

2020



**National Social Security Fund Uganda
Staff Savings and Credit Cooperative
Society Limited
(Reg No: 10478/RCS)**

**Annual Report And
Audited Financial Statements**

**For the Period
January, 2020 - December 31, 2020**

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SACCO Information

Registered office	Plot 1, Pilkington Road, 14 th Floor, Workers House, P.O Box 7140, Kampala-Uganda.														
Executive Committee	The following members served on the Executive during the period; <table> <tr> <td>1. Mr. Stevens Mwanje</td> <td>Chairperson</td> </tr> <tr> <td>2. Ms. Jemimah Akedi</td> <td>Vice Chairperson</td> </tr> <tr> <td>3. Mr. Rogers Lubega</td> <td>Treasurer</td> </tr> <tr> <td>4. Ms. Faith Kimuli</td> <td>Secretary</td> </tr> <tr> <td>5. Ms. Christine Nakayiza Olowo</td> <td>Member</td> </tr> <tr> <td>6. Ms. Bernadette Nassuna</td> <td>Member</td> </tr> <tr> <td>7. Ms. Marilyn Namatovu</td> <td>Member</td> </tr> </table>	1. Mr. Stevens Mwanje	Chairperson	2. Ms. Jemimah Akedi	Vice Chairperson	3. Mr. Rogers Lubega	Treasurer	4. Ms. Faith Kimuli	Secretary	5. Ms. Christine Nakayiza Olowo	Member	6. Ms. Bernadette Nassuna	Member	7. Ms. Marilyn Namatovu	Member
1. Mr. Stevens Mwanje	Chairperson														
2. Ms. Jemimah Akedi	Vice Chairperson														
3. Mr. Rogers Lubega	Treasurer														
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6. Ms. Bernadette Nassuna	Member														
7. Ms. Marilyn Namatovu	Member														
Supervisory Committee	<table> <tr> <td>1. Mr. George William Kayondo</td> <td>- Chairperson</td> </tr> <tr> <td>2. Ms. Pauline Nagadya</td> <td>- Member</td> </tr> <tr> <td>3. Mr. Oscar Twinomugisha</td> <td>- Member</td> </tr> </table>	1. Mr. George William Kayondo	- Chairperson	2. Ms. Pauline Nagadya	- Member	3. Mr. Oscar Twinomugisha	- Member								
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3. Mr. Oscar Twinomugisha	- Member														
Loans Committee	<table> <tr> <td>1. Ms. Marilyn Namatovu</td> <td>- Chairperson</td> </tr> <tr> <td>2. Christine Nakayiza Olowo</td> <td>- Member</td> </tr> <tr> <td>3. Mrs. Bernadette Nassuna</td> <td>- Member</td> </tr> </table>	1. Ms. Marilyn Namatovu	- Chairperson	2. Christine Nakayiza Olowo	- Member	3. Mrs. Bernadette Nassuna	- Member								
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2. Christine Nakayiza Olowo	- Member														
3. Mrs. Bernadette Nassuna	- Member														
Bankers	Standard Chartered Bank (U) Limited Main Branch, Kampala-Uganda.														
Auditors	Springs & Tugye Associates LLP, Certified Public Accountants Kisozi House, Plot 6/8 Nakasero Lane, P.O. Box 11976, Kampala, Uganda Tel: +256-414-234-222 /+256-312-517150														

SACCO Statistical Information

	31-12-20	31-12-19	30-06-18	30-06-17
	No	No.	No.	No.
Membership				
Active	533	621	506	436
Dormant	132	-	49	50
Total	665	621	555	486

	12 Months Jan20-Dec20	18 Months Jul18-Dec19	12 Months Jul17-Jun18	12 Months Jul16-Jun17
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financials Summary				
Total Assets	9,568,438	8,267,465	5,774,492	3,873,910
Members' deposits	8,280,739	7,671,058	5,494,327	3,738,994
Loans and advances to members	7,003,134	7,185,339	5,302,987	3,734,448
Investments (Umbrella Trust Fund)	1,938,145	868,145	110,000	-
Share capital	122,857	112,189	96,910	69,460
Total Gross Income	1,063,039	1,199,205	551,704	323,905
Total interest income	846,637	1,123,344	534,917	340,837
Interest on members' deposits	910,794	733,829	387,256	189,602
Total expenses	1,002,328	1,158,616	475,555	228,946
Profit for the period	60,711	40,589	76,149	17,332
Cash and Cash equivalents	163,372	151,172	344,624	126,052

Employees of the SACCO

1	1	1	1
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31-12-20	31-12-19	30-06-18	30-06-17
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Key Ratios

(a) Operating Efficiency/Loan quality ratios

Total expenses/Total revenue	118%	103%	86%	71%
Net Profit Margin	7%	4%	14%	5%
Returns on assets	0.6%	0.5%	1.3%	0.40%
Returns on Equity	17%	16%	35%	16%

(b) Liquidity/Cashflows (Ushs' 000)

Cashflows from operating activities	1,281,100	548,323	300,172	(82,865)
Cashflows from investing activities	(1,274,800)	(758,145)	(110,000)	-
Cashflows from financing activities	5,900	16,370	28,400	44,940

The statistical data is extracted from the Sacco Statement of Financial Performance and SACCO Statement of Financial Position.

