

**WATER COMPASS LIMITED
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

WATER COMPASS LIMITED

P.O BOX 28683 KAMPALA - UGANDA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

**Clayton & Company
Certified Public Accountant
22/24 Iganga Road
P.O Box 906,
JINJA - UGANDA**

CLAYTON 
& COMPANY
Elevating the World

WATER COMPASS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

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WATER COMPASS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

BOARD OF DIRECTORS - FOREIGN:	Edward Morgan	President & Director
	Matthew Streisfeld	Treasurer & Director
	Timothy Martin	Director
	Isha Nirora	Director
	Bronwyn Nichol	Director
	Iain Cox	Director
BOARD OF DIRECTOR - INDIGENOUS:	Judith Tindyebwa	Treasurer
	Irene Nakiyemba	Secretary
	Florence Samanya	Member
	Lyne Naluwagga	Member

REGISTERED OFFICE Water Compass Limited - Kanoni Town
P.O. Box 28683
Kampala -Uganda.

AUDITORS Clayton & Company
Certified Public Accountant
Plot 22/24 Iganga Road
P. O. Box 906
Jinja

BANKERS Orient Bank
Kampala Road Branch

Centenary Bank
Sembabule Branch

FUNDERS Water Compass Inc (NGO)
USAID.

LAWYERS R. Nsubuga and Co. Advocates
Plot 3 Parliamentary Avenue
3rd Floor, Room 053 Raja Chambers
P.O. Box 2818, Kampala - Uganda.

WATER COMPASS LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020

The Board of Directors presents its report together with the audited Financial Statements for the year ended 31st December 2020, of Water Compass Limited.

BACKGROUND INFORMATION

Water Compass Limited is registered under No. 231108 as a Company Limited by guarantee. Water Compass was given a permit to operate as an NGO registered as a foreign NGO with Reg No. S.5914/12831 on 28th October 2016 to Build, Operate and Maintain solar powered water supply systems, collaborate with households and entrepreneurs to improve sanitation and promote effective hygiene practices in homes and health centres. In 2020 the Company restructured to replace foreign directors with local directors of Ugandan citizenship. Effective 1 March 2020 the Board of Directors was reconstituted and new Ugandan directors installed. On 20 August 2020 Water Compass Limited changed its registration from a Foreign NGO to an Indigenous NGO (Reg. No. INDR128312752NB).

VISION STATEMENT

Water Compass Limited's vision is a healthy community free from communicable diseases where clean water and sanitation are accessible to all and hygiene practices are widespread.

MISSION

To prevent disease through the provision of clean water, improved sanitation and hygiene promotion.

ACTIVITIES

Water Compass Limited's main activities are "provision of clean water, improved sanitation and the promotion of hygiene"

RESULTS

	2020 Ushs	2020 USD	2019 Ushs	2019 USD
Total Income	861,912,249	233,012	487,306,921	132,781
Total Expenses	(728,318,856)	(196,896)	(463,427,991)	(126,274)
Surplus/(deficit) for the year	133,593,393	36,116	23,878,930	6,507

BOARD MEMBERS

The present Board members are set out on page 2.

AUDITORS

Clayton & Company CPA have expressed their willingness to continue in office in accordance with the law.

BY ORDER OF THE BOARD

SECRETARY

Date : 16/10/21

WATER COMPASS LIMITED
REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2020

The law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation as at the end of the financial year, and of the income and expenditure of the organisation for that year. In preparing those financial statements the directors and management are required to: -

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the Going Concern Basis unless it is inappropriate to presume that the organisation will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the organisation, and to enable them to ensure that the financial statements comply with the Non Governmental Organisations Act. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of

Signed on behalf of the Board by;


Secretary Board of Directors

Date.....16/10/21.....

REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF DIRECTORS OF WATER COMPASS LIMITED

Opinion

We have audited the accompanying financial statements of Water Compass Limited, which comprise the Statement of Financial Position as at 31st December 2020 and the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Water Compass Limited as at 31st December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the law.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under International Standards on Auditing (ISAs) have been described in subsequent sections of this audit report, entitled Auditors Responsibility. We are independent of your entity, in accordance with the relevant ethical requirements relating to audit, and we have fulfilled the auditor's other ethical responsibilities in accordance with these requirements. We make reference to ISA 700 (Revised), regarding forming an opinion and reporting on financial statements, and also ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the our audit opinion.

