

**Link To Progress**  
**Annual report and financial statements**  
**for the year ended December 31, 2024**

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**for the year ended December 31, 2024**

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**Organisation Information**

<b>Executive Committee</b>	Liesbeth Nagelkerke*	Chairperson of the Board
	Hilde Klok*	Vice chairperson (resigned in May 2024)
	John Justin Otai**	Vice chairperson (Appointed in November 2024)
	Juliet Arecho**	Country Manager

\*Dutch  
\*\*Ugandan

**Secretary** M/S Buwule & Mayiga Advocates  
22 Entebbe road  
3rd Floor Conrad Plaza  
P.O Box 9400  
**Kampala, Uganda**

**Registered Office** 57 Lake drive  
Luzira  
P.O Box 71881  
**Kampala, Uganda**

**Independent Auditor** Forvis Mazars BRJ  
Certified Public Accountants  
24 Henlon Close  
Luthuli Avenue  
Bugolobi  
P.O Box 35263  
**Kampala, Uganda**

**Bankers** Absa Bank Uganda Limited  
Forest Mall, Lugogo  
P.O Box 7131  
**Kampala, Uganda**

Absa Bank Uganda Limited  
Vol 664 Folio 22 Plot 128  
Kiswa Housing Estate Spring road  
Bugolobi  
**Kampala, Uganda**

**Lawyer** Asire and Company Advocates  
Ground Floor, Nakawa House  
3-7, Portbell road  
P.O Box 36505  
**Kampala, Uganda**

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**Executive committee's report**

The committee submit their report and the audited financial statements for the year ended December 31, 2024 which disclose the state of affairs of Link To Progress ("the Organisation").

**Principal activities**

The principal activity of the Organisation continued to be contributing towards linking the rural population in Uganda to sustainable progress in water supplies, health, education and other services in an efficient and collaborative manner.

**Results**

The results of the Organisation for the year ended December 31, 2024 are set out on page 7.

**Executive committee**

The names of the executive committee who held office during the year ended and at the date of this report are shown on page 1.

**Independent auditor**

The Organisation's auditor, Forvis Mazars BRJ Certified Public Accountants, expresses willingness to continue in office in accordance with Section 167 (2) of the Companies Act cap 106.

**By order of the Board**



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Secretary

19/06

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**Statement of executive committee's responsibilities**

The Non Governmental Organisations (NGO) Act 2016 requires the Executive Committee 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 its profit or loss. It also requires the Executive Committee to ensure that the organisation keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the Organisation. They are also responsible for safeguarding the assets of the Organisation.

The committee members are ultimately responsible for the Organisation's internal controls. The members delegate responsibility for 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 Organisation's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent and going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Executive Committee accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted accounting principles and the requirements of the NGO Act, 2016. The Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organisation and of its operating results. The committee members further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the committee members to indicate that the Organisation 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 Executive Committee on 19/06 2025 and signed on its behalf by:

  
\_\_\_\_\_  
Chairperson of the Board

  
\_\_\_\_\_  
Country Manager

## **INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE OF LINK TO PROGRESS**

### **Report on the financial statements**

#### **Opinion**

We have audited the financial statements of Link To Progress (the "Organisation") which comprise the statement of financial position as at December 31, 2024, the statement of income and expenditure, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the Organisation's financial statements give a true and fair view of the statement of financial position of the Organisation as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles and the NGO Act 2016.

#### **Basis of 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 Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter - Basis of accounting and restrictions**

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements have been prepared in accordance with the Organization's own accounting policies to satisfy the financial information needs of the Organization's users of the financial statements.

As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Organization and should not be distributed to, or used by, parties other than the Organization. Our opinion is not modified in respect of this matter.

