WATOTO WASOKA

FOOTBALL MADE IN SLUMS

(Reg No: INDR137751075NB)

Annual Report and Audited Financial Statements

For the Year Ended 31st December 2023

Contents

Corporate Information

Country of Incorporation and Domicile	Uganda
Nature of Business and Principal Activities	Watoto Wasoka Foundation engages in Empowering the youth through structured Football Programs
Directors	Mugoya Francis Sonko Patrick
Registered Office	Lungujja, Kampala, Uganda
Bankers	ABSA Bank Uganda Limited P.O.Box 7101 Kampala, Uganda
Auditors	Ronye Associates Certified Public Accountant P.O.Box 29430 Kampala
Company Secretary	Sonko Patrick Lungujja, Kampala

Director's report

Watoto Wasoka is a youth-led sport for development organisation in Uganda. We envision a world in which every child is empowered to learn and thrive through play. Thus, we create intentional opportunities for young people to survive, play and learn, in a safe environment.

We develop and implement adapted football games called "drills" to engender healthy outcomes. This includes training and empowering community coaches as health facilitators, play-based health sessions led by children, as well as football leagues.

We, as well, support to access education through various schools' leagues as well as leadership and scholarship schemes.

We organize some of the biggest football events for youth in East Africa (if not Africa), with our last Slums Derby attracting more than 2,100 kids, while the last Christmas Camp was attended by almost 3,000 boys and girls from all over Uganda.

Mission: To mobilize, educate and empower slum children through football, one game at a time.

Our Vision: A world in which every child learns and thrives to their full potential.

Our Values:

People: Every participant and team member develops

Integrity: Honesty with participants and partners

Respect: Fair, generous and respect for everyone

Fun: Fun and enjoyment from what everyone does

We spent the greater share of the year 2023 learning. We had financial challenges during the year, but we are both humbled and very grateful to backing from committed partners and donors whose support sailed us through.

Our health programmes received prestigious awards; in November we received the Sport Impact Award in Dakar (Senegal) for our BUREF mental health program and earlier in the year we were awarded with the iF Social Impact Prize as the designer of the Football 4 WASH Programme.

Our scholarship scheme under the Wasoka Young Leaders Awards (WYLA) supported 50 boys and 50 girls through primary and secondary school. Our events continued to grow in reach and so did the Primary Schools League.

The lessons we picked through the year will be very vital as we navigate the next phase of our strategic direction. We are still motivated by the vision of a world in which every child survives, learns and thrives to their full potential. We continue to learn and continue to grow in the conviction that we can achieve this though the joyful potential of sport.

Risk Management

The management of Watoto Wasoka Foundation is responsible for ensuring that there is a efficient system of risk management and control in place throughout the organization.

Watoto Wasoka Foundation has a risk management framework that guides the risk management process; the framework is updated and revised periodically to enhance the controls and efficiency in the performance of the day-to-day activities of the organization. The risks were categorized as Unacceptable, Cautionary and Acceptable depending on the like hood of occurrence and impact if it occurred.

Enterprises Value	Risk	Vulnerability	Impact	Risk Rating
Client growth	Strategy risk	7-10 High	7-10 High	From 14 to 20 Unacceptable
Operational Efficiency	Operational risk	4-6 Medium	4-6 Medium	From 7 to 13 Cautionary
Expectations	Reputational risk	0-3 Low	0-3 Low	From 0 to 6 Acceptable
Asset Efficiency	Compliance risk			

The enterprise value drivers are explained as.

i. Client Growth- Client growth by increasing number of clients reached, providing the clients quality service and by managing associated risk.

ii. Operating efficiency- rationalization of operational costs to ensure that funds available are utilised for earmarked activities.

iii. Asset Efficiency- efficient utilization of assets as well as safeguarding assets from loss.

iv. Expectations- meeting and exceeding expectations of both internal and external stakeholders who are instrumental in enabling achievement of the other value drivers listed above.

The organization's risk responses shall be mapped to the risk measures for identified risks as tabulated below.