Key Audit Matters (KAM)

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

We did not come across any key audit matters during the course of our audit of the financial year.

CERTIFIED PUBLIC ACCOUNTANT

CLAYTON L. MWAKA - FCCA, CPA(U), B.COM (Hons) MUK, M.Sc (University of London), Masters of Entrepreneurship (Anaheim University, California, USA)
KAMPALA OFFICE: Plot 31 Kiira Road, Kanti Mansion, Suite 4B, Kamwokya - Kampala, P.O. Box 5911 Kampala (U) Tel: +256 392 176 076 Mob: +256 778 765 096
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Email: clientdelight@claytonnco.co.ug Web: www.claytonnco.co.ug

FIRM NO. AF0043: THE FIRM IS LICENSED AND REGULATED BY ICPAU

REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF DIRECTORS OF WATER COMPASS LIMITED

Responsibilities of directors & management for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and making accounting estimates that are reasonable in the circumstances.

Directors and management are also responsible for assessing the entity's ability to continue as a going concern, and whether the use of the going concern basis of accounting is appropriate as well as disclosing, if applicable, matters relating to going concern. The use of the going concern basis of accounting is appropriate when the entity can continue in operation for a period of time that is sufficient to enable it meet its obligations, objectives, carry out its commitments and so on.

Auditor's Responsibility for the audit of the financial statements

The objectives of audit are to: -

- (i) Obtain reasonable assurance about whether the financial statements as a whole are free from materials misstatement, whether due to fraud or error; and
- (ii) Issues an auditor's report that includes the auditor's 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, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. The auditor's responsibilities are:

**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
WATER COMPASS LIMITED**

- (i) To identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- (ii) To 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 entity's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor shall omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- (iii) To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) To conclude on the appropriateness of management's 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- (v) When the financial statements are prepared in accordance with a fair presentation framework, to 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. The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
WATER COMPASS LIMITED**

Report on other legal requirements

As required by the Companies Act of Uganda - 2012, we report to you, based on our audit,

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- (ii) In our opinion, proper books of accounts have been kept by the company, so far as appears from our examination of those books; and

- (iii) The Organisation's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner in the audit resulting in this independent auditor's report is Clayton Mwaka - P0056

Sign.....

Clayton & Company (Certified Public Accountant)

Kampala - Uganda

Date....26th October 2021



WATER COMPASS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 U Shs	2020 USD	2019 U Shs	2019 USD
INCOME	4	861,912,249	233,012	487,306,921	132,781
TOTAL INCOME		<u>861,912,249</u>	<u>233,012</u>	<u>487,306,921</u>	<u>132,781</u>
EXPENDITURES					
STAFF EXPENSES	5	(369,181,947)	(99,806)	(251,792,944)	(68,608)
OFFICE RUNNING	6	(67,716,411)	(18,307)	(39,075,914)	(10,647)
PROGRAM COSTS	7	(268,554,482)	(72,602)	(158,071,551)	(43,071)
DEPRECIATION	8	(22,866,017)	(6,182)	(14,487,582)	(3,948)
TOTAL EXPENSES		<u>(728,318,856)</u>	<u>(196,896)</u>	<u>(463,427,991)</u>	<u>(126,274)</u>
SURPLUS FOR THE YEAR		<u>133,593,393</u>	<u>36,116</u>	<u>23,878,930</u>	<u>6,507</u>

WATER COMPASS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

	Notes	2020 U Shs	2020 USD	2019 U Shs	2019 USD
ASSETS					
Non-current Assets					
Property & Equipment	3	162,112,822	43,826	121,407,649	33,081
Current Assets					
Receivables & Prepayments	9	28,660,572	7,748	13,680,576	8,444
Bank and Cash	10	110,415,980	29,850	30,989,007	3,728
TOTAL ASSETS		301,189,373	81,425	166,077,232	45,253
EQUITY AND LIABILITIES					
Capital & Reserves					
Revenue Reserves		222,782,589	60,228	89,198,873	24,305
Capital Grant		-	-	-	-
Total Reserves		222,782,589	60,228	89,198,873	24,305
Current Liabilities					
Payables	11	78,406,784	21,197	76,878,359	20,948
TOTAL EQUITY&LIABILITIES		301,189,373	81,425	166,077,232	45,253