#### **Other information**

Management is responsible for the other information. The other information comprises the annual report but 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 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.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with generally accepted accounting principles and the requirements of the NGO Act 2016, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

## **INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE OF LINK TO PROGRESS (CONTINUED)**

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### **Report on the financial statements (continued)**

In preparing the financial statements, management is responsible for assessing the Organisation'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 management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

### **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 judgment and maintain professional skepticism 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Organisation to cease to continue as a going concern.
- 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 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 we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE OF LINK TO PROGRESS  
(CONTINUED)**

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**Report on other legal and regulatory requirements**

We also 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 Organisation, so far as appears from our examination of those books; and
- iii) The Organisation's statement of financial position and statement of income and expenditure are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is CPA Innocent Muhangazi whose practitioner number with the Institute of Certified Public Accountants is P0432.

*Fanis Mazaro BBS*

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Certified Public Accountants (Firm No. AF0277)  
24 Henlon Close, Luthuli Avenue, Bugolobi  
Kampala

*[Signature]*

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CPA Innocent Muhangazi FM 2865

*June 23<sup>rd</sup>*

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**Statement of income and expenditure**

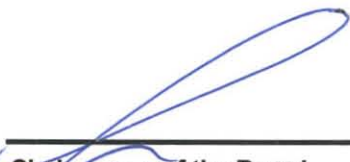
		2024			2023		
	Note	Unrestricted funds Ushs	Restricted funds Ushs	Total funds Ushs	Unrestricted funds Ushs	Restricted funds Ushs	Total funds Ushs
<b>Income</b>							
Donations	3	-	5,058,124,022	5,058,124,022	-	3,782,672,613	3,782,672,613
Community collections	3	-	4,200,000	4,200,000	-	5,700,000	5,700,000
Other income	4	23,685,045	-	23,685,045	8,737,680	-	8,737,680
		<u>23,685,045</u>	<u>5,062,324,022</u>	<u>5,086,009,067</u>	<u>8,737,680</u>	<u>3,788,372,613</u>	<u>3,797,110,293</u>
<b>Expenditure on:</b>							
Project costs	5	-	4,121,364,739	4,121,364,739	-	2,706,978,092	2,706,978,092
Community mobilization	6	-	167,368,848	167,368,848	-	88,951,528	88,951,528
Administrative expenses	7	-	297,631,230	297,631,230	-	150,571,002	150,571,002
Finance costs	8	-	285,339,121	285,339,121	-	(90,716,423)	(90,716,423)
Employee benefit expenses	9	-	314,824,682	314,824,682	-	249,722,022	249,722,022
		<u>-</u>	<u>5,186,528,620</u>	<u>5,186,528,620</u>	<u>-</u>	<u>3,105,506,221</u>	<u>3,105,506,221</u>
<b>(Deficit)/Surplus for the year</b>		<u>23,685,045</u>	<u>(124,204,598)</u>	<u>(100,519,553)</u>	<u>8,737,680</u>	<u>682,866,392</u>	<u>691,604,072</u>
<b>Net movement in funds</b>							
Retained funds		23,685,045	(124,204,598)	(100,519,553)	8,737,680	682,866,392	691,604,072
Retained funds brought forward		23,114,543	933,799,803	956,914,346	14,376,863	250,933,411	265,310,274
<b>Retained funds carried forward</b>		<u>46,799,588</u>	<u>809,595,205</u>	<u>856,394,793</u>	<u>23,114,543</u>	<u>933,799,803</u>	<u>956,914,346</u>

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**Statement of financial position**

	Note	2024 Ushs	2023 Ushs
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	10	<u>451,894,690</u>	<u>85,659,758</u>
<b>Current asset</b>			
Receivables	11	<u>276,225,235</u>	<u>304,214,658</u>
Cash at hand and in bank	12	<u>2,279,944,003</u>	<u>2,545,369,814</u>
		<u>2,556,169,238</u>	<u>2,849,584,472</u>
<b>Total assets</b>		<u><b>3,008,063,928</b></u>	<u><b>2,935,244,230</b></u>
<b>Fund and liabilities</b>			
Restricted funds		<u>809,595,205</u>	<u>933,799,803</u>
Unrestricted funds		<u>46,799,588</u>	<u>23,114,543</u>
		<u>856,394,793</u>	<u>956,914,346</u>
<b>Current liabilities</b>			
Payables	13	<u>41,752,615</u>	<u>78,200,417</u>
Deferred income	14	<u>2,109,916,520</u>	<u>1,900,129,467</u>
		<u>2,151,669,135</u>	<u>1,978,329,884</u>
<b>Total equity and liabilities</b>		<u><b>3,008,063,928</b></u>	<u><b>2,935,244,230</b></u>

