

**WATO INTERNATIONAL ORGANIZATION**  
**FINANCIAL STATEMENT**  
**5<sup>TH</sup> OCTOBER 2016**

# **WATO INTERNTIONAL ORGANIZATION-UGANDA**

## **Financial Statement as of June, 30<sup>th</sup>, 2015/2016**

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5<sup>th</sup>, October, 2016

## Auditors' Report

To

The Board of Directors

WATO International Organization

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We have audited the accompanying balance sheets of WATO International Organization as of June, 30, 2015 to June, 30, 2016, the statements of activities, and the statements of changes in net assets for each of the two years then ended. These financial statements are the responsibility of WATO's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Uganda's Generally Accepted Auditing Standards, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance) – 2013. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes an examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive and management of the association, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of WATO as of June 30, 2015 and 2016, the results of its activities and the changes in its net assets for each of the two years then ended, according to Uganda's GAAP.



WATO INTERNATIONAL ORGANIZATION

## Balance Sheet

(EUROS)

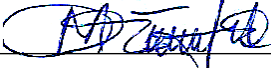
Note: As of June 30 2015 2016

<b>Current Assets</b>	Cash & Cash Equitant	3	36,852	89,266
	Debtors & Debt Balances	4	5,557	7,404
			<b>42,409</b>	<b>96,670</b>
<b>Fixed Assets</b>		5	14,337	16,967
<b>Other Assets</b>		6	5,374	249
			<b>62,120</b>	<b>113,886</b>

<b>Current Liabilities</b>	Suppliers & Service Providers	7	6,386	13,083
	Creditors & Credit balances	8	17,281	29810
			<b>23,667</b>	<b>42,893</b>
<b>Long Term Liabilities</b>	Provision for Severance Pay	9	<b>11,982</b>	<b>12,535</b>
<b>Net Assets</b>				
Unrestricted Net Assets	Used for Current Activities		9,468	41,242
	Used for fixed & Other Assets		16,918	17,216
			<b>26,386</b>	<b>58,458</b>

186,106341,657





Member of the Board



Member of the Board



The Attached Notes are integral part of these Statements

**WATO INTERNATIONAL ORGANIZATION**

**Statement on Activities.**

**(EUROS)**

**Note: For the Year Ended 30<sup>th</sup>, JUNE**

**2015**

**2016**

<b>Income from Activities</b>	<b>10</b>	485,376	532,437
<b>Cost of Activities</b>	<b>11</b>	433,699	390,780

<b>Net Income (Deficit) from Activities</b>		51,676	141,657
<b>General &amp; Administrative Expenses</b>	<b>12</b>	82,633	55,626

<b>Net Income (Deficit) for the Year Before Finance</b>		38,775	69,168
<b>Financing Expense</b>		1,363	325
<b>Net Income (Deficit) For the Year</b>		<b>37,412</b>	<b>68,843</b>



The Attached notice are the Integral part of these Statements

# WATO INTERNATIONAL ORGANIZATION

## Statements of changes in Net Assets

(EUROS)

### Unrestricted Net Assets

	Used for Activities	Fixed and Other Assets	Total
<b>Balance as of January,1<sup>st</sup>, 2016</b>	<b>(14401)</b>	<b>17,514</b>	<b>3,112</b>
<b>Changes during the year</b>			
Net Income for the Year	55345		55345
Transfer of unrestricted Amount for Fixed Assets	(3968)		-----
Amounts Transferred to cover depreciation expense	4266	3968 (4266)	-----
<b>Balance as of July,1<sup>st</sup>, 2016</b>	<b>69,556</b>	<b>27,769</b>	<b>97,326</b>
<b>Changes during the year</b>			
Net Deficit for the Year	(32072)	-----	(32072)
Transfer of unrestricted Sums used for Fixed and other Assets.	(3968)		-----
Amounts Transferred to cover depreciation expense	4266	3968 (4266)	-----
<b>The balance as of JUNE, 30, 2016</b>	<b>16,498</b>	<b>38,064</b>	<b>54,563</b>



# WATO INTERNATIONAL ORGANIZATION

## Notes to the Financial Statements.

(EUROS)

### Note 1

#### General

WATO International Organization is a Non-Government Organization, registered by the Non-government registration office of the republic of Uganda, under the Non-Government Organization's Registration ACT, CAP.113, to carry out activities in the fields of establishing projects for women skills, Gender balance and women values, to uplift the destitute, undertaking social research and studies, to emphasize the safety of women and children in 121 districts, countrywide.

#### Note 2- Significant Accounting Policies

A. The financial statements were prepared according to generally accepted accounting principles for non-profit institution and in accordance with Standard No. 5 of the Uganda's Accounting Standard Board, regarding "accounting principles and financial reporting by nonprofit organizations."

B. Historical Cost Convention

The financial statements were prepared on the basis of the historical cost convention and do not include the impact of changes in the general purchasing power of the US Dollar currency on the results of the activities.

C. Cash and Cash Equivalents

The Association considers all highly liquid investments, including short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash equivalents.

D. Fixed Assets

The fixed assets are shown at cost less accumulated depreciation. The depreciation was calculated according to the estimated length of use of the assets and at the following rates:

Office furniture and equipment	7%
Computers and accessories	27%
Leasehold improvements	6%

E. Other Assets

The other assets are shown at cost less accumulated depreciation. The depreciation was calculated according to the estimated length of use of the assets and at the following rate:

Software	27%
Website	27%



## **Note 2 - Significant Accounting Policies (cont.)**

## F. Indexation to Foreign Currency

Balances in or indexed to foreign currency are recorded at the exchange rate on the balance sheet. Income and expenses indexed to foreign currency are recorded on the transaction day. The dollar exchange rates for the dates of the financial statement are as follows:

June 30, 2015 €1 = UG, Shillings 4127

June, 30, 2016 €1 = UG, Shillings 4149

## G. Statement of Changes in Cash Flow

The financial statements do not include a statement of cash flow, as such a statement would not add significant financial information to that already included in the financial statements.