The financial statements on pages 9 to 19 were approved by the Board on 16/10/21.....and signed on its behalf by:

Edd M
12/10/21

Executive Director

Date: 16/10/21

Secretary

Date: 16/10/21

WATER COMPASS LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER 2020

	Revenue	Revenue
	U Shs	USD
As at 01.01.2019	77,902,966	21,227
Adjustments		
Adjustment on assets	(12,593,000)	(3,431)
Prior year adjustment	9,977	3
Surplus (Deficit) for yr	23,879,230	6,507
Grant Release	-	-
As at 31.12.2019	<u><u>89,199,173</u></u>	<u><u>24,306</u></u>
As at 01.01.2020	89,199,173	24,306
Prior Year adjustments		
Adjustments	-	-
Prior Year adjustments	(9,977)	-
Surplus (Deficit) for yr	133,593,393	36,116
Grant Release	-	-
As at 31.12.2020	<u><u>222,782,589</u></u>	<u><u>60,422</u></u>

WATER COMPASS LIMITED
STATEMENT OF CASH FLOWS
AS AT 31ST DECEMBER 2020

	2020 U Shs	2020 USD	2019 U Shs	2019 USD
OPERATING ACTIVITIES				
Operating Surplus before Interest & Tax Adjustments for:	133,593,393	36,116	23,878,930	6,507
Prior Year adjustment	(9,977)	(3)	9,977	-
Depreciation	22,866,017	6,182	14,487,582	3,948
Operating Loss before	156,449,434	42,295	38,376,489	10,455
Decrease/(Increase) in trade and other receivables	(14,979,996)	(4,050)	(7,818,910)	(2,130)
Increase/(Decr.) in Payables	1,528,425	413	1,875,615	511
Cash flows generated from/(used in) operations	142,997,863	38,659	32,433,194	8,835
Net cash flow from operating activities	142,997,863	38,659	32,433,194	8,835
INVESTING ACTIVITIES				
Purchase of Fixed Assets	(63,570,890)	(17,186)	(38,102,500)	(10,382)
Capital Work In Progress	-	-	-	-
Net cash used in investing Activities	(63,570,890)	(17,186)	(38,102,500)	(10,382)
FINANCING ACTIVITIES				
Capital Grant	-	-	-	-
NET INC/(DEC) IN CASH AND CASH EQUIVALENTS	79,426,973	21,473	(5,669,306)	(1,547)
Cash&cash equiv. 01.01.20	30,989,007	8,378	36,658,313	9,988
CASH AND CASH EQUIVALENTS AT 31.12.2020	110,415,980	29,850	30,989,007	8,441
Statement of Reconciliation				
	2020 U Shs	2020 USD	2019 U Shs	2019 U Shs
Cash and Bank Balances	110,415,980	29,850	30,989,007	8,441
Total	110,415,980	29,850	30,989,007	8,441

WATER COMPASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2020

1 GENERAL

Water Compass Limited is based in Sembabule District and its main activities are provision of clean water, improved sanitation and the promotion of hygiene.

2 ACCOUNTING POLICIES

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

(a) BASIS OF ACCOUNTING

The financial statements are prepared in Uganda Shillings under the historical cost convention in conformity with International Financial Reporting Standards.

(b) TURNOVER

Donations from partners are recognised as income when the funds are received.

(c) TRADE RECEIVABLES

Trade receivables are carried at anticipated realisable value. An estimate is made for bad and doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off when all reasonable steps to recover them have failed.

(d) EQUIPMENT

Property and equipment is stated at cost less accumulated depreciation.