These financial statements on pages 7 to 17 were authorised and approved for issue by the executive committee on 19/06 2025 and were signed on its behalf by: -

  
 \_\_\_\_\_  
**Chairperson of the Board**

  
 \_\_\_\_\_  
**Country Manager**

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**Statement of cash flows**

	Note	2024 Ushs	2023 Ushs
<b>Cash flows from operating activities</b>			
(Deficit) / Surplus for the year		<u>(100,519,553)</u>	<u>691,604,072</u>
<b>Adjustments for:</b>			
Depreciation	10	81,619,099	31,116,097
Gain from disposal of assets	4	<u>(17,000,000)</u>	<u>(2,850,000)</u>
		<u>(35,900,454)</u>	<u>719,870,169</u>
<b>Working capital changes</b>			
Receivables	11	27,989,423	(268,189,086)
Payables	13	(36,447,802)	63,615,457
Deferred income	14	<u>209,787,053</u>	<u>831,069,347</u>
<b>Net cash generated from operating activities</b>		<u><b>165,428,220</b></u>	<u><b>1,346,365,887</b></u>
<b>Cash flow from investing activities</b>			
Purchase of assets	10	(447,854,031)	(87,735,240)
Proceeds from disposal of assets	4	<u>17,000,000</u>	<u>2,850,000</u>
<b>Net cash used in investing activities</b>		<u><b>(430,854,031)</b></u>	<u><b>(84,885,240)</b></u>
Net (decrease)/ increase in cash at bank and in hand		<u>(265,425,811)</u>	<u>1,261,480,647</u>
Cash at bank and in hand at start of the year		<u>2,545,369,814</u>	<u>1,283,889,167</u>
Cash at bank and in hand at end of the year		<u>2,279,944,003</u>	<u>2,545,369,814</u>
<b>Represented by:</b>			
Cash at bank and in hand	12	<u><u>2,279,944,003</u></u>	<u><u>2,545,369,814</u></u>

**Notes to the financial statements**

**1. General information**

Link to Progress, (the "Organisation") is registered in Uganda as a Non-Governmental Organisation (NGO) under the NGO Act, 2016 to carry out activities in the field of linking the rural population to sustainable progress in water supplies, health, education and other services for the poor in northern Uganda. The Organisation's registered office is:

57, Lake drive  
Luzira  
P.O. Box 71881  
**Kampala, Uganda**

**2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles, in accordance with Link To Progress accounting guidelines and the NGO Act 2016.

**b) Income**

Receipts from donors and grants are recognized in income and expenditure account on a systematic basis over the periods in which the Organisation recognizes the expenses and related costs for which the grants are intended to compensate.

**c) Fund accounting**

Unrestricted income refers to the general funds that are available for use at the executive committee's discretion in furtherance of the objectives of the Organisation.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

**d) Grants**

A grant that becomes receivable as compensation for expenses or losses already incurred for the purposes of giving immediate financial support to the Organisation with no future related costs is recognized in the income and expenditure account of the period in which it becomes receivable.

Grants are only recognized when there is reasonable assurance that the Organisation will comply with the conditions attached to them, and that the conditions attached to the grant have been or will be fulfilled.

Donations in kind are included in the statement of income and expenditure at their estimated gross value, the current value will usually be the price that the Organisation estimates it would have to pay in the open market for an equivalent item.

**e) Grants receivable**

Grants without conditions are recognised when receivable. The grant income is not deferred, even if received in advance of the expenditure on the activity funded by the grant. These grants are accounted for as part of unrestricted funds. A restriction on a grant creates a requirement that limits or directs the purpose for which a resource may be used, but it is not conditional upon a specific level of performance or output.

