

**WATER COMPASS LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2021**

**WATER COMPASS LIMITED**

**P.O BOX 28683 KAMPALA - UGANDA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2021**

**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 2021

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**WATER COMPASS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS**

<b>BOARD OF DIRECTOR - INDIGENOUS:</b>	Judith Tindyebwa	Treasurer & Director
	Irene Nakiyemba	Secretary & Director
	Florence Samanya	Director
	Lyne Naluwagga	Director

**REGISTERED OFFICE** Water Compass Limited - Kanoni Town  
Council  
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, Rm 053 Raja Chambers  
P.O. Box 2818, Kampala - Uganda.



# WATER COMPASS LIMITED

## REPORT OF THE BOARD OF DIRECTORS

### FOR THE YEAR ENDED 31ST DECEMBER 2021

The Board of Directors presents its report together with the audited Financial Statements for the year ended 31st December 2021 of Water Compass Limited.

#### BACKGROUND INFORMATION

Water Compass Limited is a registered indigenous NGO with file No. MIA/NB/2016/11/2752. The entity builds, operates and maintains solar powered water supply systems, and collaborates with households and entrepreneurs to improve sanitation and promote effective hygiene practices in homes and health centres.

#### 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

	2021 Ushs	2021 USD	2020 Ushs	2020 USD
Total Income	678,946,273	189,597	861,912,249	233,012
Total Expenses	(763,963,417)	(213,338)	(728,318,857)	(196,896)
<b>Surplus/(deficit) for the year</b>	<b>(85,017,144)</b>	<b>(23,741)</b>	<b>133,593,392</b>	<b>36,116</b>

#### 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 : 30/01/2022




**WATER COMPASS LIMITED**  
**REPORT OF THE BOARD OF DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

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 fraud and other irregularities.

Signed on behalf of the Board by;

  
Secretary Board of Directors

Date.....30/09/22.....



## **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 2021 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 materials respects, the financial position of Water Compass Limited as at 31st December 2021, 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: +256 777 528 003  
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## **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 law, 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 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... 20th October 2022



**WATER COMPASS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Notes	2021 U Shs	2021 USD	2020 U Shs	2020 USD
<b>INCOME</b>	<b>4</b>	678,946,273	189,597	861,912,249	233,012
<b>TOTAL INCOME</b>		<u><b>678,946,273</b></u>	<u><b>189,597</b></u>	<u><b>861,912,249</b></u>	<u><b>233,012</b></u>
<b>EXPENDITURES</b>					
STAFF EXPENSES	5	(497,903,827)	(139,040)	(369,181,947)	(99,806)
OFFICE RUNNING	6	(71,529,169)	(19,975)	(67,716,411)	(18,307)
PROGRAM COSTS	7	(166,672,130)	(46,543)	(268,554,482)	(72,602)
DEPRECIATION	8	(27,858,291)	(7,779)	(22,866,018)	(6,182)
<b>TOTAL EXPENSES</b>		<u><b>(763,963,417)</b></u>	<u><b>(213,338)</b></u>	<u><b>(728,318,857)</b></u>	<u><b>(196,896)</b></u>
<b>SURPLUS FOR THE YEAR</b>		<u><b>(85,017,144)</b></u>	<u><b>(23,741)</b></u>	<u><b>133,593,392</b></u>	<u><b>36,116</b></u>



**WATER COMPASS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2021**

	Notes	2021 U Shs	2021 USD	2020 U Shs	2020 USD
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property & Equipment	3	139,974,217	39,088	162,112,822	43,826
<b>Current Assets</b>					
Receivables	9	15,176,997	4,238	28,660,572	7,748
Bank and Cash	10	54,681,932	15,270	110,415,980	29,850
<b>TOTAL ASSETS</b>		<b><u>209,833,145</u></b>	<b><u>58,596</u></b>	<b><u>301,189,373</u></b>	<b><u>81,425</u></b>
<b>EQUITY AND</b>					
<b>Capital &amp; Reserves</b>					
Revenue Reserves		136,114,401	38,010	222,782,589	60,228
Revaluation Reserve		-	-	-	-
Capital Grant		-	-	-	-
<b>Total Reserves</b>		<b><u>136,114,401</u></b>	<b><u>38,010</u></b>	<b><u>222,782,589</u></b>	<b><u>60,228</u></b>
<b>Current Liabilities</b>					
Sundry Creditors	11	73,718,744	20,586	78,406,784	21,197
<b>TOTAL EQUITY AND</b>		<b><u>209,833,145</u></b>	<b><u>58,596</u></b>	<b><u>301,189,373</u></b>	<b><u>81,425</u></b>

The financial statements on pages 9 to 19 were approved by the Board on  
30/09/22 and signed on its behalf by:

Edd H  
[Signature]