(e) DEPRECIATION

Depreciation is calculated to write off the cost of equipment on reducing balance over their expected useful lives. The rates currently in use are:

Motor Vehicle & Motor Cycles	25%
Computers and ICT Equipment	30%
Furniture & Fittings	25%
Electrical Appliance	25%
Financial Software	25%

Fixed assets are recognised at cost less accumulated depreciation. Costs include expenditures that are directly attributed to the acquisition of the assets. The cost of self constructed assets include the cost of materials, labour and incidentals.

WATER COMPASS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2020

Purchased software is an integral part of the functionality of the related equipment and hence is capitalised as part of the equipment. The cost of replacing a part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the property and equipment are recognized in the profit and loss or income statement as incurred.

(f) TAXATION

Current taxation, if any, is provided on the basis of the results for the year as shown in the financial statements adjusted in accordance with the tax legislation.

(g) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the 'First-In-First-Out' method. Net realisable value is the estimate of selling price in the ordinary course of business after allowing for realisation costs.

(h) FOREIGN CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into Uganda shillings at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in the income statement.

(i) GRANTS

Grants relating to assets are recognised as realised income over their useful lives. Grants relating to income are recognised as revenue in the income statement and included under donated income.

(j) CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash is considered to be cash on hand and in operating bank accounts.

(k) COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3 PROPERTY AND EQUIPMENT

Refer to the fixed asset schedule on the next page.

WATER COMPASS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2020

PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Motor Cycles	Software	Electronics	Computers	Furniture Fittings	Totals
COST	U Shs 25%	U Shs 25%	U Shs 25%	U Shs 25%	U Shs 30%	U Shs 25%	U Shs
As at 01.01.2020	61,268,000	74,440,635	2,252,443	15,378,824	7,348,741	7,428,000	168,116,643
Additions	-	38,546,940	553,950	10,240,000	12,880,000	1,350,000	63,570,890
Revaluations	-	-	-	-	-	-	-
As at 31.12.2020	<u>61,268,000</u>	<u>112,987,575</u>	<u>2,806,393</u>	<u>25,618,824</u>	<u>20,228,741</u>	<u>8,778,000</u>	<u>231,687,533</u>
DEPRECIATION							
As at 01.01.2020	15,185,888	23,114,823	1,532,443	3,791,047	1,722,949	1,361,544	46,708,694
Charge for the year	2,770,453	13,309,497	498,488	2,955,846	2,038,282	1,293,452	22,866,017
As at 31.12.2020	<u>17,956,341</u>	<u>36,424,320</u>	<u>2,030,931</u>	<u>6,746,893</u>	<u>3,761,231</u>	<u>2,654,996</u>	<u>69,574,711</u>
NETBOOK VALUE							
At 31.12.2020	43,311,659	76,563,255	775,463	18,871,931	16,467,510	6,123,004	162,112,822
At 31.12.2019	<u>46,082,112</u>	<u>51,325,812</u>	<u>720,000</u>	<u>11,587,777</u>	<u>5,625,792</u>	<u>6,066,456</u>	<u>121,407,949</u>

WATER COMPASS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2020

PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Motor Cycles	Software	Electronics	Computers	Furniture Fittings	Totals
	USD 25%	USD 25%	USD 25%	USD 25%	USD 30%	USD 25%	U Shs
COST							
As at 01.01.2020	16,694	23,715	614	4,190	1,662	2,024	48,899
Additions	-	10,421	150	2,768	3,482	365	17,186
Revaluations	-	-	-	-	-	-	-
As at 31.12.2020	<u>16,694</u>	<u>34,136</u>	<u>764</u>	<u>6,958</u>	<u>5,144</u>	<u>2,389</u>	<u>66,085</u>
DEPRECIATION							
As at 01.01.2020	6,522	9,229	418	1,433	405	632	18,639
Charge for the year	749	3,598	135	799	551	350	6,182
As at 31.12.2020	<u>7,271</u>	<u>12,827</u>	<u>552</u>	<u>2,232</u>	<u>956</u>	<u>982</u>	<u>24,820</u>
NETBOOK VALUE							
At 31.12.2020	9,423	21,309	211	4,726	4,188	1,407	41,265
At 31.12.2019	<u>10,172</u>	<u>14,486</u>	<u>196</u>	<u>2,757</u>	<u>1,257</u>	<u>1,392</u>	<u>30,261</u>