Risk Category	Risk Evaluation Score	Risk Response
High	From 14 to 20	Manage/Avoid/Enhance risk mitigation
Medium	From 7 to 13	Transfer/Monitor/Measure for cumulative impact
Low	From 0 to 6	Accept/Retain/Redeploy resource

Risk Monitoring

This is done through various avenues such as.

i. Top management: Country Team Leader monitors risk through reports provided by the line managers regarding the risk management process across the organisation.

ii. Middle level management: management proactively monitors risk in their area of responsibility throughout the organisation and decides on the mitigating action to be used to manage the identified risks.

iii. Audit function: Controls and effectiveness of the risk management process periodically tested to provide reassurance that management's reports are reliable and that controls are designed appropriately and operating as intended.

iv. Other assurance providers: such as anonymous whistle blowers, incident reporting by Watoto Wasoka Foundation's staff, external stakeholders, external audit function.

Review of financial results

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012. The accounting policies have been applied consistently to all the periods presented in the accompanying financial statements. Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

Directorate

The directors in office at the date of this report are as follows:

Directors	**Nationality**
Francis Mugoya	Ugandan
Sonko Patrick	Ugandan

Events after the reporting period

Since December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken by governments to contain the spread of the virus have triggered significant disruptions to the business operations of the Company. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 30, 2023, have not been adjusted to reflect their impact. The duration and impact of the COVID19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

Auditors

Ronye Associates Certified Public Accountant have expressed their willingness to continue as auditors of the Company in accordance with Section 167(2) of the Companies Act, 2012.

Secretary

The Company secretary is M/S Sonko Patrick, whose registered office is at Lungujja, Kampala, Uganda.

The financial statements set out on pages 11 to 26, which have been prepared on the going concern basis, were approved by the board of directors on 08.04.2024

Company Secretary

Date: 08.04.2024

Statement of Director's Responsibility

The directors are required by the Companies Act 2012, Uganda to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the Watoto Wasoka Foundation Uganda and explain the transactions and financial position of the business of the Watoto Wasoka Foundation Uganda at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the the financial year and supported by reasonable and prudent judgements and estimates.

The directors are also responsible for the internal control system of the organization. The directors delegate the responsibility for internal control to management. Internal control systems are designed and implemented by management to provide reasonable assurance about the integrity and reliability of the financial statements, and to adequately safeguard, verify, and maintain accountability of the organization's assets. Appropriate accounting policies supported by reasonable and prudent judgment and estimates, are applied on a consistent basis and using the going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, appropriate accounting procedures and adequate segregation of duties.

The Board accepts responsibility for the annual financial statements set out on pages 16 to 31, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS). The Board is of the opinion that the financial statements give a true and fair view of the state of affairs of the organisation and of its operating results. The Board further accepts responsibility for the maintenance of accounting records, which have been relied upon in the preparation of financial Statements, as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that Watoto Wasoka Foundation will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of financial statements

The financial statements were approved by the Board of Directors.

Chairperson Board of Directors	Director
8th, April, 2024	8th, April, 2024

Independent Auditor's Report to the members of Watoto Wasoka Foundation Uganda for the year ended 31st December 2023

Opinion

We have audited the financial statements of Watoto Wasoka Foundation Uganda set out on pages 6 to 20, which comprise the statement of financial position as at 31st December 2023, and the statement of comprehensive income, the statement of changes in equity and 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 accompanying financial statements give a true and fair view of the financial position of the Watoto Wasoka Foundation Uganda as at 31st December 2023and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act 2012, Uganda.

Basis for Opinion

We conducted our audit in accordance with the 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 Watoto Wasoka Foundation Uganda 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, we have fulfilled our 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in 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 and will 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.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2012, Uganda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Watoto Wasoka Foundation Uganda ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Watoto Wasoka Foundation Uganda or to cease operations or have no realistic alternative but to do so.

Management has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements we analyzed the impact of COVID-19 on the operations of the Company

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the managers determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Organization'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 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 controls.

- Obtain an understanding of internal controls 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.

