

UWEZO UGANDA LIMITED
ANNUAL REPORT
AND
AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2024

UWEZO UGANDA LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

ACRONYMS AND ABBREVIATIONS

ALiVE	-	Assessment of Life Skills and Values in East Africa
ASER	-	Annual Status of Education Report
FCDO	-	Foreign Commonwealth and Development Office
GEMR	-	Global Education Monitoring Report
ICAN	-	International Common Assessment of Numeracy
ICARe	-	International Common Assessment of Reading
IFAC	-	International Federation of Accountants
IFRS	-	International Financial Reporting Standards
ISAs	-	International Standards on Auditing
KIX	-	Knowledge and Innovations Exchange
Mott	-	Mott MacDonald
SMEs	-	Small and Medium-Sized Enterprises
USD	-	United States Dollars
Ushs	-	Uganda Shillings
WPF	-	Wellspring Philanthropic Fund
UNESCO	-	United Nations Educational, Scientific and Cultural Organisation

UWEZO UGANDA LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

TABLE OF CONTENTS	PAGE
Company information	1
Directors' report	2 - 5
Statement of directors' responsibilities	6
Report of the independent auditor	7 - 9
FINANCIAL STATEMENTS:	
Statement of income and expenditure	10
Statement of financial position	11
Statement of changes in reserves	12
Statement of cash flows	13
Notes to the financial statements	14 - 29

**UWEZO UGANDA LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

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 2024**

The directors submit their report together with the audited financial statements for the year ended 31 December 2024, 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

We are committed to demonstrating how to improve learning outcomes and keeping communities and leaders focused on learning through assessment, research, innovations, partnerships and advocacy.

PRINCIPAL ACTIVITIES

Working with concerned citizens, we aim to contribute to the improvement of basic education by:

- Assessing children's acquisition of basic skills and knowledge;
- Observing the resources of schools, their educational processes and the conditions in which children attend and learn;
- Carrying out research and encouraging innovations that may help to improve learning outcomes and the school environment;
- Raising the awareness of governments, educators, and citizens about the intended and actual achievements of basic education, especially the problems of learning outcomes that are insufficient in general and unevenly distributed; and
- Raising awareness about children's rights relating to education and triggering discussions on issues of quality education for children.

THE UWEZO JOURNEY AND APPROACH TO THE LEARNING CRISIS

Uwezo, a Swahili word which means 'capability', has been a programme of Twaweza East Africa since 2009. Twaweza's mission over the last ten (10) years has been to enable children to learn, citizens to exercise agency and governments to be responsive to citizens' demands in Kenya, Tanzania and Uganda. Uwezo's main function has been to generate and curate evidence on learning outcomes and use it to engage with policy actors and citizens to address the learning crisis. Uwezo has used the approach and methodology pioneered by the Annual Status of Education Report (ASER) in India, in which trained citizen volunteers carry out assessments and obtain other relevant data, in the household setting, from large, nation-wide samples of children. To mobilise volunteers, Uwezo has collaborated with hundreds of local organisations that broadly represent civil society.

The Uwezo assessments have been carried out annually or biannually and reported systematically at regional, national and district/county levels in Kenya, Tanzania and Uganda. Over the last 10 years, Uwezo has gone to most districts of the three countries, reached hundreds of thousands of households and assessed millions of children. To demonstrate that information collection is not an extractive process, Uwezo has embedded instant feedback to the households and communities that were selected for inclusion. The citizen volunteers have been encouraged to participate in measuring learning outcomes and to become advocates for the improvement of basic education in their communities.

THE UWEZO JOURNEY AND APPROACH TO THE LEARNING CRISIS (CONTINUED)

The Uwezo professionals have sought to communicate the findings to educational officials and other stakeholders at local, national, regional, and global levels and to focus attention on the educational quality issues that have been raised, especially the fact that millions of children are leaving school without mastery of the very foundational skills needed to fulfil the promise of education. According to the theory of change adopted by Uwezo, the quality of a service is more likely to improve if demands are articulated simultaneously by civil society and by professional opinion and if these are directed at various levels of the chain of delivery – in this case policymakers, educational administrators and teachers.