Unspent grant funds at the end of the period are carried forward to the following period, retaining any restriction on the use of the funds.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

f) Capital grants

Where a restricted grant finances the purchase of a fixed asset, the grant income is recognised in full and is not deferred. When a fixed asset is purchased with restricted funds, the full cost of the asset is expensed through the restricted fund at the time of purchase. The asset is also capitalised by means of negative expenditure through the general fund. Thus the restricted fund reflects the balance in accordance with reports to donors, while the statement of income shows a net zero expenditure on assets. The asset is included within property and equipment on the statement of financial position, and depreciated through the general fund in accordance with the policy.

g) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda Shillings, the functional currency, at rates ruling at the transaction dates. Monetary assets and liabilities at the end of reporting date which are expressed in foreign currencies are translated into Uganda Shillings at rates ruling at that date. The resulting differences from conversion and translation are included in the statement of income and expenditure in the year in which they arise.

h) Expenditure

All expenditure is accounted for on an accruals basis, and is classified under headings that aggregate costs on an activity basis.

Costs of raising funds includes direct fundraising costs and apportioned overheads. Social purpose activity costs are those incurred directly on furthering the social objectives of the organisation, as well as apportioned overheads.

i) Overhead apportionment

Overhead or indirect costs include management, administration and governance costs which are necessary to the operation of the organisation as a whole, such as finance staff and software, insurance, and audit. Overhead costs are apportioned to direct activities based on the average of staff numbers and direct costs.

**Property and equipment**

Fixed assets may be held to achieve a special purpose or to generate cash flows. Individual assets valued at Ushs 500,000 or more and or which serve for more than one year are capitalised at cost. Depreciation is provided to write off the cost or valuation of the assets, less residual value, on a straight line basis, over their estimated useful lives as follows:

<u>Asset class</u>	<u>Rate</u>
Computer and accessories	40%
Furniture and fittings	20%
Motor vehicle	20%
Field/office equipment	20%

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**Notes to the financial statements (continued)**

**2. Summary of significant accounting policies (continued)**

**k) Loans and advances**

Loans and receivables are derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Organisation provides money, goods and services directly to the debtor with no intention of trading the receivable. They are included in current assets where maturity is within twelve months to the end of the reporting period or non-current assets for maturities greater than twelve months.

**l) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**m) Provisions**

The Organisation must recognise a provision if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event). The Organisation has a present obligation that can be estimated reliably, and it is probable that an outflow of resources of economic benefit will be required to settle the obligation. The amount recognised as a provision is determined by discounting the expected future cash flows at a pre - tax rate that reflects risks specific to the liability.

**n) Retirement benefit obligation**

The Organisation and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme for its permanent and pensionable employees. These contributions are charged in the statement of income and expenditure in the year in which they relate.

**o) Taxation**

Section 2(bb)(B) of the Income Tax Act (Cap 340) exempts from income tax any religious, charitable or educational institution of a public character. This exemption is awarded if the institution is issued with a written ruling by the Commissioner General of the Uganda Revenue Authority confirming that it is an exempt organisation none of whose income or assets confers or may confer a private benefit to any person. As at December 31, 2024, the Organization had not obtained that tax exemption from URA, however, the Executive Committee is confident that the URA will grant the Organisation the income tax exemption.