- Conclude on the appropriateness of the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore indicated as the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the Non-Government Organization Act of 2016

We report to you that:

a) Watoto Wasoka Foundation Uganda is registered with the Non-Government Organisation Bureau under registration number**: INDR137751075NB.**

b) We have obtained all the books of account, financial records, and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

c) Proper books of account have been kept by the organisation, based on our examination of those books.

d) The organisation's financial statements agree with the underlying books of account.

Assessment of Value for money- Economy, efficiency, and effectiveness

a) Economy

Economy relates to all types of resources such as physical, financial, human and information. It can be described as, "the ability to acquire the needed resources at the lowest possible price without neglecting quality". The audit confirmed that economy was achieved when implementing the organization activities. Watoto Wasoka Foundation had sound procurement procedures in place. These included competitive selection of service providers, where by three quotations from qualified suppliers were obtained and choices were made depending on the lowest charges for the specific quality required of goods and services however there were instances of noncompliance to procurement policies as reported in the Management Letter. We did not discover any uneconomical resource utilization as rates for facilitation, meals and transport refund during project implementation were reasonable.

b) Effectiveness

Effectiveness relates to an ends-oriented concept that measures the degree to which predetermined goals and objectives for a particular activity or program are achieved. Based on the evidence obtained during our field visits, the goals and objectives of Watoto Wasoka Foundation Uganda were achieved.

c) Efficiency

Efficiency is the minimum use of available resources (in puts) to produce a maximum number of services (output) of desired quality. "It is the means of assessing performance by comparing outputs with the employed resources". Watoto Wasoka Foundation was efficient in all aspects of executing their program activities based on the evidence obtained during our field visits.

The engagement partner on the audit resulting in this independent auditor's report is CPA. Rollings Matsiko

CPA Rollings Nyesigomwe – P0443

Ronye Associates

Ronye Associate (AF0299)

RONYE ASSOCIATES
Ronye
14 MAY 2024
AF0299
CERTIFIED PUBLIC ACCOUNTANT OF UGANDA (CPA)

Certified Public Accountant

Date: 14 | 05 | 2024

Place: Kampala, Uganda

Statement of Comprehensive Income

Figures in Sh '000	Notes		2023		2022
Revenue	10		575,200		406,700
Project expenses	11	-	473,376	-	285,745
			101,824		120,955
Other income	12		620		596
Administrative expenses	13	-	25,042	-	21,829
Other operating expenses	14	-	90,854	-	82,712
Surplus from operating activities	15	**-**	**13,452**		**17,010**
Surplus for the year		-	13,452		17,010

Watoto Wasoka Foundation

Annual report and financial statements for the year ended December 31, 2023

Statement of Financial Position

Figures in Sh '000	Notes	2023	2022
Assets			
Non Current Assets			
Property,plant and equipment	4	72,422	74,175
Current			
Trade and other receivables	5	10,569	-
Cash and Cash equivalents	6	22,800	44,568
		33,369	**44,568**
Total assets		**105,791**	**118,743**
Equity and Liabilities			
Equity			
Capital Fund	7	-	-
Accumulated Surplus		101,849	115,301
Total Equity		**101,849**	**115,301**
Liabilities			
Current Liabilities			
Provisions	5	1,500	1,000
Trade and other payables	9	2,442	2,442
Total liabilities		**3,942**	**3,442**
Total equity and Liabilities		**105,791**	**118,743**

Director   Director

08.04.2024   08.04.2024

Statement of Changes in Accumulated Fund

Figures in Sh '000	**Capital Fund**	**Accumulated Surplus**	**Total**
Balance at 1st Jan 2022	-	98,291	98,291
Changes in Accumulated Fund			
Surplus for the year	-	17,010	17,010
Total Surplus for the year	-	17,010	17,010
Balance at 31st Dec 2022	**-**	**115,301**	**115,301**
Balance at 1st Jan 2023	-	115,301	115,301
Changes in Accumulated Fund			
Surplus for the year	- -	13,452 -	13,452
Total Surplus for the year	- -	13,452 -	13,452
Balance at 31st Dec 2023	**-**	**101,849**	**101,849**