The skills regularly assessed by Uwezo are basic elements of reading and arithmetic that are supposed to have been mastered by the end of Primary Grade 2 and are a necessary foundation for subsequent learning. Children aged 6-16 years have been assessed, but special attention has been given, in analysis, to the performance of those attending Primary Grade 3 and above, as this provides evidence about the effectiveness of schools in achieving curricular goals. In the national and district reports, performance at easily understood levels of literacy and numeracy is reported. Variations in performance according to many different characteristics of individuals, households, schooling, and geographical location are also considered. Uwezo recognises that equity has many dimensions that can only be explained if these variations are exposed. Uwezo also recognises that schools remain the formal pathway through which basic literacy and numeracy skills would be acquired and hence the need to examine the school contexts of learning. For this reason, Uwezo has conducted some school surveys alongside the Company's household-based assessments. It is for this same reason that in 2016, Uwezo sought to inquire on how children emerge from the foundational skills into deepened learning when the breadth and depth of learning demands become evident. Uwezo therefore conducted the Uwezo Beyond Basics Assessment in school settings, targeting more advanced literacy and numeracy skills that form part of the Primary Grade 4 curriculum and using samples of children attending Primary Grades 5 and 6. The 'Beyond Basics' assessments showed similar delays in the mastery of skills intended for Primary Grade 4, further highlighting the learning crisis.

Furthermore, in 2019, the Uwezo assessment methodology was deployed to try and understand the situation of young people aged 14-20 in Uganda, many of whom have left school and others have transitioned to secondary and tertiary education, in relation to the demands of employment and every-day living for 'functional' literacy and numeracy. What levels of skill have they acquired in common uses of English and Mathematics? What difficulties are they likely to face in the workplace with regard to understanding instructions, providing necessary information in writing, working with measurements, and performing calculations? The findings revealed that majority of young persons are categorized from lower to middle literacy and numeracy levels, an indication of low functional abilities (Uwezo Uganda 2020). Overall, the pilot demonstrated that it was possible to use Uwezo assessment approach and objectively assess the functional learning outcomes of young persons in literacy and numeracy that are required in the workplace and everyday life. We have also recognised that the equity agenda includes interrogating learning levels for children in difficulties or in isolated localities. As a regular part of the Uwezo work, Uwezo has utilised assessment evidence to engage communities and school systems to create awareness and trigger local actions for improved learning (Nakabugo and Savage 2018). In 2017, Uwezo also carried out a small, comparative study, applying its assessment of basic skills to children in Uganda's refugee settlements and comparing their learning outcomes and learning conditions with those of children in host communities in the same districts (Uwezo 2018b).

Through this work, the adaptability of the Uwezo citizen-led learning assessment methodology and tools to crisis contexts was demonstrated. The work was referenced in the 2018 Global Education Monitoring Report (GEMR) on Migration, Displacement and Education (UNESCO 2018: 60).

STRATEGIC GOALS AND OUTCOMES FOR UWEZO UGANDA IN 2020-2024

Goal I: Assessment of learning

To produce independent evidence on the learning levels of children, their distribution and factors associated with them.

Outcomes for Goal I

1. Policy actors, practitioners and the public have increased knowledge, awareness and understanding of children's learning outcomes and their distribution.
2. The evidence is used to improve resource allocation and the delivery of education.

Goal II: Research and experimentation

To carry out research and promote innovations that have the potential to improve the level and distribution of learning outcomes in basic education.

Outcomes for Goal II

1. As a result of the research and experimental work of Uwezo, policy actors and practitioners have increased knowledge and awareness of interventions that could improve learning outcomes and make them more equitable.
2. The findings from the research and experimental work are used to improve educational policies and practices.

Goal III: Engagement

To engage with policy actors and with the public to influence and promote policies and practices for improved and more equitable learning outcomes.

Outcomes for Goal III

1. Policy actors and practitioners use the evidence from the assessments, research, and innovations of Uwezo to inform decision making and educational practices.
2. Parents and communities become stronger partners of schools at the local level to improve learning.