Four (4) Year Financial Performance Review

1. Statement of Financial Position

	As at 31-12-20 Ushs	As at 31-12-19 Ushs	As at 30-06-18 Ushs	As at 30-06-17 Ushs
Assets				
Cash and cash equivalents	163,371,906	151,171,927	344,623,855	126,051,864
Receivables	254,710,570	55,603,007	5,190,559	-
Prepayments	1,151,565	1,387,021	3,068,959	2,920,500
Loans to members	7,003,134,390	7,513,967,789	5,302,986,655	3,734,447,789
Short term investments	1,938,144,686	868,144,686	110,000,000	-
Long term investments	200,000,000			
Intangible asset	4,070,750	5,699,050	8,142,392	9,769,800
Property and Equipment	3,854,400	120,000	480,000	720,000
Total Assets	9,568,438,267	8,596,093,480	5,774,492,420	3,873,909,953
Equity				
Share capital	122,857,483	112,189,096	96,910,400	69,460,000
Retained earnings	202,124,651	118,984,209	103,851,388	40,601,101
Reserves	40,016,565	28,166,716	13,848,609	-
	364,998,700	259,340,021	214,610,397	110,061,101
Liabilities				
Members' deposits	8,280,739,284	7,671,057,606	5,494,327,048	3,738,993,615
Other current liabilities	922,700,283	665,695,853	65,554,975	13,246,325
Current tax payable	-	-	-	11,608,912
	9,203,439,567	8,336,753,459	5,559,882,023	3,763,848,852
Total Liabilities and Equity	9,568,438,267	8,596,093,480	5,774,492,420	3,873,909,953

2. Statement of Financial Performance

	12 months Jan 20-Dec 20 Ushs	18 months Jul 18-Dec 19 Ushs	12 months Jul 17-Jun 18 Ushs	12 months Jul 16-Jun 17 Ushs
Revenue				
Interest income	846,636,548	1,123,343,673	534,917,308	340,836,559
Interest expenses	(910,794,311)	(733,829,011)	(387,255,887)	(189,601,904)
Net interest income	64,157,763	389,514,662	147,661,421	151,234,655
Other gains and losses				
Net fees and commission income	28,124,690	17,303,935	11,596,049	10,123,468
Other operating income	188,277,717	58,557,134	5,190,559	1,858,792
Credit impairment charges	(19,053,247)	(328,628,725)	(28,944,929)	-
Administrative expenses	(22,571,941)	(11,728,963)	(12,197,100)	-16,931,101
Other operating expenses	(49,908,654)	(84,428,867)	(47,156,704)	-39,344,550
Operating Surplus before tax	60,710,802	40,589,176	76,149,296	106,941,264
Income tax expenses		-	-	-89,608,912
Profit for the year	60,710,802	40,589,176	76,149,296	17,332,352

Report of the Executive Committee

1. Introduction

The Executive Committee ("The Committee") members have the pleasure to present their Annual report together with the audited financial statements of the SACCO for the period ended December 31, 2020 that shows the state of the SACCO's affairs and in accordance with the Co-operative Societies Act.

2. Principal activity

The SACCO continued with its principal activity of receiving shares and deposits and giving out loans to its members.

3. Incorporation

National Social Security Fund Uganda Staff SACCO was registered by the Registrar of Co-operatives on the 13th day of November 2013 as per registration certificate number **10478/RCS**.

4. Operating Results

The Operating results for the period are given on page 15

5. Dividends

The Executive Committee members have proposed a dividend of **Ushs2,000** for each of the 12,285.75 shares held for the financial year ended December 31, 2020.

6. Executive Committee

The Executive Committee members who held office and served during the period are stated on page 3 above.

7. Employees

The Executive Committee is pleased to record their appreciation for the untiring efforts of all employees of the SACCO who contributed to its success during the period under review.

8. Auditors

The Auditors Messrs' Springs & Tugye Associates LLP, Certified Public Accountants were appointed under the Co-operative Societies Act, 1991 section 22(1). They have expressed their willingness to continue in office in accordance with section 22(1) of the Co-operative Act and regulations.

9. Approval of the financial statements

The financial statements were approved at a meeting of the Executive Committee held on/...../2021.