Statement of Cash flows

Figures in Sh '000	Notes		2023		2022
Cash flows from operations					
Surplus for the year		**-**	**13,452**		**17,010**
Adjustments to reconcile surplus			-		
Adjustments for increase in other operating receivables		-	10,569		-
Adjustments for increase in other operating payables			2,000	-	2,956
Adjustments for depreciation and amortisation expense			5,463		3,634
Adjustments for provisions		-	1,500		-
Total Adjustments to reconcile surplus		**-**	**4,606**		**678**
Net cash flows from operations		**-**	**18,058**		**17,688**
Cash flows used in investing activities					
Purchase of Property, plant and equipment		-	3,710		-
Cash flows used in investing activities		**-**	**3,710**		**-**
Net (decrease) / increase in cash and cash equivalents		**-**	**21,768**		**17,688**
Cash and cash equivalents at beginning of the year			44,568		26,880
Cash and cash equivalents at end of the year	**6**		**22,800**		**44,568**

Accounting Policies

1. General information

Watoto Wasoka Foundation Uganda ('the Watoto Wasoka Foundation Uganda') engages in Empowering the youth through structured Football Programs.

Watoto Wasoka Foundation Uganda is incorporated as a Watoto Wasoka Foundation Uganda and domiciled in Uganda. The address of its registered office Lungujja, Kampala, Uganda.

2. Basis of preparation and Summary of Significant accounting policies

The financial statements of Watoto Wasoka Foundation Uganda have been prepared in accordance with International Financial Reporting Standards and the Companies Act 2012, Uganda. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets, and derivative financial instruments at fair value. They are presented in Ugandan Shilling.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Watoto Wasoka Foundation Uganda accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

2.1. Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in surplus or deficit.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in surplus or deficit within 'finance income or costs. All other foreign exchange gains and losses are presented in surplus or deficit within other (losses)/gains – net'.

2.2. Financial instruments

Loan to (from) director, manager, or employee.

The loan to director, manager or employee is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using the effective interest method. The loan from director, manager or employee is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using

the effective interest method.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued…

Loan to (from) shareholders.

The loan to shareholder is classified as a debt instrument and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using the effective interest method. The loan from a shareholder is classified as a debt instrument and is initially measured at transaction price including transaction costs and subsequently measured at amortized cost using the effective interest method.

Trade and other receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Watoto Wasoka Foundation Uganda will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortized cost.

Other financial assets

Other financial assets are recognized initially at the transaction price, including transaction costs except where the asset will subsequently be measured at fair value.

Where other financial assets relate to shares that are publicly traded, or where fair values can be measured reliably without undue cost or effort, these assets are subsequently measured at fair value with the changes in fair value being recognized in profit or loss. Other investments are subsequently measured at cost less impairment. Debt instruments are subsequently stated at amortized cost. Interest income is recognized on the basis of the effective interest method and is included in finance income. Commitments to receive a loan that meet the conditions in paragraph 11.8(c) are measured at cost less impairment.

Cash and cash equivalents.

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Other financial liabilities

Other financial liabilities are recognized initially at the transaction price, including transaction costs except where the liability will subsequently be measured at fair value.

Where the fair value of other financial liabilities can be measured reliably without undue cost or effort, these liabilities are subsequently measured at fair value with the changes in fair value being recognized in surplus or deficit. Debt instruments are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Basis of preparation and summary of significant accounting policies continued…

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value, at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Watoto Wasoka Foundation Uganda uses foreign currency forward exchange contracts to limit its exposure to foreign exchange risk on highly probable forecast foreign currency sales transactions. Watoto Wasoka Foundation Uganda designates these derivatives as hedges - that is, a hedge of foreign exchange risk associated with highly probably forecast sales transactions.

Watoto Wasoka Foundation Uganda designates and documents, at the inception of a hedging transaction, the hedging relationship so that the risk being hedged, the hedged item and the hedging instrument are clearly identified and the risk in the hedged item is the risk being hedged with the hedging instrument. Hedge accounting is only applied when the group expects the derivative financial instrument to be highly effective in offsetting the designated hedged foreign currency risk associated with the hedged item.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other gains / (losses)'.

Amounts recognised in other comprehensive income are reclassified to profit or loss in the periods when the forecast sales take place and are included within 'other gains / (losses)'.

