS AND CONTINGENT LIABILITIES**

There were no commitments and contingent liabilities as at 31 December 2025 (2024: None).

**16. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to financial risks including market risk, credit and liquidity risk. Market risk comprises price risk, interest risk and foreign currency risk. The Company has no price and interest risks as it holds no financial instruments which are price sensitive or have variable interest rates.

The Company's overall risk management focusses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

**Liquidity risk:** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent risk management includes maintaining sufficient cash balances, and the availability of funding from various donors and/(or) funding partners.

All the Company's financial liabilities are due within 60 days.

**Foreign currency risk:** Foreign currency risk is managed by contracting suppliers in the functional currency to protect the Company from the volatility associated with foreign currency depreciation. The Company also maintains cash balances in the foreign currencies (e.g., US Dollars) in which transactions are done to ensure availability of cash balances to settle liabilities incurred in foreign currencies.

**Credit risk:** The Company endeavors to work with credit worthy third parties. Based on the nature of the core operations, management undertakes reasonable precaution to mitigate against potential for non-recoverability. In addition, receivable balances are monitored on a going concern basis with the result that the Company's exposure to non-recoverability is not significant.

No collateral is held for any of the assets held by the Company. The Company does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

**17. EVENTS AFTER THE REPORTING PERIOD**

There were no events after the reporting period which require adjustment to or disclosure in the financial statements.