By order of the Executive Committee

.....
Secretary

Date:/...../2021

Signature:.....
SACCO LIMITED



Corporate Governance Report

1. Introduction

Corporate governance is a process by which institutions are directed, controlled and held accountable. It encompasses authority, responsibility, accountability, stewardship, leadership, direction and control with a primary objective of safeguarding shareholder interest in conformity with stakeholder interest. It ensures that varying interests of shareholders and stakeholders are balanced, decisions by the board and management are made in a rational, informed and transparent fashion, and they contribute to the overall efficiency and effectiveness of an organization. Corporate Governance also determines how the board and management set the organizational strategy and objectives, recruit employees, shape day to day operations establish control functions, align organization culture and behaviour.

The NSSF SACCO Executive Committee ("The Executive") is committed to ensuring transparency, professionalism and accountability in the management of the SACCO and member's interests are adequately addressed within a reasonable time period while taking into consideration compliance with the relevant by-laws, policies and regulations. The Executive has continued to review policies to take care of the changing business environment as well as embrace change in technology and will continue to do so for the benefit of the SACCO.

2. Executive Committee – Structure, Powers and Functions

The Executive is the governing authority of the SACCO consisting of Seven (7) members who include a Chairperson, Vice Chairperson, Treasurer and Secretary plus three committee members. It represents and safeguards the interests of all the members of the SACCO at all times.

The powers and functions allotted to the Executive are normally stipulated in the relevant government Acts, Rules and By-laws of the SACCO, and are regulated by the resolutions of the general or special meeting.

3. Executive Committee – Composition

The Executive works on voluntary basis. Article 38 of the SACCO By-laws states that "Members of the committee shall not receive any salary for services to the society, however, they may receive refund of expenses incurred while performing work for the society, consistent with section 76 of the Act."

4. Loans Committee – Sub-committee of the Executive

The Loans committee is a sub-Committee of the Executive Committee. The committee comprises of three members of the Executive and by period-end, it was chaired by Ms. Marilyn Namatovu. The committee meets regularly as the needs of the business require. It deals with all member related credit matters in the SACCO such as loans, loan appeals and credit risk management.

Corporate Governance Report - Continued

5. Supervisory Committee

The Supervisory Committee is an oversight committee elected at the annual general meeting to oversee the operations of the Executive Committee on behalf of the members.

It consists of three members and conditions regarding its structure, terms of office, qualifications re-election and filling of vacancies are the same as those applicable to the Executive Committee. The Supervisory committee holds regular meetings.

The Supervisory committee does not however perform or exercise any of the powers or functions of the Executive.

The present members who serve in the Supervisory Committee are;

1. Mr. George William Kayondo - Chairperson
2. Ms. Pauline Nagadya - Member
3. Mr. Oscar Twinomugisha - Member

6. Management Team

The NSSF SACCO management is mainly comprised of the Principal Officer (Manager). The Manager is an employee of the SACCO whose work is to manage day to day activities of the society on behalf of the Executive as provided for in Article 50 of the SACCO bye laws. The Manager and other staff members are appointed by the Executive.

The Manager attends all Executive and general meetings as an ex-official member. He is responsible to the Executive and ensures implementation of and adherence to the policies, procedures and standards in the SACCO. He is also responsible for all staff matters, code of conduct and compliance with the relevant Acts, Regulations, Rules and By-laws.

7. Internal controls and risk management

The Executive ensures that the SACCO functions effectively and that an adequate and effective system of internal control system is put in place. It also ensures that a risk management framework exists that is able to identify, mitigate and effectively respond to various risks the business faces.

The management team supports this Executive responsibility by ensuring that relevant internal controls are implemented and proper risk management processes exists in the SACCO operations.

8. Communication with members and stakeholders

The SACCO provides information regarding its performance by distribution of its Annual Report and Financial Statements to all members as discussed at the meetings and AGM.

Statement of Executive Committee's Responsibilities

The Co-operative Societies Act, CAP 112, The Tier 4 Microfinance Institutions and Money Lenders Act 2016 and NSSF Savings and Credit Co-operative Society by-laws (the "by-laws") require the Executive Committee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the SACCO as at the end of the financial period and of its operating results for that period in accordance with International Financial Reporting Standards. It also requires the Executive Committee to ensure that it keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the SACCO. The Executive Committee is also responsible for safeguarding the assets of the SACCO.

The Executive Committee accepts responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Uganda Co-operative Societies Act, CAP 112, The Tier 4 Microfinance Institutions and Money Lenders Act 2016 and the SACCO Bye-Laws.

The Executive Committee members are of the opinion that the financial statements give a true and fair view of the Statement of Financial Performance and the Statement of financial position as at 31 December 2020. The Executive 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 Executive Committee members to indicate that the Sacco and its subsidiary will not remain a going concern for at least the next twelve months from the date of this statement.

The Executive Committee members have made an assessment of the SACCO's ability to continue as a going concern and have no reason to believe the SACCO will not be a going concern for the next twelve months from the date of this statement.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the International Financial Reporting Standards and the Co-operative Societies Act, CAP 112, The Tier 4 Microfinance Institutions and Money Lenders Act 2016 together with the SACCO Bye-Laws.

