UGANDA COOPERATIVE SAVINGS AND CREDIT UNION LTD (UCSCU)

ANNUAL REPORT
2025/2026











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THE UGANDA NATIONAL ANTHEM

Oh Uganda! may God uphold thee,
We lay our future in thy hand.
United, free,
For liberty
Together we'll always stand.

Oh Uganda! the land of freedom.
Our love and labour we give,
And with neighbours all
At our country's call
In peace and friendship we'll live.

Oh Uganda! the land that feeds us
By sun and fertile soil grown.
For our own dear land,
We'll always stand:
The Pearl of Africa's Crown



THE EAST AFRICAN COMMUNITY ANTHEM

1. Ee Mungu twaomba ulinde
Jumuiya Afrika Mashariki
Tuwezeshe kuishi kwa amani
Tutimize na malengo yetu.

Chorus
Jumuiya Yetu sote tuilinde
Tuwajibike tuimarike
Umoja wetu ni nguzo yetu
Idumu Jumuiya yetu.

2. Uzalendo pia mshikamano
Viwe msingi wa Umoja wetu
Natulinde Uhuru na Amani
Mila zetu na desturi zetu.

3. Viwandani na hata mashambani
Tufanye kazi sote kwa makini
Tujitoe kwa hali na mali
Tuijenge Jumuiya bora

THE UGANDA CO-OPERATIVE ANTHEM

1. We co-operators should portray, our purposeful duty to unite, our men and women who we are serving and make them gain through our good service:

Chorus: Co-operative be more conscious, of your duty to develop our men and women of the Nation, who might not gain if un-co-operative.

2. We co-operators should never tire; we should be firm to provoke poverty. We shall endeavor to work together, and get to promote our co-operatives.

Chorus: Co-operatives .....

3. Thru co-operation, thru determination, we can be sure to Rehabilitate, our good nation, our good people who would despair if un-cooperative.

Chorus: Co-operatives. .....

4. 4) We co-operators stand at a slogan: Each for us all and all for each of us, one in the many and many in the one, we promote hope and immortality.

Chorus: Co-operatives. .....

UCSCU PRAYER

Lord GOD almighty, we invite you to be with us in this meeting. Give us the strength and wisdom to make only those decisions that glorify your name, and able our union achieve its mandate.

In the name of the Almighty GOD, we pray

Amen

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Financial Projections for the Year 2025/2026

Special appreciation to our partners

51st Annual general Meeting Program - 25th September 2026

THEME: "BEYOND FINANCIAL SERVICES"

"What must SACCOs do to remain relevant trusted and competitive?"

Time	Topic/ Activity	Presenter/ responsible
7:00am – 8:30 am	Arrival and registration of Participants	UCSCU staff
8:30am – 9:00am	Adoption of the Agenda	AGM
9:00am – 9:05am	Anthems and opening Prayer	Volunteer
9:05 am – 9:10am	Admission of new members	Chairperson - UCSCU Board
9:10am – 9:30am	Reading of the 50th AGM minutes and action paper	Secretary - UCSCU Board
9:30 – 10:00am	Presentation of the Board of Directors' report 2025/2026	Chairperson UCSCU Board
10.00: - 10.30 am	Presentation of the supervisory Board Report. 2025/2026	Chairperson – SUPBO
10:30 -11: 30am	**Break Tea**	**Hotel**
11:30am - 1:00pm	Presentation of the financial Report and External Auditors report) 2025/2026	Treasurer, UCSCU Board
1: 00pm - 11:30pm	Matters arising from 5 - 8	Treasurer, UCSCU Board
11:30am – 12:30pm	Presentation and approval of the workplan and Budget estimates 2026/2027	Treasurer, UCSCU Board
12.30pm - 12,40pm	Review and approval of the amendments in UCSCU byelaws	Chairperson, UCSCU Board
12:40pm – 1. :15pm	Approval of the Maximum Liability for 2026/2027	Chairperson, UCSCU Board
12:15pm – 12:45pm	Appointment of External Auditors	Chairperson, UCSCU Board
12:45pm – 2.00 pm	Speeches: - 1. From Partners - 2. from the Chief Guest	Hon. Minister of state for cooperatives Hon. .....
2.00 pm – 2.15 pm	Closure	Chairperson UCSCU Board

List of New SACCOs 2025/2026

Nos.	Name of the New SACCO
1	Wankulukuku SACCO
2	Namugongo Parish SACCO
3	Nazigo SACCO
4	Gulama Market SACCO
5	Central Region Entrepreneurs SACCO
6	Kampala Region Entrepreneurs SACCO
7	NTN Staff SACCO
8	Silver Vibe SACCO
9	Pearl Bank Staff SACCO