Goal IV: Institutional development

To establish and develop Uwezo Uganda as an independent not-for-profit Organisation in Uganda with the capacity and resources to execute its mission effectively.

Outcomes for Goal IV

1. Governance structures and systems are in place and regularly reviewed and improved.
2. Uwezo has the human and financial resources and capacity to carry out its mission.
3. Partnerships are established with relevant stakeholders from the village to the global level and they support Uwezo to achieve and sustain its mission.
4. A network of capable and motivated Uwezo assessment volunteers is established and working towards improving learning.

**UWEZO UGANDA LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

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. Livingstone Luboobi	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

02 June
.....2025

UWEZO UGANDA LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

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 02 June 2025 and signed on its behalf by:



.....
Director



.....
Director



**Shape the future
with confidence**

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

The firm is licensed and regulated by ICPAU; NO: AF 0010
Tel: +256 414 343520/4
Fax: +256 414 251736
Email: info.uganda@ug.ey.com
www.ey.com

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 10 to 29 which comprise the statement of financial position as at 31 December 2024, 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 2024, 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 of Accountants' 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 financial statements 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 Company Information, the Directors' Report as required by the Companies Act Cap. 106, of Uganda and the Statement of Directors' Responsibilities. 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.



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REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.



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REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (Continued)

- 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.

REPORT ON OTHER LEGAL 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

Ernst & Young
Certified Public Accountants of Uganda
Kampala

Julius Rwajekare

CPA Julius Rwajekare
Partner

27 June 2025

UWEZO UGANDA LIMITED
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Ushs	2023 Ushs
Grant income	3	2,984,569,181	2,433,135,684
Other income	4	<u>121,630,742</u>	<u>96,623,846</u>
Total income		<u>3,106,199,923</u>	<u>2,529,759,530</u>
Program costs	5	1,942,765,809	1,535,369,993
Administration costs	6	<u>1,137,709,178</u>	<u>898,828,020</u>
Total expenditure		<u>3,080,474,987</u>	<u>2,434,198,013</u>
Surplus before tax	7	25,724,936	95,561,517
Income tax expense	8(a)	<u>(712,550)</u>	<u>(30,625,656)</u>
Surplus for the year		<u>25,012,386</u>	<u>64,935,861</u>

UWEZO UGANDA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

ASSETS	Notes	2024 Ushs	2023 Ushs
Non-current assets			
Property and equipment	9(a)	16,959,408	22,790,928
Deferred tax asset	8(d)	29,921,138	-
Held to maturity investments	10	<u>1,120,391,389</u>	<u>764,515,404</u>
		<u>1,167,271,935</u>	<u>787,306,332</u>
Current assets			
Accounts receivable	11	30,370,737	29,549,071
Cash and bank balances	12	<u>2,178,645,338</u>	<u>2,664,017,578</u>
		<u>2,209,016,075</u>	<u>2,693,566,649</u>
TOTAL ASSETS		<u>3,376,288,010</u>	<u>3,480,872,981</u>
RESERVES AND LIABILITIES			
Reserves			
General reserves		<u>179,314,021</u>	<u>154,301,635</u>
		<u>179,314,021</u>	<u>154,301,635</u>
Non-current liabilities			
Deferred tax liability	8(c)	-	7,299,201
Deferred capital income	9(b)	2,519,077	3,358,770
Deferred income: Non-current portion	13	<u>1,095,666,526</u>	<u>726,028,366</u>
		<u>1,098,185,603</u>	<u>736,686,337</u>
Current liabilities			
Deferred income: Current portion	13	2,029,045,687	2,523,966,151
Accounts payable	14	56,938,735	48,104,343
Current income tax payable	8(c)	<u>12,803,964</u>	<u>17,814,515</u>
		<u>2,098,788,386</u>	<u>2,589,885,009</u>
TOTAL RESERVES AND LIABILITIES		<u>3,376,288,010</u>	<u>3,480,872,981</u>