Executive Director

Date: 30/09/22

Secretary

Date: 30/09/22



**WATER COMPASS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31ST DECEMBER 2021**

	Revenue Reserves	Revenue Reserves
	U Shs	USD
<b>As at 01.01.2020</b>	89,199,173	24,306
<b>Adjustments</b>		
Adjustment on assets	-	-
Prior year adjustment	(9,977)	-
Surplus (Deficit) for yr	133,593,393	36,116
Revaluation Release	-	-
Grant Release	-	-
<b>As at 31.12.2020</b>	<u><b>222,782,589</b></u>	<u><b>60,422</b></u>
<b>As at 01.01.2021</b>	222,782,589	60,422
<b>Prior Year adjustments</b>		
<b>Adjustments</b>	-	-
Prior Year adjustments	(1,651,045)	(461)
Surplus (Deficit) for yr	(85,017,144)	(23,741)
Grant Release	-	-
Reval. Release	-	-
<b>As at 31.12.2021</b>	<u><b>136,114,401</b></u>	<u><b>36,220</b></u>



**WATER COMPASS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**AS AT 31ST DECEMBER 2021**

	2021 U Shs	2021 USD	2020 U Shs	2020 USD
<b>OPERATING ACTIVITIES</b>				
Operating Surplus before Int.& Tax	(85,017,144)	(23,741)	133,593,393	36,116
Adjustments for:				
Prior Year adjustment	(1,651,045)	(461)	(9,977)	(3)
Revaluation reserve	-	-	-	-
Depreciation	27,858,291	7,779	22,866,017	6,182
<b>Operating Loss before Working Capital Changes</b>	<b>(58,809,897)</b>	<b>(16,423)</b>	<b>156,449,434</b>	<b>42,295</b>
Decrease/(Increase) in trade and other receivables	13,483,575	3,765	(14,979,996)	(4,050)
Decrease/(Increase) in Inventories	-	-	-	-
Increase/(Decrease) in Income Tax Payables	-	-	-	-
Increase/(Decrease) in Payables	(4,688,040)	(1,309)	1,528,425	413
<b>Cash flows generated</b>	<b>(50,014,362)</b>	<b>(13,967)</b>	<b>142,997,863</b>	<b>38,658</b>
Income Tax Paid	-	-	-	-
Interest Paid	-	-	-	-
<b>Net cash flow from operating</b>	<b>(50,014,362)</b>	<b>(13,967)</b>	<b>142,997,863</b>	<b>38,658</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(7,572,652)	(2,115)	(63,570,890)	(17,186)
Disposals of assets	1,852,966	517	-	-
Capital Work In Progress	-	-	-	-
<b>Net cash used in investing</b>	<b>(5,719,686)</b>	<b>(1,597)</b>	<b>(63,570,890)</b>	<b>(17,186)</b>
<b>FINANCING ACTIVITIES</b>				
Capital Grant	-	-	-	-
	-	-	-	-
<b>NET INC/(DEC) IN CASH AND</b>	<b>(55,734,048)</b>	<b>(15,564)</b>	<b>79,426,973</b>	<b>21,472</b>
Cash and cash equivalents at 1st January 2021	110,415,980	30,834	30,989,007	8,378
<b>CASH AND CASH EQUIVALENTS AT 31.12.2021</b>	<b>54,681,931</b>	<b>15,270</b>	<b>110,415,980</b>	<b>29,850</b>
<b>Statement of Reconciliation of Cash &amp; Cash equivalents</b>				
	2021 U Shs	2021 USD	2020 U Shs	2020 U Shs
Cash and Bank Balances	54,681,931	15,270	110,415,980	29,850
<b>Total</b>	<b>54,681,931</b>	<b>15,270</b>	<b>110,415,980</b>	<b>29,850</b>



