

WATO INTERNATIONAL ORGANIZATION
FINANCIAL STATEMET
1st AUGUST 2017

WATO INTERNTIONAL ORGANIZATION-UGANDA

Financial Statement as of June, 30th, 2016/2017

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Jubilee Certified Public Accountants. P.O Box 9752 Kampala
Plot 399/2 Ntinda Kiwatule Naalya Road Opposite Sals Hotel, 3rd
Floor Apartment 3D
Telephone: +256701715352

Dated: 1st, August, 2017



Auditors' Report

To the Board of Directors

WATO International Organization

P.O. Box 34891
Kampala – Uganda
WATO Office House, Block 178, Plot 1957, Kizito Road
Canaan Estate, Nakweero Gayaza, Wakiso District, Uganda
Email: enquiries@watointernational.org
Web: www.watointernational.org



Tel: +256 780 522 099

We have audited the accompanying balance sheets of WATO International Organization as of June, 30, 2016 to June, 30, 2017, 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, 2016 and 2017, 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 **2016** **2017**

Current Assets	Cash & Cash Equitant	3	49,136	119,022
	Debtors & Debt Balances	4	7,409	9,872
			56,545	128,893
Fixed Assets		5	19,116	22,623
Other Assets		6	7,165	332
			82,826	151,848

Current Liabilities	Suppliers & Service Providers	7	8,515	16,944
	Creditors & Credit balances	8	23,041	39,746
			31,556	57,190
Long Term Liabilities	Provision for Severance Pay	9	15,977	16,713
Net Assets				
Unrestricted Net Assets	Used for Current Activities		12,624	54,990
	Used for fixed & Other Assets		22,558	22,955
			35,182	77,945
			82,615	151,848

1st August 2017

Date



[Signature]

Member of the Board



Namukisa

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 30th, JUNE

2016

2017

Income from Activities	10	647,168	709,917
Cost of Activities	11	578,266	521,041

Net Income (Deficit) from Activities		68,901	188,876
General & Administrative Expenses	12	110,177	74,169

Net Income (Deficit) for the Year Before Finance		(51,701)	92,225
Financing Expense		1,817	434

Net Income (Deficit) For the Year

49,884

91,791



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
Balance as of January,1st, 2017	(19201)	23,352	4,151
Changes during the year			
Net Income for the Year	73,794		73,794
Transfer of unrestricted Amount for Fixed Assets	(5291)		-----
Amounts Transferred to cover depreciation expense	5688	5291 (5688)	-----
Balance as of July,1st, 2017	54,990	22,955	77,944
Changes during the year			
Net Deficit for the Year	(42763)	-----	(42,763)
Transfer of unrestricted Sums used for Fixed and other Assets.	(5291)		-----
Amounts Transferred to cover depreciation expense	5688	5291 (5688)	-----
The balance as of JUNE, 30, 2017	12,624	22,558	35,181



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 EURO 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

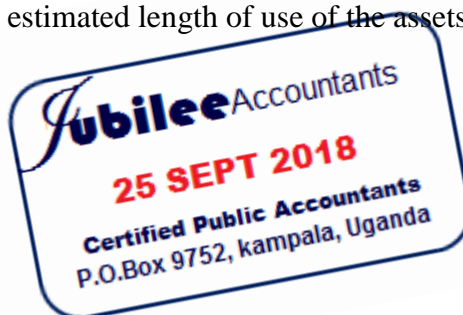
The fixed assets are shown at cost less accumulated depreciation. The depreciation was calculated according to the estimated length of use of the assets and at the following rates:

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, 2016 €1 = UG, Shillings 4,149

June, 30, 2017 €1 = UG, Shillings 4,182

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.

Note 3 Cash and Cash Equivalents: As of June 30 2016 2017

Cash on Hand and in Banks - EUROS	49,136	119,022
Cash on Hand and in Banks –Uganda Shillings	-----	-----
	49,136	119,022

Note 4 Debtors and Debt balance

Paid expenses 6834	9,049	Income receivable	575	-----
Tax Authorities			-----	822
			7,409	9,872

Depreciated Cost

Note 5 Fixed Assets	Cumulative	As of June 30	Cost Depreciation	2016	2017
Office Furniture and Equipment	13,806	3,225	10,581	10,938	
Computer and Accessories	13327	12,161	1,166	3,161	
Leasehold improvements	11,550	4,180	7,369	8,525	
	38,683	19,566	19,116	22,623	

Note 6- Other Assets

Website	345	686	410	250
Software	479	291	255	82
	814	977	665	332

**Note 7- Supplier and service Provider As of June 30 2016 2017**

Open Accounts	2,640	522
Cheques Payable	5,987	16,422
	8,627	16,944

Note 8 - Creditors and Credit Balances

Employees and related institutions	19,216	25,000
Expenses payable	3,593	14,164
Other credit balances	232	582
	23,041	39,746

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

<u>Note 10- Income from Activities</u>	<u>June 30</u>	<u>2016</u>	<u>2017</u>
Book sales		595,120	709,917
Donations		40,000	
Donations in kind		3,848	
		647,168	709,917

Note 11 - Cost of Activities

Grants and Projects (includes gifts)	490,927	554,752
Salaries, Office expenses, Advertising and printing	96,031	88,220
Travel (includes travel abroad)	36,621	40,670
Rent	15,000	15,000
Depreciation	16,595	5,120
Legal fees and translations	3,052	6,156
	647,168	709,917



For the Year Ended

Note 12 - General and Administrative Expenses: June 30	2016	2017
Salaries and related expenses	48,193	32,129
Travels abroad	19,900	26,534
Professional Services	11,063	7,376
Telephone and Postage	427	285
Property tax (including previous years)	7,767	5,180
Refreshment	8,323	4,161
Insurance	3,054	2,036
Bank fees	1,829	1,219
Office expenses	1,603	1,069
Professional training and literature	681	454
Depreciation	614	410
Travel	8,139	5,426
Gifts	349	113
Fees	310	181
Fines	-----	-----
	110177	114,708

Note 13 - Details of Donations above in EUROS

Donations listed in the Statement on Activities:

Name of Donor:	For the Year Ended June 30 2017
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Global Giving	40,000
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Donations in kind listed in the Statement on Activities:

Pearlm Media Company	3,848
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WATO INTERNATIONAL ORGANIZATION-UG
NOTES TO FINANCIAL STATEMENTS
1st, AUGUST, 2018

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 EUROS is considered as equivalent to 4182 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 1st August 2017 which is the date the financial statements were available to be issued.

Dated: 1st, AUGUST, 2017

Place Kampala, Uganda.