<b>Note 3</b>	<b>Cash and Cash Equivalents:</b>	<b>As of June 30</b>	<b>2015</b>	<b>2016</b>
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Cash on Hand and in Banks - EUROS	36,852	89,266
Cash on Hand and in Banks –Uganda Shillings	-----	-----
	36,852	89,266

### **Note 4 Debtors and Debt balance**

Paid expenses 5,125	6,796	Income receivable	431	
Tax Authorities			-----	617
			<b>5557</b>	<b>7,404</b>

### Depreciated Cost

Note 5 Fixed Assets	Cumulative	As of June 30 Cost Depreciation	2015	2016
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Office Furniture and Equipment	10,354	2419	7,936	8203
Computer and Accessories	9995	9121	874	2,371
Leasehold improvements	8,663	3,136	5,527	6,394
	<b>29012</b>	<b>14,675</b>	<b>14,337</b>	<b>16,967</b>

### Note 6- Other Assets

Website	259	501	307	187
Software	360	191	191	61
	<b>619</b>	<b>692</b>	<b>498</b>	<b>248</b>





<b>Note 7- Supplier and service Provider</b>	<b>As of June 30</b>	<b>2015</b>	<b>2016</b>
Open Accounts		680	391
Cheques Payable		4491	12,316
		<b>5,171</b>	<b>12,707</b>

**Note 8 - Creditors and Credit Balances**

Employees and related institutions	14,412	18750
Expenses payable	2694	10623
Other credit balances	174	436
	<b>17,280</b>	<b>29,809</b>

**Note 9 - Provision for Severance Pay**

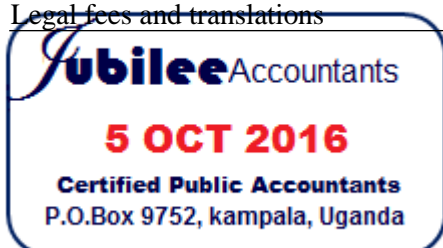
- A. The provision for severance pay is computed based on the last salary of the employees and according to their seniority, for the employees who worked in WATO over than one year.
- B. The liability for severance pay to employees as of the balance sheet date is covered by payments to a management insurance policy and funds included in a provision for severance pay.

**For the Year Ended**

<b>Note 10- Income from Activities</b>	<b>June 30</b>	<b>2015</b>	<b>2016</b>
Book sales		446,343	532,437
Donations		36,147	
Donations in kind		2,886	
		<b>485,376</b>	<b>532,437</b>

**Note 11 - Cost of Activities**

Grants and Projects (includes gifts)	368195	416,064
Salaries, Office expenses, Advertising and printing	72023	66,165
Travel (includes travel abroad)	27,466	30,503
Rent	11,250	11,250
Depreciation	4,149	3,840
Legal fees and translations	2289	4,617
	<b>485,376</b>	<b>532,437</b>



**For the Year Ended**

<b>Note 12 - General and Administrative Expenses: June 30</b>	<b>2015</b>	<b>2016</b>
Salaries and related expenses	36,145	20,760
Travels abroad	14,592	16,434
Professional Services	7,631	5,032
Telephone and Postage	320	214
Property tax (including previous years)	5,727	3,551
Refreshment	6,242	2,121
Insurance	2,290	1,527
Bank fees	1,372	915
Office expenses	1,202	802
Professional training and literature	511	341
Depreciation	461	307
Travel	6,272	3,403
Gifts	261	85
Fees	67	136
Fines	72	-----
	<b>82,633</b>	<b>55,626</b>

**Note 13 - Details of Donations above in Euros**

**Donations listed in the Statement on Activities:**

**For the Year Ended**

**Name of Donor:** **June 30 2016**

WALKER MEDIA GROUP 36,147

**Donations in kind listed in the Statement on Activities:**

Pearlm Media Company 2,886



**WATO INTERNATIONAL ORGANIZATION-UG**  
**NOTES TO FINANCIAL STATEMENTS**  
**5th, October, 2016**

**Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities:** WATO INTERNATIONAL ORGANIZATION is a Non-Government Organization, registered by the Non-government registration office of the republic of Uganda, under the Non-Government Organization's Registration ACT, CAP.113, to carry out activities in the fields of establishing projects for youths and women skills, Gender balance and women values, to uplift the destitute, undertaking social research and studies, to emphasize the safety of women and children in 121 districts, countrywide.

**Basis of Accounting and Presentation:** The financial Statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, gains and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follow: General Funds-Net Assets that are not subject to donor-imposed stipulations. Books Sales and Provision of service -Net assets subject to WATO International stipulations that can be fulfilled by actions of the organization pursuant to those stipulations of that expire by the passage of time.

**Income Taxes:** The Organization is exempt from income taxes under NGO Registration ACT, 2006.

**Cash and Cash Equivalent:** Cash and Cash Equivalents include Cash at hand and all Monies in Banks with Maturity dates of Less than three Months. The carrying value of Cash and Cash equivalents approximates fair value because of the short maturities of those financial instruments.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Exchange rate of EURO** is considered as equivalent to 4149 UGX (Uganda Shillings)

**Functional Expenses:** The cost of the Projects Activities has been directly allocated to the program and supporting costs have been allocated to those functions, there has been no indirect allocation of costs.

**Subsequent Events:** Subsequent events were evaluated through 1<sup>st</sup> August 2017 which is the date the financial statements were available to be issued.

Dated: 5<sup>th</sup>, October, 2016  
Place Kampala, Uganda.