The financial statements were approved by the Board of Directors on 02 June.....2025
and signed on its behalf by:



.....
Director



.....
Director

UWEZO UGANDA LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Ushs
At 1 January 2023	89,365,774
Surplus for the year	<u>64,935,861</u>
At 31 December 2023	<u>154,301,635</u>
At 1 January 2024	154,301,635
Surplus for the year	<u>25,012,386</u>
At 31 December 2024	<u>179,314,021</u>

THE UWEZO UGANDA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Ushs	2023 Ushs
OPERATING ACTIVITIES			
Surplus for the year		25,724,936	95,561,517
<i>Adjustments for non-cash items:</i>			
Amortisation of deferred operating income	3	(2,984,569,181)	(2,433,135,684)
Amortisation of deferred capital income	4	(839,693)	(1,062,325)
Interest income		(120,529,756)	(67,236,938)
Unwinding of premium on bonds		14,023,468	45,246,012
Depreciation of property and equipment	9(a)	10,119,973	28,033,729
<i>Working capital adjustments:</i>			
(Decrease)/increase in accounts receivable		(821,666)	2,519,634
Increase/(decrease) in accounts payable		8,834,392	(44,419,903)
		(3,048,057,527)	(2,374,493,958)
Tax paid	8(c)	(42,943,441)	(21,353,150)
Net cash flows used in operating activities		<u>(3,091,000,968)</u>	<u>(2,395,847,108)</u>
INVESTING ACTIVITIES			
Interest received		14,256,599	3,646,099
Interest received on treasury bonds		106,011,864	63,590,839
Purchase of property and equipment	9(b)	(4,288,453)	(8,430,000)
Purchase of treasury bond	10	(318,246,360)	(80,071,784)
Purchase of Unit Trust	10	(51,391,800)	-
Net cash flows used in investing activities		<u>(253,658,150)</u>	<u>(21,264,846)</u>
FINANCING ACTIVITIES			
Refunds to donors	13	-	(146,274,715)
Operating grant income received	13	2,859,286,878	2,725,351,462
Net cash flows from financing activities		<u>2,859,286,878</u>	<u>2,579,076,747</u>
Net increase in cash and cash equivalents		(485,372,240)	161,964,793
Cash and cash equivalents at 1 January		2,664,017,578	2,502,052,785
Cash and cash equivalents at 31 December	12	<u>2,178,645,338</u>	<u>2,664,017,578</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 improving equitable learning outcomes through: a) generating evidence, b) identifying and testing innovations that improve learning; and c) advocating for changes in policy and practice to support equitable learning. 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 PREPARATION 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.

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

b) Significant accounting judgements and assumptions (Continued)

Estimates and assumptions (Continued) .

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.

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.

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

d) Summary of significant accounting policies (Continued)

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.

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.

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

d) Summary of significant accounting policies (Continued)

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.

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.

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

d) Summary of significant accounting policies (Continued)

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 2024

3. GRANT INCOME

	Note	2024 Ushs	2023 Ushs
Mott/FCDO Uganda	13	-	589,777,050
Wellspring Philanthropic Fund (WPF)	13	694,910,335	645,419,418
Echidna Giving	13	954,765,022	414,973,509
Luigi Giussani Institute of Higher Education	13	4,756,126	-
UNESCO	13	30,564,021	153,887,852
Zizi Afrique Foudation - Young ALiVE	13	1,099,857,878	614,503,255
Other donors/funding partners*	13	199,715,799	14,574,600
		<u>2,984,569,181</u>	<u>2,433,135,684</u>

*Includes Ushs 9,015,869 relating to Education Sub Saharan Africa (ESSA).

Grant income relates to funding sourced and earned during the year from donors.