When a foreign currency forward exchange contract expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction ultimately affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is immediately transferred to profit or loss within 'other gains / (losses)'.

Other financial asset (liability)

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment’s recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Basis of preparation and summary of significant accounting policies continued…

Financial assets that the Watoto Wasoka Foundation Uganda has the positive intention and ability to hold to maturity are classified as held to maturity.

2.3. Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost and are derecognised when the goods and services to which the prepayment relate have been received.

2.4. Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.5. Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2.6. Leases

Classification

A lease is classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease when it does not transfer substantially all the risks and rewards incidental to ownership.

Basis of preparation and summary of significant accounting policies continued…

Finance leases as lessor.

Assets held under a finance lease are recognised in the statements of financial position and presented as a receivable at an amount equal to the net investment in the lease.

The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

Where assets are manufactured or sold under a dealership the selling profit or loss is recognised in the period in accordance with the policy for outright sales. Where low rates of interest are quoted, selling profit is restricted to that which would apply if a market rate of interest was charged. Costs incurred in connection with negotiating and arranging the lease are recognised as an expense when the selling profit is recognised.

Finance leases as lessee.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statements of financial position at the lower of the fair value of the leased property or the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease if this is practicable to determine. Where it is not, the incremental borrowing rate of the Watoto Wasoka Foundation is used. Any initial direct costs are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease gives rise to depreciation expense for depreciable assets as well as finance expense for each accounting period. Depreciation is charged in accordance with the policy set out for property, plant and equipment and intangible assets (whichever is applicable).

Operating leases as lessor

Assets subject to operating leases are included in the statements of financial position according to the nature of the asset.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The depreciation policy for depreciable leased assets is in accordance with the policy set out for property, plant and equipment and intangible assets (whichever is applicable).

Basis of preparation and summary of significant accounting policies continued…

Operating leases as lessee

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of the benefit obtained.

2.7. Provisions

Provisions for restructuring costs and legal claims are recognised when: the Watoto Wasoka Foundation has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.8. Property Plant and Equipment and right-of-use assets

Property, plant, equipment, and right-of-use assets are tangible assets which the Company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant, equipment, and right-of-use assets is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Property, plant, and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant, equipment, and right-of-use assets are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant, equipment, and right-of-use assets is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to it carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognized. The useful lives of items of property, plant, equipment, and right-of-use assets have been assessed as follows:

Item	Depreciation method	%age of depreciation
Furniture and Fittings	Straight line	12.50%
IT equipment	Straight line	33.33%
Office Equipment	Straight line	12.50%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant, equipment, and right-of-use assets with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each year is recognized in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant, equipment, and right-of-use assets is derecognized upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant, equipment, and right-of-use assets, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognized.

2.9. Income

Income represents donations and funds received and utilized during the year. Interest income is recognized on a time proportion basis using the effective interest method.

2.10. Employee benefits

Short-term employee benefits

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of profit-sharing and bonus payments is recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Basis of preparation and summary of significant accounting policies continued…

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- as a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognized as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- as an expense, except where the amount is allowed as an inclusion in the cost of an asset.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

For defined benefit plans, the cost of providing benefits is determined using the projected unit cost method, with actuarial valuations being carried out at the end of each period. Remeasurement comprising actuarial gains and losses, the effect of changes to the asset ceiling, and the return on plan assets is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service costs.
- Net interest expense or income
- Remeasurement.

The first two components of defined benefit costs are presented in profit or loss in the line-item other operating expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits

A liability for termination benefit is recognised at the earlier of when the offer can no longer be withdrawn and when the related restructuring costs are recognised.

Basis of preparation and summary of significant accounting policies continued…

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1. Critical accounting estimates and assumptions

The Watoto Wasoka Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1.1. Adjusting vs. non-adjusting post-balance sheet events

For the purposes of the current reporting period, ended 30 December 2023, management has assessed the COVID-19 global pandemic and related impacts on the Group's operations as being a non-adjusting post-balance sheet event, based on key events occurring after the Group's reporting date. These key events include the timing of the declaration of COVID-19 as a global pandemic by the World Health Organisation on 11 March 2020, as well as the announcement of COVID-19 related lockdowns directed by the Governments of key geographies in which the Group operates, commencing on 20 March 2020 in the UK and later in other trading markets.