Approval of the Financial Statements

The Financial Statements, as indicated above, were approved by the Executive Committee on 22ND / MARCH /2021 and were signed on its behalf by:


.....
Chairperson, Executive Committee


.....
Treasurer, Executive Committee


.....
Secretary, Executive Committee
SACCO LIMITED

Report of the Independent Auditors to the Members of National Social Security Fund Uganda Staff Savings and Credit Cooperative Society Limited

Opinion

We have audited the financial statements of National Social Security Fund Uganda Staff Savings And Credit Cooperative Society Limited ("the SACCO"), which comprise the statement of financial position as at 31 December 2020, and the statements of Financial Performance, Statement of Changes in Equity and Statement of Cash flows for the period then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the Financial Statements give a true and fair view of the financial position of the SACCO as at 31 December 2020, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS), The Tier 4 Microfinance Institutions and Money Lenders Act 2016, the Cooperative Societies Act, CAP 112 and the SACCO Bye-laws.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the SACCO 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.

Other Information

The Executive Committee is responsible for the other information set out on pages 2 to 5. The other information comprises the information included in the General Information, Executive Committee Report and Statement of Executive Committee's Responsibility but does not include the financial statements and our auditors' 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.

Independent Auditor's Report (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit addressed the matter
<p>1. Going concern assessment due to COVID-19</p> <p>In forming our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosures made in <i>Note 2(a)(i)</i> to the financial statements concerning the SACCO's ability to continue as a going concern.</p> <p>During the course of the year, the financial sector was generally in a very weak state, primarily due to the lockdowns imposed by Government to tackle the Coronavirus pandemic (COVID-19), which were kept in place till June 2020.</p> <p>These conditions, along with the related financial strains and pressures, indicate to the existence of a material uncertainty which may cast significant doubt as to the SACCO's ability to continue as a going concern.</p>	<p>We performed the following tests to address the significant risks around Going concern:</p> <ul style="list-style-type: none"> - Examined management's operational plans and risk management processes prepared in response to the COVID-19 pandemic; - Determined whether there were underlying legal or contractual issues as a result of the COVID-19 outbreak; - Considerations were given to the assets held by the SACCO and whether they could be subject to impairment
<p>2. Loans and Advances</p> <p>As disclosed in <i>Note 14</i> of the financial statements, the SACCO is predominantly focused on financing individual members/clients. The SACCO further assesses loans for expected credit loss.</p> <p>Assessment for impairment loss for individuals involves a high level of subjectivity and reliance on assumptions in relation to cash flows from a borrower's business activity and the sale of pledged security.</p> <p>The assessment of loans for expected credit loss is susceptible to a risk of error due to judgmental nature of source of data and models as well as allocation of loans to the probability of default.</p> <p>Due to the significance of these judgements and size of loans, we considered loans and advances to be a Key Audit Matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> i) We obtained an understanding of management's process relating to identifying impairment of loans. ii) We examined whether loan amounts issued to customers are within the set limits as per the different loan products. iii) We examined whether the credit approval process for disbursing loans to customers was being adhered to. iv) We tested a sample of loans to form our assessment whether impairment events have occurred and to identify whether impairment had been identified in a timely manner.

Independent Auditor's Report (Continued)

Responsibilities of Executive Committee for the Financial Statements

The Committee members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), the Cooperative Societies Act and for such internal control as the members 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 Committee members are responsible for assessing the SACCO'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 SACCO or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 scepticism throughout the audit. We also:

- i) 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.
- ii) 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 SACCO's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee members.
- iv) Conclude on the appropriateness of executive committee members' 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 SACCO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the SACCO to cease to continue as a going concern.
- v) 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 (Continued)

Report on Other Legal Requirements

As required by the Cooperative Societies Act Cap 112, we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were considered necessary for the purposes of our audit;
- ii) in our opinion, proper books of account have been kept by the SACCO, so far as appears from our examination of those books; and
- iii) the Statements of Financial Position and Financial Performance are in agreement with the books of account.


Engagement Partner



.....
Springs & Tugye Associates LLP
Certified Public Accountants of Uganda
P. O. Box 29913
KAMPALA.

Date: 23 March / / 2021

Financial Statements

Statement of Financial Performance

	Notes	12 months Jan 20-Dec 20 Ushs	18 months Jul 18-Dec 19 Ushs
REVENUE			
Interest Income	3	846,636,548	1,123,343,673
Interest expenses	4	(910,794,311)	(733,829,011)
Net interest income		(64,157,763)	389,514,662
Fees and commission income	5	28,124,690	17,303,935
Other operating income	6	188,277,717	58,557,134
Net operating income		152,244,644	465,375,731
Operating Expenses			
Credit Impairment Charges	7	(19,053,247)	(328,628,725)
Administrative expenses	8	(22,571,941)	(11,728,963)
Other operating expenses	9	(49,908,654)	(84,428,867)
Total operating expenses		(91,533,842)	(424,786,555)
Operating Surplus before tax		60,710,802	40,589,176
Income tax expense		-	-
Profit for the period		60,710,802	40,589,176

The accompanying notes on pages 19 to 32 form an integral part of these Financial Statements.