4. OTHER INCOME

	2024 Ushs	2023 Ushs
Amortisation of deferred capital income (Note 9 b)	839,693	1,062,325
Interest earned on bank balances	14,256,599	3,646,099
Interest earned on treasury bonds	106,273,157	63,590,839
Interest on investments in Unit Trusts	261,293	-
Unrealised foreign exchange gain	-	28,324,583
	<u>121,630,742</u>	<u>96,623,846</u>

5. PROGRAM COSTS

	2024 Ushs	2023 Ushs
Salaries and staff costs for evidence goal	293,051,483	286,734,572
Salaries and staff costs for engagements goal	174,319,808	172,056,830
Salaries and staff costs for insights goal	137,032,635	132,246,736
Employee benefits expenses	54,459,993	53,944,887
Scaling up of study on assessing everyday young person's reading, writing and math	-	4,969,719
Sub-national engagements	67,730,392	3,245,000
Engaging with policy makers	4,733,850	29,061,160
Community led learning assessment	-	334,560,541
Action for Life Skills & Values in East Africa (ALiVE)	371,981,070	-
Basic Assessment of Learning Outcomes	548,363,517	10,965,500
KIX (ICARE & ICAN assessments)	170,893,500	14,574,600
Research on Pupil Absenteeism	-	59,662,881
Conduct further analysis of Uwezo 2018-2022 assessment data	-	39,201,753
Increasing uptake of Uwezo data	-	87,962,536
Spotlight study (UNESCO)	48,541,658	153,887,851
Young ALiVE	-	152,295,427
Positive Deviance Study	71,657,903	-
	<u>1,942,765,809</u>	<u>1,535,369,993</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

6. ADMINISTRATION COSTS

	2024	2023
	Ushs	Ushs
Salaries and staff costs, independent of Uwezo goals	386,336,667	379,897,999
Employee benefits expenses	34,086,149	32,835,661
Other staff expenses	18,072,764	13,845,114
Bank charges	6,254,987	7,462,414
Engagement at Global level-contribution to global knowledge through presentations and publications	29,204,557	30,072,181
Planning and reporting	169,021,024	82,830,941
Uwezo values, policies, procedures and compliance	54,635,254	50,341,870
Governance, board and donor meetings	130,629,591	95,131,923
Repairs and maintenance	2,012,764	1,061,200
Transport	9,607,500	6,657,900
Office assets insurance	1,046,494	2,193,069
Electricity bills	4,158,692	3,731,898
Office stationery costs	4,059,757	3,546,422
Office telephone expenses	200,000	100,000
Staff mobile phone airtime	8,938,000	8,928,000
Office internet and website maintenance costs	21,059,634	20,798,775
Minor equipment purchases	5,282,137	2,544,004
Routine and internal servicing of IT equipment	1,775,900	-
Staff recruitment and motivation to realize Uwezo goals in a supportive environment	6,355,900	3,739,800
Office rent	79,489,727	71,711,121
Office cleanliness	7,825,500	8,539,000
Organisational learning	18,511,558	18,627,699
Interns expenses	14,450,519	11,599,151
Depreciation of donated assets	839,693	1,062,325
Depreciation of purchased assets	9,280,282	26,971,404
Office courier expense	90,000	135,000
Office software licenses	19,418,016	13,413,143
Unrealised foreign exchange loss	95,066,112	-
Toners for photocopiers purchased	-	1,050,006
	<u>1,137,709,178</u>	<u>898,828,020</u>

7. SURPLUS BEFORE TAX

	2024	2023
	Ushs	Ushs
The surplus before tax is stated after charging/(crediting):		
Depreciation of donated assets [Note 9(b)]	839,693	1,062,325
Depreciation of purchased assets [Note 9(b)]	9,280,281	26,971,404
Amortisation of deferred capital income [Note 9(b)]	(839,693)	(1,062,325)
Interest earned on bank balances	14,256,599	3,646,099
Interest on treasury bonds	(106,273,157)	(63,590,839)
Foreign exchange loss/(gain)	95,066,112	(28,324,583)
Auditor's remuneration	<u>21,874,860</u>	<u>22,559,100</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

8. TAXATION

	2024 Ushs	2023 Ushs
(a) Income tax charge		
Current income tax charge for the year	12,803,965	17,814,515
Withholding tax as a final tax	25,128,925	21,353,150
Deferred tax credit for the year [Note 8(d)]	<u>(37,220,340)</u>	<u>(8,542,009)</u>
	<u>712,550</u>	<u>30,625,656</u>