WATER COMPASS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 U Shs	2020 USD	2019 U Shs	2019 USD
4 INCOME				
Water Compass Income	258,314,250	69,834	206,681,703	56,317
UNICEF	-	-	73,554,049	20,042
Donations	48,505,874	13,113	203,178,869	55,362
Local Contributions- UG	12,900,836	3,488	3,892,300	1,061
UG Interest	18,097	5	-	-
USAID Project Income	542,173,192	146,573	-	-
TOTAL INCOME	861,912,249	233,012	487,306,921	132,781
5 STAFF EXPENSES				
Payroll(Net salaries)	198,934,565	53,781	139,352,228	37,971
Taxes PAYE	69,745,094	18,855	49,706,878	13,544
Contribution -NSSF	42,134,633	11,391	29,851,407	8,134
Insurance(Medical & Workman's)	27,017,655	7,304	10,571,931	2,881
Staff Recruitments	3,000,000	811	1,870,500	510
Staff Safety & Protective Gear	6,850,000	1,852	4,660,000	1,270
Staff Welfare	21,500,000	5,812	15,780,000	4,300
TOTAL STAFF EXPENSES	369,181,947	99,806	251,792,944	68,608
6 OFFICE RUNNING				
Office Rent	12,100,000	3,271	12,000,000	3,270
Admin, Office Maintenance	16,705,115	4,516	7,073,600	1,927
Stationery and Photocopies	9,781,300	2,644	3,085,100	841
Telecommunications	7,458,500	2,016	6,066,000	1,653
Utilities(Nwsc, Umeme)	1,164,000	315	874,500	238
License and Registration	32,300	9	580,000	158
Publicity, Promotion, Visibility	2,775,200	750	250,000	68
Bank Charges	7,317,194	1,978	3,103,914	846
Professional/Consultation	4,200,000	1,135	3,800,000	960
Foreign exchange Losses	2,747,802	743	-	-
Electronic Materials	260,000	70	-	-
Supplies	1,097,000	297	1,609,000	438
Travel	2,078,000	562	633,800	173
TOTAL OFFICE RUNNING EXPENSES.	67,716,411	18,307	39,075,914	10,567
7 PROGRAM EXPENSES				
Rehabilitations	-	-	341,000	86
Solar Water Tower	118,705,391	32,091	83,848,206	21,174
Meetings	72,490,500	19,597	20,074,500	5,069
Special day celebrations	-	-	500,000	126
Travel operations	-	-	994,000	251
Accommodation	3,682,000	995	6,459,000	1,631

WATER COMPASS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 U Shs	2020 USD	2019 U Shs	2019 USD
7 PROGRAM EXPENSES				
Pump Testing	18,038,700	4,877	7,445,500	1,880
Commission	1,887,600	510	572,900	145
Motor Vehicle Hire	779,200	211	14,273,900	3,605
Motor Vehicle Maintenance	8,669,400	2,344	9,130,200	2,306
Motor Vehicle Fuel	17,535,724	4,741	2,450,645	619
Motor Vehicle Insurance	2,270,931	614	-	-
Motor cycle fuel	8,578,931	2,319	520,000	131
Motor Cycle Insurance	-	-	6,039,000	1,525
Motor Cycles Maintenance	11,512,305	3,112	5,422,700	1,369
O & M Solar Water Stations	3,178,800	859	-	-
Health Promotional	1,225,000	331	-	-
TOTAL PROGRAM	268,554,482	72,602	158,071,551	39,917
8 DEPRECIATION & AMORTISATION				
Depreciation expense	22,866,017	6,182	14,487,582	3,948
Amortisation	-	-	-	-
TOTAL DEPRECIATION	22,866,017	6,182	14,487,582	3,948
9 RECEIVABLES AND PREPAYMENTS				
Staff Advances and Loans	6,230,000	1,684	700,000	191
Prepaid Rent	1,300,000	351	800,000	218
Staff Medical Insurance	16,340,925	4,418	9,470,505	2,581
Workman's Compensation	3,219,049	870	885,159	241
Vehicle Insurance	556,998	151	599,912	163
Community Advances	-	-	1,225,000	334
Accounts Receivable	1,013,600	274	-	-
	28,660,572	7,748	13,680,576	3,728
Receivables at as 31st December 2020 were not impaired. No provisions were made in the books for any impaired or doubtful receivables.				
10 CASH AND BANK BALANCES				
Finance Trust Bank	-	-	404,643	110
Petty Cash - Sembabule	471,900	128	148,000	40
Petty Cash - Bukomansimbi	497,900	135	-	-
Orient Bank Uganda- USD	194,198	53	3,024,298	824
Centenary Bank- Current	108,930,872	29,449	27,171,528	7,404
Centenary Bank- Savings	273,383	74	-	-
Mobile Money	47,727	13	240,538	66
	110,415,980	29,850	30,989,007	8,444