Statement of Financial Position

	Notes	As at 31-12-20 Ushs	As at 31-12-19 Ushs
ASSETS			
Cash and Cash equivalents	11	163,371,906	151,171,927
Receivables	12	254,710,570	55,603,007
Prepayments	14	1,151,565	1,387,021
Loans and advance to Members	15	7,003,134,390	7,185,339,064
Short term investments	16	1,938,144,686	868,144,686
Long term Investment	17	200,000,000	-
Intangible Asset	18	4,070,750	5,699,050
Property and Equipment	19	3,854,400	120,000
Total assets		9,568,438,267	8,267,464,755
Equity			
Share Capital	20	122,857,483	112,189,096
Retained Earnings		202,124,651	118,984,209
Reserves	21	40,016,565	28,166,716
		364,998,700	259,340,021
Liabilities			
Members' deposits	22	8,280,739,284	7,671,057,606
Other current Liabilities	23	922,700,283	337,067,128
		9,203,439,567	8,008,124,734
Total Liabilities and Equity		9,568,438,267	8,267,464,755

The financial statements set out on pages 15 to 32, including the notes were approved by the Executive Committee on 22ND MARCH 2021 and signed on its behalf by:-

Signature: 
Chairperson, Executive Committee

Signature: 
Treasurer, Executive Committee

2-2-MAR-2021
Secretary, Executive Committee

Signature: 
SACCO LIMITED

The accompanying notes on pages 19 to 32 form an integral part of these Financial Statements.

Statement of Changes in Equity

	Share Capital Ushs	Statutory Reserves Ushs	Share transfer Fund Ushs	Education Fund Ushs	Revolving Fund Ushs	Retained Earnings Ushs	Total Equity Ushs
At 1 January 2020	112,189,096	17,720,970	2,040,904	2,567,918	5,836,924	118,984,209	259,340,021
Prior year adjustment	5,989,170	-	-	-	-	33,058,707	39,047,877
Additional share issue	3,900,000	-	-	-	-	-	3,900,000
Member fees	2,000,000	-	-	-	-	-	2,000,000
Profit for the period	-	6,071,080	-	-	-	60,710,802	60,710,802
Transfer to statutory reserves 10%	(1,220,783)	-	1,220,783	-	-	(6,071,080)	-
Transfer to share transfer fund 1%	-	-	-	1,522,446	-	(1,522,446)	-
Transfer to Education fund 1%	-	-	-	-	3,035,540	(3,035,540)	-
Transfer to Resolving fund 5%	-	-	-	-	-	-	-
At 31 December 2020	122,857,483	23,792,050	3,261,687	4,090,364	8,872,464	202,124,651	364,998,700
At 1 July 2018	96,910,400	7,614,930	949,600	1,476,614	3,807,465	103,851,388	214,610,397
Prior year adjustment	-	-	-	-	-	(12,229,552)	(12,229,552)
Additional share issue	12,220,000	-	-	-	-	-	12,220,000
Member fees	4,150,000	-	-	-	-	-	4,150,000
Profit for the period	-	10,106,040	-	-	-	40,589,176	40,589,176
Transfer to statutory reserves 10%	-	-	-	-	-	(10,106,040)	-
Transfer to share transfer fund 1%	(1,091,304)	-	1,091,304	-	-	-	-
Transfer to Education fund 1%	-	-	-	1,091,304	-	(1,091,304)	-
Transfer to Resolving fund 5%	-	-	-	-	2,029,459	(2,029,459)	-
At 31 December 2019	112,189,096	17,720,970	2,040,904	2,567,918	5,836,924	118,984,209	259,340,021

The accompanying notes on pages 19 to 32 form an integral part of these Financial Statements.