(b) Reconciliation of tax charge

Accounting surplus before tax	25,724,935	95,561,517
Tax at the applicable rate of 30%	7,717,481	28,668,455
Tax effect of non-taxable income	(32,133,856)	(19,395,949)
Withholding tax as a final tax [Note 8(a)]	<u>25,128,925</u>	<u>21,353,150</u>
	<u>712,550</u>	<u>30,625,656</u>

(c) Current income tax payable

At 1 January	17,814,515	-
Current income tax charge for the year	37,932,890	39,167,665
Tax paid	<u>(42,943,441)</u>	<u>(21,353,150)</u>
At 31 December	<u>12,803,964</u>	<u>17,814,515</u>

(d) Deferred tax liability/(asset)

Deferred tax is calculated using the enacted income tax rate of 30%. The deferred tax liability at year-end comprises:

At 31 December 2024	Opening balance Ushs	Movement Ushs	At end of year Ushs
Accelerated capital allowances	(1,198,174)	(203,131)	(1,401,305)
Foreign exchange gains/(losses)	8,497,375	<u>(37,017,208)</u>	<u>(28,519,833)</u>
Net deferred tax liability/(asset)	<u>7,299,201</u>	<u>(37,220,339)</u>	<u>(29,921,138)</u>
At 31 December 2023	Opening balance Ushs	Movement Ushs	At end of year Ushs
Accelerated capital allowances	2,923,656	(4,121,830)	(1,198,174)
Foreign exchange gains	40,470,163	(31,972,788)	8,497,375
Current income tax losses	<u>(27,552,609)</u>	<u>27,552,609</u>	-
Net deferred tax liability	<u>15,841,210</u>	<u>(8,542,009)</u>	<u>7,299,201</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9. PROPERTY AND EQUIPMENT

(a) Net carrying amount

Year ended 31 December 2024

	Computer & accessories Ushs	Furniture & fittings Ushs	Office equipment Ushs	Total Ushs
Cost				
At 1 January 2024	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>
At 31 December 2024	<u>80,101,875</u>	<u>18,307,314</u>	<u>27,576,759</u>	<u>125,985,948</u>
Depreciation				
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>
At 31 December 2024	<u>77,461,774</u>	<u>10,066,703</u>	<u>21,498,063</u>	<u>109,026,540</u>
Net carrying amount				
At 31 December 2024	<u>2,640,101</u>	<u>8,240,611</u>	<u>6,078,696</u>	<u>16,959,408</u>

Year ended 31 December 2023

	Computer & accessories Ushs	Furniture & fittings Ushs	Office equipment Ushs	Total Ushs
Cost				
At 1 January 2023	77,677,822	15,677,314	19,912,359	113,267,495
Additions	<u>-</u>	<u>2,630,000</u>	<u>5,800,000</u>	<u>8,430,000</u>
At 31 December 2023	<u>77,677,822</u>	<u>18,307,314</u>	<u>25,712,359</u>	<u>121,697,495</u>
Depreciation				
At 1 January 2023	53,898,197	5,692,357	11,282,284	70,872,838
Charge for the year	<u>20,848,901</u>	<u>2,085,924</u>	<u>5,098,904</u>	<u>28,033,729</u>
At 31 December 2023	<u>74,747,098</u>	<u>7,778,281</u>	<u>16,381,188</u>	<u>98,906,567</u>
Net carrying amount				
At 31 December 2023	<u>2,930,724</u>	<u>10,529,033</u>	<u>9,331,171</u>	<u>22,790,928</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9. PROPERTY AND EQUIPMENT (CONTINUED)

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

Year ended 31 December 2024

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

Year ended 31 December 2023

Description	Donated assets Ushs	Purchased assets Ushs	Total Ushs
Computers & accessories	5,008	20,843,893	20,848,901
Furniture & fittings	839,693	1,246,231	2,085,924
Office equipment	217,624	4,881,280	5,098,904
Total depreciation charge	<u>1,062,325</u>	<u>26,971,404</u>	<u>28,033,729</u>