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NOTES TO THE FINANCIAL STATEMENTS
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	2020 U Shs	2020 USD	2019 U Shs	2019 USD
11 TRADE & OTHER				
PAYABLES				
Accounts payables	62,705,708	17,091	64,984,592	16,590
Audit fees payable	4,200,000	1,145	3,800,000	970
NSSF Payable	4,323,692	1,178	3,017,921	770
PAYE Payable	7,177,384	1,956	5,075,846	1,296
	<u>78,406,784</u>	<u>21,370</u>	<u>76,878,359</u>	<u>19,627</u>

12 IFRS-9 FINANCIAL INSTRUMENTS

Below are the nature of activities and policies regarding financial instruments: -

Foreign exchange risk

The organisations operations are predominantly in Uganda, where the currency is subject to gradual devaluation against other major currencies. The organisation does not hedge its foreign currency risks. The average rate for the year then ended 31st December 2020 (\$1:3,699).

Credit risk

In the normal course of business, the organisation encounters credit risk from financial institutions and other advance payments for services. The credit risk however is limited due to managements' constant monitoring of the status of financial institutions where deposits are maintained.

Fair value

There is no material difference between the fair value and the carrying value, of the organisation's financial assets and liabilities.

13 IAS 37- COMMITMENTS AND CONTINGENCIES

As at 31st December 2020 there were no on-going legal proceedings involving the organisation. There were also no capital commitments as at 31st December 2020.

14 IAS 10 - EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date affecting the financial statements as at the reporting date.

During March 2020 the World Health Organization (WHO) recognized the novel strain of coronavirus (COVID-19) as a global pandemic. This resulted into lockdown and social distancing, which affected activities of entities as some entities were completely closed while some continued with partial operations. This had a negative impact on activities and also the financial status. Due to the uncertainty of the period it will take to avail a cure, the overall impact will depend on the duration of the pandemic. Otherwise the actual effect on activities, finances and its associated cashflows, including other medium term projections, may not be accurately estimated.

WATER COMPASS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

15 COMPARATIVES

Comparatives, where necessary, have been restated to conform to changes in accounting in the current year.

16 EMPLOYEES

The number of full-time employees as at 31st December 2020 was 15.

17 IFRS ISSUED BUT NOT EFFECTIVE

Other new and accounting standards that were issued but not effective that are not expected to have an impact on the entity's financial statements are included below: -

- (i) IFRS 17 Insurance Contracts
- (ii) Amendments to IFRS 9: Prepayment Features with Negative Compensation
- (iii) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- (iv) Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- (v) Amendments to IAS 28: Long-term interests in associates and joint ventures
- (vi) Annual Improvements 2015-2017 Cycle (issued in December 2017). These improvements include IFRS Business Combinations, IFRS 11 -Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs.
- (vii) Definition of Material – Amendments to IAS 1 and IAS 8-effective annual periods after 1 January 2020
- (viii) Definition of a Business- Amendments to IFRS 3- effective annual periods after 1 January 2020
- (ix) The Conceptual Framework for Financial Reporting-effective annual periods after 1 January 2020

13 RELATED PARTY

The related party transactions identified are remuneration to senior management, worth Ug Shs 30,129,228 per annum and a Payable to the executive director of Ug Shs. 15,887,400 under payables.