	<b>2024</b>	<b>2023</b>
	<b>Ushs</b>	<b>Ushs</b>
<b>3. Income</b>		
Smit and Sons <sup>1</sup>	-	20,235,541
Femi/Medicor/ U.W Linsi Foundation <sup>2</sup>	<b>187,965,633</b>	1,506,979,812
Visions For Children <sup>3</sup>	<b>2,611,941,364</b>	1,184,429,093
Koornzaayer <sup>4</sup>	<b>460,462,896</b>	447,605,072
We Consult	<b>183,058,092</b>	284,242,945
Let the sun Rise	<b>21,453,329</b>	-
OSAAT	<b>1,504,652</b>	-
Ineke Feitz Stichting	<b>364,315,149</b>	-
U W Linsi Foundation	<b>865,181,415</b>	-
100 weeks Uganda	<b>2,872,355</b>	-
Flexi plan Foundation	<b>139,883,116</b>	-
Other donations <sup>6</sup>	<b>219,486,021</b>	339,180,150
Community collections <sup>7</sup>	<b>4,200,000</b>	5,700,000
	<b><u>5,062,324,022</u></b>	<b><u>3,788,372,613</u></b>

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**Notes to the financial statements (continued)**

- 1) The donation from Smit and Sons relates to support for marginalized and vulnerable children by paying on their behalf school fees/ tuition, accomodation, and up keep among other expenses.
- 2) FEMI/ Medicor/ U.W Linsi Foundation supports drinking water supply, hygiene and sanitation project in Uganda and it is implemented by the Organization in Otuke district.
- 3) The Organisation received donations from Visions For Children for improving the quality of the learning environment for 1,021 students from economically and socially vulnerable families at Okune Primary School in Otuke District by implementation of construction and furnishing of 4 classrooms, installation of a rain water harvesting system, putting in place sanitary measures and organizing workshops on mental health for students, teachers and parents.
- 4) The donation from Koornzaayer Foundation was received for sustainable rural water supply in Alebtong district.
- 5) This is the donation from Charity Water for increasing water access and enhancing sustainability in Kole and Amuru district.
- 6) Other donations relate to support from others donors like OSAAT scholarship, Flexiplan foundation and Let the Sun Rise for establishing school infrastructure and support of marginalized and vulnerable children by paying on their behalf school fees/tuition, accomodation, and up keep among other expenses.
- 7) The community collections relate to communal contributions towards drilling of new boreholes and rehabilitation of the existing ones. During the year, 33 boreholes were constructed and 1 was rehabilitated.

	<b>2024</b>	<b>2023</b>
	<b>Ushs</b>	<b>Ushs</b>
<b>4. Other income</b>		
Bank interest	6,685,045	4,021,180
Gain on disposal*	17,000,000	2,850,000
Other income**	-	1,866,500
	<u><b>23,685,045</b></u>	<u><b>8,737,680</b></u>

\*Gain on disposal relates to income from the sale of a motor vehicle(UAU 768Y) during the year.

\*\*Other income is attributed to donations from Let the Sun Rise that are not attached to any project.

	<b>2024</b>	<b>2023</b>
	<b>Ushs</b>	<b>Ushs</b>
<b>5. Project costs</b>		
Sub-contractors	3,584,937,615	2,429,467,209
Evaluation and verification	39,530,709	35,346,750
Construction materials	-	20,824,000
School fees contribution	4,977,700	18,165,900
Accommodation for students	12,000	3,000,000
Upkeep for students	-	3,120,000
Other consumables	5,814,509	5,516,250
Consultative meetings	3,315,800	3,989,500
Site selection	1,126,500	1,782,100
Base line surveys	33,873,500	26,912,800
Training	376,571,106	100,340,983
Capacity building for staff	-	13,057,400
Meetings	27,550,300	27,243,700
Trigerring Community Led Total Sanitation (CLTS)	19,674,000	6,849,500
BCC/IEC materials	22,145,000	9,130,000
Fencing and soak pit construction	1,836,000	2,232,000
	<u><b>4,121,364,739</b></u>	<u><b>2,706,978,092</b></u>

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Notes to the financial statements (continued)