The net carrying amounts for purchased and donated property and equipment are presented below:

Purchased assets

At 31 December 2024	Computer & accessories Ushs	Furniture & fittings Ushs	Office equipment Ushs	Total Ushs
At 1 January 2024	72,670,181	11,589,773	24,841,860	109,101,814
Additions	2,424,053	-	1,864,400	4,288,453
At 31 December 2024	<u>75,094,234</u>	<u>11,589,773</u>	<u>26,706,260</u>	<u>113,390,267</u>
Depreciation				
At 1 January 2024	69,739,457	4,419,509	15,510,690	89,669,656
Charge for the year	2,714,676	1,448,731	5,116,874	9,280,281
At 31 December 2024	<u>72,454,133</u>	<u>5,868,240</u>	<u>20,627,564</u>	<u>98,949,937</u>
Net carrying amount				
At 31 December 2024	<u>2,640,101</u>	<u>5,721,533</u>	<u>6,078,696</u>	<u>14,440,330</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9. PROPERTY AND EQUIPMENT (CONTINUED)

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

Purchased assets (continued)

At 31 December 2023	Computer & accessories Ushs	Furniture & fittings Ushs	Office equipment Ushs	Total Ushs
At 1 January 2023	72,670,181	8,959,773	19,041,860	100,671,814
Additions	-	2,630,000	5,800,000	8,430,000
At 31 December 2023	<u>72,670,181</u>	<u>11,589,773</u>	<u>24,841,860</u>	<u>109,101,814</u>
Depreciation				
At 1 January 2023	48,895,564	3,173,278	10,629,410	62,698,252
Charge for the year	20,843,893	1,246,231	4,881,280	26,971,404
At 31 December 2023	<u>69,739,457</u>	<u>4,419,509</u>	<u>15,510,690</u>	<u>89,669,656</u>
Net carrying amount				
At 31 December 2023	<u>2,930,724</u>	<u>7,170,264</u>	<u>9,331,170</u>	<u>19,432,158</u>

Donated assets

At 31 December 2024	Computer & accessories Ushs	Furniture & fittings Ushs	Office equipment Ushs	Total Ushs
At January 2024	5,007,641	6,717,541	870,499	12,595,681
Additions	-	-	-	-
At 31 December 2024	<u>5,007,641</u>	<u>6,717,541</u>	<u>870,499</u>	<u>12,595,681</u>
Depreciation				
At January 2024	5,007,641	3,358,771	870,499	9,236,911
Charge for the year	-	839,693	-	839,693
At 31 December 2024	<u>5,007,641</u>	<u>4,198,464</u>	<u>870,499</u>	<u>10,076,604</u>
Net carrying amount				
At 31 December 2024	<u>-</u>	<u>2,519,077</u>	<u>-</u>	<u>2,519,077</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9. PROPERTY AND EQUIPMENT (CONTINUED)

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

Donated assets (continued)

At 31 December 2023	Computer & accessories	Furniture & fittings	Office equipment	Total
	Ushs	Ushs	Ushs	Ushs
At January 2023	5,007,641	6,717,541	870,499	12,595,681
Additions	-	-	-	-
At 31 December 2023	<u>5,007,641</u>	<u>6,717,541</u>	<u>870,499</u>	<u>12,595,681</u>
Depreciation				
At January 2023	5,002,633	2,519,078	652,875	8,174,586
Charge for the year	5,008	839,693	217,624	1,062,325
At 31 December 2023	<u>5,007,641</u>	<u>3,358,771</u>	<u>870,499</u>	<u>9,236,911</u>
Net carrying amount				
At 31 December 2023	<u>-</u>	<u>3,358,770</u>	<u>-</u>	<u>3,358,770</u>

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.