# **WATER COMPASS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AS AT 31ST DECEMBER 2021**

#### **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	20%

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 2021**

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 2021**

**PROPERTY, PLANT AND EQUIPMENT**

	Motor Vehicles	Motor Cycles	Software	Electronics	Computers & Accessories	Furniture & Fittings	Totals
<b>COST</b>	<b>U Shs 25%</b>	<b>U Shs 25%</b>	<b>U Shs 20%</b>	<b>U Shs 25%</b>	<b>U Shs 30%</b>	<b>U Shs 25%</b>	<b>U Shs</b>
As at 01.01.2021	61,268,000	112,987,575	2,806,393	25,618,824	20,228,741	8,778,000	231,687,533
Additions	-	-	-	-	7,172,652	400,000	7,572,652
Disposal	-	-	-	-	(1,852,966)	-	(1,852,966)
As at 31.12.2021	<u>61,268,000</u>	<u>112,987,575</u>	<u>2,806,393</u>	<u>25,618,824</u>	<u>25,548,427</u>	<u>9,178,000</u>	<u>237,407,219</u>
<b>DEPRECIATION</b>							
As at 01.01.2021	17,956,341	36,424,320	2,030,931	6,746,893	3,761,231	2,654,996	69,574,712
Charge for the year	2,077,840	16,279,742	498,488	3,783,551	5,043,494	1,180,951	28,864,065
Charge on disposal	-	-	-	-	(1,005,775)	-	(1,005,775)
As at 31.12.2021	<u>20,034,181</u>	<u>52,704,062</u>	<u>2,529,419</u>	<u>10,530,444</u>	<u>7,798,950</u>	<u>3,835,947</u>	<u>97,433,002</u>
<b>NETBOOK VALUE</b>							
At 31.12.2021	41,233,819	60,283,513	276,975	15,088,380	17,749,477	5,342,053	139,974,217
At 31.12.2020	<u>43,311,659</u>	<u>76,563,255</u>	<u>775,462</u>	<u>18,871,931</u>	<u>16,467,510</u>	<u>6,123,004</u>	<u>162,112,821</u>



**WATER COMPASS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31ST DECEMBER 2021**

**PROPERTY, PLANT AND EQUIPMENT**

	Motor Vehicles	Motor Cycles	Software	Electronics	Computers & Accessories	Furniture & Fittings	Totals
<b>COST</b>	<b>U Shs 25%</b>	<b>U Shs 25%</b>	<b>U Shs 0%</b>	<b>U Shs 25%</b>	<b>U Shs 30%</b>	<b>U Shs 25%</b>	<b>U Shs</b>
As at 01.01.2021	16,694	34,136	764	6,958	5,144	2,389	66,085
Additions	-	-	-	-	2,003	112	2,115
Disposal	-	-	-	-	(517)	-	(517)
As at 31.12.202	<u>16,694</u>	<u>34,136</u>	<u>764</u>	<u>6,958</u>	<u>6,630</u>	<u>2,501</u>	<u>67,682</u>
<b>DEPRECIATION</b>							
As at 01.01.2021	7,271	12,827	552	2,232	956	982	24,820
Charge for the year	580	4,546	139	1,057	1,408	330	8,060
As at 31.12.2021	<u>7,851</u>	<u>17,373</u>	<u>691</u>	<u>3,289</u>	<u>2,364</u>	<u>1,312</u>	<u>32,880</u>
<b>NETBOOK VALUE</b>							
At 31.12.2021	8,843	16,763	73	3,669	4,265	1,189	34,802
At 31.12.2020	<u>9,423</u>	<u>21,309</u>	<u>212</u>	<u>4,726</u>	<u>4,188</u>	<u>1,407</u>	<u>41,265</u>



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

	2021 U Shs	2021 USD	2020 U Shs	2020 USD
<b>4 INCOME</b>				
Water Compass Income	227,284,086	63,469	258,314,250	69,834
Donations	7,172,652	2,003	48,505,874	13,113
Local Contributions-UG	13,950,710	3,896	425,000	115
UG Revenue- H2O	22,466,000	6,274	12,475,836	3,373
UG Interest	168,413	47	18,097	5
USAID Project Income	407,904,412	113,908	542,173,192	146,573
<b>TOTAL INCOME</b>	<b>678,946,273</b>	<b>189,597</b>	<b>861,912,249</b>	<b>233,012</b>
<b>5 STAFF EXPENSES</b>				
Payroll(Net salaries)	291,701,025	81,458	198,934,565	53,781
Taxes PAYE	98,834,731	27,600	69,745,094	18,855
Contribution -NSSF (10%)	39,053,582	10,906	42,134,633	11,391
Insurance(Med&Workman's)	35,459,489	9,902	27,017,655	7,304
Staff Recruitments	900,000	251	3,000,000	811
Staff Safety/Protective Gear	4,140,000	1,156	6,850,000	1,852
Staff Welfare	27,815,000	7,767	21,500,000	5,812
<b>TOTAL STAFF EXPENSES</b>	<b>497,903,827</b>	<b>139,040</b>	<b>369,181,947</b>	<b>99,806</b>
<b>6 OFFICE RUNNING</b>				
Office Rent	15,600,000	4,356	12,100,000	3,271
Admin,Office Maintenance	18,297,850	5,110	16,705,115	4,516
Stationery and Photocopies	6,859,400	1,915	9,781,300	2,644
Telephone,Telecom	11,790,000	3,292	7,458,500	2,016
Utilities(Nwsc,Umeme)	1,415,700	395	1,164,000	315
License and Registration	334,600	93	32,300	9
Publicity,Promotion,Visibility	360,000	101	2,775,200	750
Bank Charges	6,837,244	1,909	7,317,194	1,978
Professional/Consultation	4,950,000	1,382	4,200,000	1,135
Foreign exchange Losses	1,798,075	502	2,747,802	743
Electronic Materials	535,500	150	260,000	70
Supplies	1,603,800	448	1,097,000	297
Travel	1,147,000	320	2,078,000	562
<b>TOTAL OFFICE RUNNING EXPENSES</b>	<b>71,529,169</b>	<b>19,975</b>	<b>67,716,411</b>	<b>18,307</b>
<b>7 PROGRAM EXPENSES</b>				
Solar Water Tower	-	-	118,705,391	32,091
Accommodation	2,977,000	831	3,682,000	995