Therefore, forward looking information used for impairment assessments as required by IAS 36 Impairment of Assets, and the application of the Expected Credit Loss method as required by IFRS 9 Financial Instruments, only incorporates adjustments to future cash flows to the extent that the information was available at the Group's reporting date. Refer to Note 0 for disclosure of non-adjusting subsequent events.

Notes to the Financial Statements

Figures in Sh '000	**2023**	**2022**

4. Property, plant and equipment

Balances at year end and movements for the year

	Land	**Fixtures and Fittings**	**Office Equipment**	**Computer Equipment**	**Total**
Reconciliation for the year ended 31st December 2023					
Balance at 1st Jan 2023					
At Cost	61,905	5,200	14,500	9,370	**90,975**
Accumulated depreciation		(2,569)	(9,626)	(4,604)	**(16,800)**
Carrying amount	**61,905**	**2,631**	**4,874**	**4,765**	**74,175**
Movements for the year ended. 31st December 2023					
Additions			3,710		**3,710**
Disposals					
Depreciation		(650)	(3,643)	(1,171)	**(5,463)**
Property, Plant and Equipment at the end of the year		**(650)**	**68**	**(1,171_**	**(1,753)**
Closing balance at 30th December 2023					
At Cost	61,905	5,200	18,210	9,370	**94,685**
Accumulated depreciation		(3,219)	(13,269)	(5,775)	**(22,262)**
Carrying Amount	**61,905**	**1,981**	**4,941**	**3,595**	**72,422**

5. Trade and Other receivables

Trade and Other receivables comprise.

Other receivables	133,206	43,127

6. Cash and Cash equivalents.

Cash		
Cash on hand	232	2,382
Balances with banks	172,166	186,939
	172,398	**189,321**
Net cash and Cash equivalents	**172,398**	**189,321**

Notes to the Financial Statements

Figures in Sh '000	2023	2022
7. Capital Fund		
Capital Fund	**-**	**-**
8. Provisions		
Changes during the year	1,500	1,000
	1,500	**1,000**
9. Trade and Other payables		
Trade and other payables comprise		
Other payables	-	-
Total trade and other payables	**-**	**-**
10. Revenue		
Revenue comprises		
iF Social Impact Prize	20,000	
FIFA Foundation		80,000
Viva con Agua	140,000	128,000
La Guilde	132,000	140,000
LaLiga		17,200
Donations	21,600	
Corporate giving	8,000	
Teams and membership	18,000	18,300
Directors contributions	60,000	14,000
Dioraphte	128,000	
Online fundraising	47,600	9,200
Total	**575,200**	**406,700**
11. Project expenses		
Project expenses comprises		
Project expenses	473,376	285,745
Total project expenses	**473,376**	**285,745**
12. Other income		
Other income comprises		
Bank interest income	620	596
Total other income	**620**	**596**

Notes to the Financial Statements

Figures in Sh '000	2023	2022
13. Administrative expense		
Administrative expenses Comprise		
Accounting fees	-	-
Administrative expenses	21,150	17,434
Auditors remuneration - Fees	1,500	1,000
Bank charges	592	395
Computer expenses	-	-
Telecommunication	1,800	3,000
Total Adminstrative expenses	**25,042**	**21,829**
14. Other Operating expenses		
Other operating expenses comprise		
Depreciation	5,463	3,634
Electricity and water	4,349	3,981
Employee salaries and benefit expenses	76,842	73,921
Medical expense	-	614
Training expenses	4,200	-
Travel - Local	-	562
Total other expenses	**90,854**	**82,712**

15. Surplus from operating activities

Surplus from operating activities includes the following separately disclosable items.

	2023	2022
Other operating expenses		
Property plant and equipment - depreciation	5,463	3,634
Post-employment benefits - Defined contribution plans	7,684	7,392
Audit Fees		
Auditors remuneration - Fees	**1,500**	**1,000**