	2024 Ushs	2023 Ushs
<b>6. Community mobilization</b>		
Allowance for district officials	41,803,300	16,640,400
Per diems	21,910,400	6,582,250
Local transport	70,000	1,872,000
Signposts	7,230,000	8,787,600
Communication	14,681,307	3,065,500
Stationery and consumables	81,673,841	52,003,778
	<u>167,368,848</u>	<u>88,951,528</u>
<b>7. Administrative expenses</b>		
Office stationery	1,095,300	402,400
Office per diems	4,885,000	755,000
Communication	4,799,095	3,155,825
Depreciation	81,619,099	31,116,098
Insurance	4,974,193	3,914,013
Licenses and permits	32,000	-
Equipment hire and maintenance	705,000	1,105,500
Professional fees	21,736,411	22,591,886
Board expenses	19,603,010	4,880,500
Training	1,680,000	1,273,936
Motor vehicle running costs	46,590,373	38,090,373
Registrations and subscriptions	2,274,000	1,797,875
Local travel	2,915,818	4,460,889
Postage and delivery	100,000	290,000
Technical support	19,507,232	19,141,820
Rent	9,912,000	9,912,000
Fundraising	77,000	3,130,609
Consumables	72,000	135,500
Loose tools	-	1,681,500
Office refreshments	851,000	-
Corporate social responsibility	66,054,164	-
International travel for administrative staff	23,304,200	-
Other expenses*	(15,155,665)	2,735,278
	<u>297,631,230</u>	<u>150,571,002</u>
*Other expenses mainly relate to previously recorded administrative expenses that have been reclassified as project expenses.		
<b>8. Finance costs</b>		
Bank charges	3,208,623	2,799,861
Unrealised foreign exchange loss/(gain)	282,130,498	(93,516,284)
	<u>285,339,121</u>	<u>(90,716,423)</u>
<b>9. Employee benefit expenses</b>		
Staff salaries	283,910,074	224,668,120
Staff medical	1,133,100	1,498,100
Local service tax	1,350,000	990,000
National Social Security Fund - Company contribution	28,431,508	22,565,802
	<u>314,824,682</u>	<u>249,722,022</u>

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Notes to the financial statements (continued)

10. Property and equipment

	Motor vehicles Ushs	Computers accessories Ushs	Furniture and fittings Ushs	Total Ushs
<b>Year ended December 31, 2024</b>				
<b>Cost</b>				
At start of the year	225,810,605	39,501,000	43,512,080	308,823,685
Additions	431,649,031	11,800,000	4,405,000	447,854,031
Disposals	(45,080,000)	-	-	(45,080,000)
<b>At end of the year</b>	<b>612,379,636</b>	<b>51,301,000</b>	<b>47,917,080</b>	<b>711,597,716</b>
<b>Depreciation</b>				
At start of the year	200,070,514	12,062,033	11,031,380	223,163,927
Charge for the year	59,372,418	15,022,667	7,224,014	81,619,099
Disposals	(45,080,000)	-	-	(45,080,000)
<b>At end of the year</b>	<b>214,362,932</b>	<b>27,084,700</b>	<b>18,255,394</b>	<b>259,703,026</b>
<b>Net book value</b>	<b>398,016,704</b>	<b>24,216,300</b>	<b>29,661,686</b>	<b>451,894,690</b>
<b>Year ended December 31, 2023</b>				
<b>Cost</b>				
At start of the year	211,875,013	5,971,000	8,211,200	226,057,213
Additions	20,256,000	32,640,300	34,838,940	87,735,240
Reconciliation to the fixed assets	-	889,700	461,940	1,351,640
Disposals	(6,320,408)	-	-	(6,320,408)
<b>At end of the year</b>	<b>225,810,605</b>	<b>39,501,000</b>	<b>43,512,080</b>	<b>308,823,685</b>
<b>Depreciation</b>				
At start of the year	184,485,031	5,971,000	6,560,567	197,016,598
Charge for the year	21,905,891	5,201,333	4,008,873	31,116,097
Reconciliation to the fixed assets	-	889,700	461,940	1,351,640
Disposals	(6,320,408)	-	-	(6,320,408)
<b>At end of the year</b>	<b>200,070,514</b>	<b>12,062,033</b>	<b>11,031,380</b>	<b>223,163,927</b>
<b>Net book value</b>	<b>25,740,091</b>	<b>27,438,967</b>	<b>32,480,700</b>	<b>85,659,758</b>

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**Notes to the financial statements (continued)**

	<b>2024</b>	<b>2023</b>
	<b>Ushs</b>	<b>Ushs</b>
<b>11. Receivables</b>		
Grant receivable	212,926,587	110,880,686
Reimbursable due from Medical Checks for Children	7,858,476	5,064,151
Prepayments*	55,440,172	188,269,821
	<u>276,225,235</u>	<u>304,214,658</u>

\*Prepayments relate to advance payments for container construction, project scholastic items from Friends bookshop, workman's compensation, and office stationery.