Statement of Cash flows

	12 months Jan 20-Dec 20	18 months Jul 18-Dec 19
	Ushs	Ushs
<i>Cash flows from operating activities</i>		
Profit for the period	60,710,802	40,589,176
Adjustments for:		
Prior year adjustment	39,047,877	(12,229,552)
Depreciation of property and equipment	1,065,600	360,000
Amortization of intangible Assets	1,628,300	2,442,450
Movement in Working Capital		
Increase of loans and advances	182,204,674	(2,182,035,313)
Increase in receivables	(199,107,563)	(50,412,448)
Increase/(decrease) in other payables	585,633,155	571,195,949
(Increase) in prepayments	235,456	1,681,938
Increase in member deposits	609,681,678	2,176,730,558
Net cash generated from operating activities	1,281,099,979	548,322,758
Net Cashflows from operating activities	1,281,099,979	548,322,758
<i>Cash flows from investing activities</i>		
Short term investments	(1,070,000,000)	(758,144,686)
Long term investments	(200,000,000)	
Property, plant and equipment	(4,800,000)	
Net cash used in investing activities	(1,274,800,000)	(758,144,686)
<i>Cash flows from financing activities</i>		
Increase in membeship fees	2,000,000	4,150,000
Increase in share capital	3,900,000	12,220,000
Net cash flows used in financing activities	5,900,000	16,370,000
Net increase in cash and cash equivalents	12,199,979	(193,451,928)
Analysis of change in cash and cash equivalents		
Cash and cash equivalents b/f	151,171,927	344,623,855
Movements in cash & cash equivalents	12,199,979	(193,451,928)
Cash and cash equivalents at end of the period	163,371,906	151,171,927

The accompanying notes on pages 19 to 32 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. Reporting Entity

The SACCO is incorporated in the Republic of Uganda under the Cooperative Societies Act Cap 112 and The Tier 4 Microfinance Institutions and Money Lenders Act 2016 and is domiciled in the Republic of Uganda. The address of its registered office is located at Plot 1, Pilkington Road, 14th Floor, Workers House, P.O Box 7140, Kampala.

2. Significant Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain property and equipment, and the carrying amounts of available for sale investments at fair value and impaired assets at their recoverable amounts.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making the judgments about the carrying values and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

Information about significant areas of estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in notes.

(i) Going concern

The financial performance of the SACCO is set out in the Executive Committee's report and in the statement of finance performance. The financial position of the SACCO is set out in the statement of financial position.

Based on the financial performance and position of the SACCO and its risk management policies, the EC Members are of the opinion that the SACCO is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on the going concern basis.

Notes to the Financial Statements (Continued)

(ii) New standards, amendments and interpretations effective and adopted during the period

Standard/Interpretation		Effective date Periods beginning on or after
IFRS 3	<i>Business Combinations - amendment</i>	1 January 2020
IAS 1 & 8	<i>IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendment</i>	1 January 2020

Definition of a Business (Amendments to IFRS 3)

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather
- than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

The amendment is not expected to have a significant impact on the financial statements of the SACCO.

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Notes to the Financial Statements (Continued)

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

The amendment is not expected to have a significant impact on the financial statements of the SACCO.

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the scheme).

The amendments should be applied prospectively to plan amendments, curtailments or settlements that occur on or after 1 January 2020, with earlier application permitted.

(ii) **New and amended standards and interpretations in issue but not yet effective for the period ended 31 December 2020.**

Standard/Interpretation		Effective date Periods beginning on or after
<i>IFRS 10 and IAS 28</i>	<i>Sale or Contribution of Assets between an investor and its associate or joint venture</i>	<i>The effective date is yet to be confirmed</i>
<i>IFRS 17</i>	<i>Insurance contracts</i>	1 January 2021

IFRS 17, Insurance contracts is not applicable to the business of the entity and will therefore have no impact on future financial statements.

Notes to the Financial Statements (Continued)

(b) Revenue recognition

Interest income and expense are recognized in the Statement of Profit or Loss and other Comprehensive Income on accrual basis using the effective interest method

(i) Net interest income

Interest income and expense include the amortization of any discount at premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

The effective rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and charges paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the Statement of Comprehensive Income include: Interest on financial assets and liabilities on accrual basis taking into account the effective interest rate basis

(ii) Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income and expenses, including account servicing fees, investment management fees, placement fees and syndication fees, are recognized as the related services are performed.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

(c) Recognition and measurement of financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. Financial instruments held by include loans and advances and balances with banks. Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial instruments are appropriately classified.

(i) Recognition

The SACCO initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date at which they are originated. Regular way purchases and sales of financial assets are recognised on the trade date at which the SACCO commits to purchase or sell the asset. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the SACCO becomes a party to the contractual provisions of the instrument.

Notes to the Financial Statements (Continued)

A financial asset or financial liability is initially measured at fair value plus (for an item not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue.

(ii) Measurement

Financial instruments are measured initially at cost, including transaction costs. Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's Length transaction on the measurement date.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss depending on the individual facts and circumstances of the transaction but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Gains and losses arising from a change in the fair value of available-for-sale assets and trading instruments are recognised in the equity reserve and Statement of Comprehensive Income respectively.

Amortised cost measurement

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(iii) De-recognition

The SACCO derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the SACCO is recognised as a separate asset or liability.

The SACCO writes off certain loans and investment securities when they are determined to be uncollectible (see below).