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 13.5% per annum and maturity on 9 July 2026. (2023: Investment of Ushs 726,028,366 with face value of Ushs 681,800,000, a coupon interest rate of 14.875% per annum and maturity on 10 May 2024)
- Investment of Ushs 80,071,784 with face value of Ushs 76,400,000, a coupon interest rate of 14% per annum and maturity on 29 May 2025.
- Investment of Ushs 51,391,800 with UAP Umbrella Fund on 16 December 2024.

At 31 December 2024

	Opening balance	Additions	Accrued interest	Unwinding of premium	Closing balance
	Ushs	Ushs	Ushs	Ushs	Ushs
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>
Total	<u>764,515,404</u>	<u>369,638,160</u>	<u>261,293</u>	<u>(14,023,468)</u>	<u>1,120,391,389</u>

At 31 December 2023

	Opening balance	Additions	Accrued interest	Unwinding of premium	Closing balance
	Ushs	Ushs	Ushs	Ushs	Ushs
Treasury bonds	<u>729,689,632</u>	<u>80,071,784</u>	<u>483,518</u>	<u>(45,729,530)</u>	<u>764,515,404</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

11. ACCOUNTS RECEIVABLE

	2024	2023
	Ushs	Ushs
Supplier prepayments	13,978,425	12,465,835
Other prepayments	<u>16,392,312</u>	<u>17,083,236</u>
	<u>30,370,737</u>	<u>29,549,071</u>

12. CASH AND BANK BALANCES

	2024	2023
	Ushs	Ushs
Cash at bank	2,176,760,438	2,662,740,078
Cash at hand	<u>1,884,900</u>	<u>1,277,500</u>
	<u>2,178,645,338</u>	<u>2,664,017,578</u>

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

13. Deferred income

	2024	2023
	Ushs	Ushs
Non-current portion		
Mott/FCDO	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>
	<u>1,095,666,526</u>	<u>726,028,366</u>

UWEZO UGANDA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

13. DEFERRED INCOME

At 31 December 2024	Opening balance – Total	Amount received	Amount utilised	Refunds	Total deferred income	Closing balance	
		Ushs	Ushs	Ushs	Ushs	Non-current: Investment in treasury bonds	Current Ushs
Donor/Funding Partner							
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)	-	-	-	-
Total	2,523,966,151	2,859,286,878	(2,984,569,181)	-	2,398,683,848	(369,638,160)	2,029,045,687

At 31 December 2023	Opening balance – Total	Amount received	Amount utilised	Refunds	Total deferred income	Closing balance	
		Ushs	Ushs	Ushs	Ushs	Non-current: Investment in treasury bonds	Current Ushs
Donor/Funding Partner							
Mott/FCDO	928,550,250	763,207,677	(589,777,050)	-	1,101,980,877	-	1,101,980,877
Wellspring Philanthropic Fund	479,383,205	742,487,414	(645,419,418)	-	576,451,201	(270,672,691)	305,778,510
Twaweza East Africa	455,355,675	-	-	-	455,355,675	(455,355,675)	-
Other donors/ partners	278,950,747	48,157,607	(14,574,600)	-	312,533,754	-	312,533,754
Echidna Giving	724,821,513	185,894,338	(414,973,509)	-	495,742,342	-	495,742,342
Zizi Afrique	85,961,223	801,152,553	(614,503,255)	-	272,610,521	-	272,610,521
Luigi Guissani Institute for Higher Education	151,030,841	-	-	(146,274,715)	4,756,126	-	4,756,126
UNESCO	-	184,451,873	(153,887,852)	-	30,564,021	-	30,564,021
Total	3,104,053,454	2,725,351,462	(2,433,135,684)	(146,274,715)	3,249,994,517	(726,028,366)	2,523,966,151

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 2024

14. ACCOUNTS PAYABLES

	2024	2023
	Ushs	Ushs
Other suppliers	30,343,875	20,825,243
Audit fees payable	21,874,860	22,559,100
Internal audit fees payable	<u>4,720,000</u>	<u>4,720,000</u>
	<u>56,938,735</u>	<u>48,104,343</u>

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments and contingent liabilities as at 31 December 2024 (2023: 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., Uganda Shillings) 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.

16. EVENTS AFTER THE REPORTING PERIOD

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