	<b>2024</b>	<b>2023</b>
	<b>Ushs</b>	<b>Ushs</b>
<b>12. Cash at bank and in hand</b>		
Cash in hand	3,163,089	552,954
Cash at bank	2,276,780,914	2,544,816,860
	<u>2,279,944,003</u>	<u>2,545,369,814</u>

The Organisation has limited exposure to credit risk on cash and bank balances as these are held with a sound financial institution regulated by the Bank of Uganda under the Financial Institutions Act 2004 (as amended). The carrying amounts of the Organisation's cash in hand and at the bank are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<b>Ushs</b>	<b>Ushs</b>
Uganda shillings	92,759,194	67,910,339
Euros	2,187,184,809	2,477,459,475
	<u>2,279,944,003</u>	<u>2,545,369,814</u>
<b>13. Payables</b>		
Accounts payable*	21,318,596	56,147,272
Accruals**	20,434,019	22,053,145
	<u>41,752,615</u>	<u>78,200,417</u>

\*Accounts payable mainly relate to amounts owed to MTN Uganda and Walugembe Douglas, PAYE, NSSF and withholding tax payable.

\*\*Included in accruals are; accrued audit fees.

	<b>2024</b>	<b>2023</b>
	<b>Ushs</b>	<b>Ushs</b>
<b>14. Deferred grant income</b>		
Femi/Medicor/U.W Linsi Foundation	193,490,422	859,954,112
Koornzaayer Foundation	38,429,778	53,652,872
Let The Sun Rise	17,981,071	13,042,165
Visions For Children	676,998,831	473,793,286
OSAAT scholarship	18,674,418	20,078,871
Flexiplan Foundation	271,332,007	391,875,229
Ineke Feitz Foundation & QuatFass Foundation	341,617,660	-
U. W Linsi Foundation & Medicor Foundation	540,417,769	-
Others	10,974,564	38,834,754
	<u>2,109,916,520</u>	<u>1,900,129,467</u>

Deferred income represents restricted funds received from various donors that were unspent as at the end of year.

Notes to the financial statements (continued)

**15. Taxation**

No tax has been provided for in these financial statements because the Organisation's Executive Committee believes it is a charitable organisation which conforms to the requirements for exemption from income tax in Uganda.

Section 2(bb)(B) of the Income Tax Act (Cap 340) exempts from income tax any religious, charitable or educational institution of a public character. This exemption is awarded if the institution is issued with a written ruling by the Commissioner General of the Uganda Revenue Authority confirming that it is an exempt organisation none of whose income or assets confers or may confer a private benefit to any person. As at December 31, 2024, the Organization had not obtained that tax exemption from URA, however, the Executive Committee is confident that the URA will grant the Organisation the income tax exemption.

**16. Related party transactions**

The Organisation by virtue of its nature and diversified membership has no parent and controlling party. The Organisation has no related party transactions except as stated below.

The following transactions were carried out with related parties:

**a) Key management compensations**

Key management includes directors, both executive and non-executive, and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2024	2023
	Ushs	Ushs
Salaries and other short-term employment benefits	<u>95,272,328</u>	<u>72,996,250</u>

**17. Events after the reporting period**

There were no post balance sheet events affecting the financial statements of the Organisation as at the date of signing this report.

**18. Contingent liabilities**

The Executive Committee members are not aware of any contingent liabilities accrued to the Organisation as at December 31, 2024 (2023: Nil).