Notes to the Financial Statements (Continued)

(iv) Impairment

At each statement of financial position date the SACCO assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the SACCO on terms that the SACCO would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the SACCO, or economic conditions that correlate with defaults in the SACCO. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment the SACCO uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(d) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the SACCO does not intend to sell immediately or in the near term. Loans and advances are shown at the gross amount adjusted for any provision for impairment losses.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

Identification and measurement of impairment

The SACCO considers evidence of impairment for loans and advances at both specific asset and collective level. All individually significant loans and advances are assessed for specific impairment. All individually significant loans and advances found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics.

Notes to the Financial Statements (Continued)

When a loan is deemed uncollectible, it is written off against the related provision for impairment. Subsequent recoveries are credited to the provision for loan losses in the Statement of comprehensive income.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost and current fair value to equity. When a subsequent event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through the Statement of comprehensive income.

(e) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with the banks and highly liquid financial assets with original maturities of less than twelve months, which are subject to insignificant risk of changes in their fair value, and are used by the SACCO in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

(f) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the SACCO acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognized and subsequently measured at fair value in the Statement of Financial Position with transaction costs taken directly to the Statement of Comprehensive Income. All changes in fair value are recognized as part of net trading income in the Statement of Comprehensive Income. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

(g) Income tax expense

The SACCO is an exempt organization under the Uganda Income Tax laws. Income tax has therefore not been provided for in the financial statements.

(h) Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Notes to the Financial Statements (Continued)

Management and executive committee members review the residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the Statement of Comprehensive Income.

Depreciation is calculated on the straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are: -

Computer software	12.5%
Computer equipment and accessories	20.0%

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit for the period.

An item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the SACCO and the renovation replaces an identifiable part of the asset. Major renovations are depreciated over the remaining useful life of the related asset.

(i) Intangible assets

Software acquired by the SACCO is stated at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in the Statement of Comprehensive Income on a reducing balance basis over the estimated useful life of the software, from the date that it is available for use.

(j) Impairment of non-financial assets

The carrying amounts of the SACCO's non-financial assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss recognized within the Statement of Comprehensive Income whenever the carrying amount of assets exceeds its recoverable amount.

(k) Dividends

Dividends are recognized as a liability in the year in which they are declared. Proposed dividends are disclosed as a separate component of equity.

Notes to the Financial Statements (Continued)

(l) Provisions

A provision is recognized if, as a result of a past event, the SACCO has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

(n) Statutory reserves

In compliance with the provisions of the Co-operative Societies Act, Cap 112 and Cooperative Societies Regulations 1992, the following transfers have been made in the accounts;

- i) Reserve fund – 10% of the annual net surplus (Reg. 34)
- ii) Share transfer fund – Not exceeding 5% of the SACCO's share capital (Reg. 43)
- iii) Education fund – 1% of turnover (Sec. 48 of the Co-operative Societies Act)
- iv) Revolving fund – 5% of the annual surplus (Reg. 36)

Notes to the Financial Statements (Continued)

	12 months Jan 20-Dec 20 Ushs	18 months Jul 18-Dec 19 Ushs
3 Interest Income		
Interest income on Individual loans	846,636,548	1,123,343,673
	<u>846,636,548</u>	<u>1,123,343,673</u>
4 Interest expenses		
Interest Expense on Regular Savings Deposits	906,886,328	732,007,001
Interest Expense on Member Savings School Fees	3,907,983	1,822,010
	<u>910,794,311</u>	<u>733,829,011</u>
5 Fees and Commission Income		
Loan Processing Fee	17,775,212	3,015,000
Income from Transactional Charges	5,496,219	14,288,935
1% Withdraw Charges	4,853,259	-
	<u>28,124,690</u>	<u>17,303,935</u>
6 Other operating income		
Interest Income Umbrella Trust Fund	188,277,717	58,557,134
	<u>188,277,717</u>	<u>58,557,134</u>
7 Credit Impairment Charges		
Bad debts written off	-	42,328,725
Provision for doubtful debts	19,053,247	286,300,000
	<u>19,053,247</u>	<u>328,628,725</u>
8 Administrative expenses		
Tax related penalties	-	200,000
Staff Training	-	2,225,000
Legal Fees	4,100,000	-
Repairs and Maintenance	3,286,441	5,013,963
Stationery and Printing expenses	740,000	-
Transport & Travelling expenses	40,000	290,000
External audit Fees	4,000,000	4,000,000
Other audit fees***	10,405,500	-
	<u>22,571,941</u>	<u>11,728,963</u>
<i>***Refers to forensic audit fees</i>		
9 Other Operating Expenses		
Salaries & Wages	26,723,000	43,108,285
NSSF Employer Contribution	3,523,000	1,954,000
AGM Expenses	250,000	4,812,000
Committee Expenses	13,203,000	27,449,500
Depreciation - Computer Equipment	1,065,600	360,000
- Software	1,628,304	2,442,456
Bank Charges	72,850	38,875
Tax consultancy fees	2,518,246	2,451,751
Mobile Data	699,000	950,000
Staff Welfare	79,500	862,000
Withholding Tax Expense	146,154	-
	<u>49,908,654</u>	<u>84,428,867</u>