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

	2021 U Shs	2021 USD	2020 U Shs	2020 USD
<b>PROGRAM EXPENSES CONTINUED</b>				
Pump Testing	2,124,000	593	18,038,700	4,877
Commission	2,931,600	819	1,887,600	510
Motor Vehicle Hire	-	-	779,200	211
Motor Vehicle Maintenance	8,856,300	2,473	8,669,400	2,344
Motor Vehicle Fuel	16,553,010	4,622	17,535,724	4,741
Motor Vehicle Insurance	2,022,711	565	2,270,931	614
Motor cycle fuel	13,239,045	3,697	8,578,931	2,319
Motor Cycle Insurance	136,629	38	-	-
Motor Cycles Maintenance	8,956,949	2,501	11,512,305	3,112
O & M Solar Water Stations	5,383,929	1,503	3,178,800	859
Community-SCH Meetings	100,076,800	27,947	72,490,500	19,597
Health Promotional	-	-	1,225,000	331
Gain/Loss on Disposal	14,157	4	-	-
Geological Survey	2,950,000	824	-	-
Asset Disposal	450,000	126	-	-
<b>TOTAL PROGRAM</b>	<b>166,672,130</b>	<b>46,543</b>	<b>268,554,482</b>	<b>72,602</b>

**8 DEPRECIATION &**

Depreciation expense	27,858,291	7,779	22,866,018	6,182
<b>TOTAL DEPRECIATION</b>	<b>27,858,291</b>	<b>7,779</b>	<b>22,866,018</b>	<b>6,182</b>

**9 RECEIVABLES AND PREPAYMENTS**

Staff Advances and Loans	1,875,000	524	6,230,000	1,684
Prepaid Rent	1,300,000	363	1,300,000	351
Staff Medical Insurance	7,093,640	1,981	16,340,925	4,418
Workman's Compensation	1,935,753	541	3,219,049	870
Vehicle Insurance	488,571	136	556,998	151
Motorcycle insurance	45,543	13	-	-
Post Office	90,000	25	-	-
Accounts Receivable	2,348,490	656	1,013,600	274
	<b>15,176,997</b>	<b>4,238</b>	<b>28,660,572</b>	<b>7,748</b>

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	-	-	-	-
Petty Cash - Sembabule	164,300	46	471,900	128
Petty Cash - Bukomansimbi	127,300	36	497,900	135
Orient Bank Uganda- USD	282,295	79	194,198	53
Centenary Bank- Current	36,646,776	10,234	108,930,872	29,449
Centenary Bank- Savings	17,260,494	4,820	273,383	74
Mobile Money	200,767	56	47,727	13
	<b>54,681,932</b>	<b>15,270</b>	<b>110,415,980</b>	<b>29,850</b>



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

	2021 U Shs	2021 USD	2020 U Shs	2020 USD
<b>11 TRADE &amp; OTHER PAYABLES</b>				
Accounts payables	15,786,679	4,408	62,705,708	17,091
Audit fees payable	4,200,000	1,173	4,200,000	1,145
NSSF Payable	44,220,976	12,349	4,323,692	1,178
PAYE Payable	8,161,076	2,279	7,177,384	1,956
LST Payable	1,350,013	376.99	-	-
	<u><b>73,718,744</b></u>	<u><b>20,586</b></u>	<u><b>78,406,784</b></u>	<u><b>21,370</b></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 2021 (\$1:3,581).

**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 2021 there were no on-going legal proceedings involving the organisation. There were also no capital commitments as at 31st December 2021.

**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 2021

#### 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 2021 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: -

- IFRS 17 Insurance Contracts
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28: Long-term interests in associates and joint ventures
- 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
- Definition of Material – Amendments to IAS 1 and IAS 8-effective annual periods after 1 January 2020
- Definition of a Business- Amendments to IFRS 3- effective annual periods after 1 January 2020
- The Conceptual Framework for Financial Reporting-effective annual periods after 1 January 2020

#### 18 RELATED PARTIES

The following transactions have been identified as related party transactions for the period under review.

	2021 U Shs	2020 U Shs
Remuneration (gross) to board members	<u>32,283,074</u>	<u>48,706,884</u>

The above gross remuneration relates to one member of the local board by the names Florence Samanya.