Notes to the Financial Statements (Continued)

	As at 31-12-20 Ushs	As at 31-12-19 Ushs
11 Cash and Cash equivalents		
Standard Chartered Bank - Equity Account	2,870,760	1,170,860
Standard Chartered Bank	160,501,146	150,001,067
	<u>163,371,906</u>	<u>151,171,927</u>
12 Trade Receivables		
Interest Receivable Umbrella Trust Fund	245,941,340	55,603,007
Interest Receivable Bonds	8,769,230	-
	<u>254,710,570</u>	<u>55,603,007</u>
13 Prepayments		
Prepaid Software License	1,151,565	1,387,021
	<u>1,151,565</u>	<u>1,387,021</u>
14 Loans to members		
Individual Loan balances	7,064,516,362	7,227,667,789
IFRS 9: Impairment provisions	(61,381,972)	(42,328,725)
	<u>7,003,134,390</u>	<u>7,185,339,064</u>
15 Short term investments - Umbrella Trust Fund		
Opening balance	868,144,686	110,000,000
Prior year adjustment**	(50,000,000)	-
Purchases during the period	3,270,000,000	1,498,144,686
Redemptions/maturities during the period	(2,150,000,000)	(740,000,000)
Closing balance	<u>1,938,144,686</u>	<u>868,144,686</u>
 <i>**Refers to the correction in prior year regular savings and investment balances initially overstated.</i>		
16 Investment Assets - Treasury Bond		
Purchase Cost	210,976,000	-
Less: Transaction costs (Interest)	(10,976,000)	-
Total	<u>200,000,000</u>	<u>-</u>

Notes to the Financial Statements (Continued)

17 Intangible Assets	Software 12.5% Ushs
Cost	
At 1 January 2020	13,026,400
Additions	-
At 31 December 2020	<u>13,026,400</u>
Amortization	
At 1 January 2020	7,327,350
Charge for the period	1,628,300
At 31 December 2020	<u>8,955,650</u>
Carrying Amount	<u>4,070,750</u>
At 31 December 2020	<u>4,070,750</u>
Cost	
At 1 July 2018	13,026,400
Additions	-
At 31 December 2019	<u>13,026,400</u>
Amortization	
At 1 July 2018	4,884,900
Charge for the period	2,442,450
At 31 December 2019	<u>7,327,350</u>
Carrying Amount	<u>5,699,050</u>
At 31 December 2019	<u>5,699,050</u>

Notes to the Financial Statements (Continued)

18 Property and Equipment

	Computer 33%
Cost	
At 1 January 2020	1,200,000
Additions	4,800,000
At 31 December 2020	<u>6,000,000</u>
Depreciation	
At 1 January 2020	1,080,000
Charge for the period	1,065,600
Disposals	-
At 31 December 2020	<u>2,145,600</u>
Carrying Amount	
At 31 December 2020	<u>3,854,400</u>
Cost	Ushs
At 1 July 2018	1,200,000
Additions	-
At 31 December 2019	<u>1,200,000</u>
Depreciation	
At 1 July 2018	720,000
Charge for the period	360,000
Disposals	-
At 31 December 2019	<u>1,080,000</u>
Carrying Amount	
At 31 December 2019	<u>120,000</u>

Notes to the Financial Statements (Continued)

	As at 31-12-20 Ushs	As at 30-12-19 Ushs
19 Share Capital		
Opening Balance at 1 January	112,189,096	97,860,000
Prior Year Adjustment	5,989,170	-
Additional share issue	3,900,000	12,220,000
Membership fees	2,000,000	4,150,000
Transfer to share transfer fund	(1,220,783)	(2,040,904)
	<u>122,857,483</u>	<u>112,189,096</u>
20 Reserves		
Statutory reserves	23,792,050	17,720,970
Share transfer fund	3,261,687	2,040,904
Education fund	4,090,364	2,567,918
Revolving fund	8,872,464	5,836,924
	<u>40,016,565</u>	<u>28,166,716</u>
21 Members' deposits		
Regular Savings Deposits	8,160,434,957	7,593,223,880
Member Savings School Fees	35,527,119	22,747,098
Member Savings Group	84,777,208	55,086,628
	<u>8,280,739,284</u>	<u>7,671,057,606</u>
22 Current Liabilities		
Withholding Tax Payable	136,619,147	141,920,707
Interest payable	774,175,164	174,947,153
Loan Insurance Payable	7,705,972	16,099,268
Audit Fees Payable	4,000,000	4,000,000
Local Service Tax Payable	200,000	100,000
	<u>922,700,283</u>	<u>337,067,128</u>