List of Acronyms

ACCOSCA	African Confederation of Savings and credit Associations
AGM	Annual General Meeting
AMFIU	Association of Microfinance Institutions of Uganda
DSIK	DeutSparkassenstiftung
UCSCU	Uganda Cooperative Saving and Credit Union Limited or the Union
CCA	Canadian Cooperative Association
CDF	Cooperative Development Foundation
CEO	Chief Executive Officer
CRF	Credit Rotation Fund
CFF	Central Finance Facility
CIC	Cooperative Insurance Company – Africa/Kenya
WOCCU	World Council of Credit Unions Inc.
GOU	Government of Uganda
GIZ	German Technical Cooperation
URA	Uganda Revenue Authority
ICT	Information Communication Technology
MFPED	Ministry of Finance, Planning and Economic Development
MOU	Memorandum of Understanding
MTIC	Ministry of Trade, Industry and Cooperatives
NGO	Non-Governmental Organization
CBS	Core Banking System
MIS	Management Information System
PROFIRA	Project for Financial Inclusion for Rural Areas
CSR	Corporate Social Responsibility
RFSP	Rural Financial Services Program
IFRS	International Financial Reporting Standards
SACCOs	Savings and Credit Cooperative Organizations
ECL	Expected Credit Loss
LGD	Loss Given Default
SUPBO	Supervisory Board
IASs	International Accounting Standards

Definition of Key Financial Terms

Profit For the Year (UShs)	Annual Income statement profits attributable to ordinary shareholders
Return On Average Equity (%) – Roe	Earnings as a percentage of average ordinary shareholders' funds
Core Capital	Permanent shareholder's equity in the form of issued and fully paid-up shares plus all disclosed reserves, less goodwill, or any intangible assets.
Earnings Per Share (UShs) – Eps	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue stated in Uganda Shillings.
Dividend Per Share (UShs)	Total ordinary dividends declared per share with respect to the year.
Return On Average Assets (%) – Roa	Earnings as a percentage of average total assets
Net Interest Margin (%) - Nim.	Net interest income as a percentage of average total assets.
Credit Loss Ratio (%)	Provision for credit losses per the Statement of Comprehensive Income as a percentage of gross loans and advances.
Cost-To-Income Ratio (%)	Total operating expenses as a percentage of total income before deducting the provision for credit losses
Effective Tax Rate (%	The income tax charge as a percentage of income before tax, excluding income from associates
Lending Ratio	Net loans and advances divided by total deposits
Gross Loans and Advances	Loans and advances to customers
Asset Quality	This measures the percentage of non-earning assets that negatively impact profitability and solvency

Section 1

Introduction

The SACCO sector is expanding its role in financial inclusion and community development while simultaneously confronting rapid technological change, evolving regulation, increasing competition, changing member expectations, emerging financial and operational risks, and growing demand for professionally managed and sustainable institutions.

UCSCU has been instrumental and strategic in delivering services that meets the priority needs of financial cooperatives in Uganda. This report reflects the kind of work done during 2025/ 2026, interventions made, priorities made, financial and non financial performance and progress made during the year 2025/2026. This information includes all details of the Union`s operations, information on support provided to our members, the Union member representation in deferent fora's and upscaling her services. The Union Strategic Plan for 2026 – 2031 has been developed at an important point in evolution of UCSCU, and Uganda's cooperative financial sector. It is not simply a continuation of the previous strategic plan, bus creates an opportunity to reposition the Union for relevance, growth, resilience and leadership in a rapidly changing SACCO ecosystem.

This report is prepared for UCSCU`s General Membership and for different stakeholders, with detailed information about who we are, our strategy, our performance, governance and expectations for the future in context of the environment under which we operate. The scope of information presented in this report, is largely medium term, and assesses the opportunities, risks and impact influencing the ability to create sustainable shared value as we begin to realize our mid-term vision while delivering on our purpose.

1.1 Reporting Boundary and Scope

Coverage of this report, is for the period 1 July 2025 to 30th June 2026 and includes material events, activities and information up to the date of the Board approval. The data in this report both financial and non-financial, pertains to UCSCU as the reporting entity. Certain metrics, however, relate to specific categories of activities only and are clearly noted as such.

The reporting boundary includes the strategic narratives pertaining to the Union`s business model, strategy, past performance and future business prospects. Financial reports and information have been prepared following international Financial Reporting standards (IFRS) unless otherwise specified.

1.2 Capitals:

The Union operations have been based on the strength of the capital base which include: Financial Capital, Intellectual capital, Human capital, Social and relationship capital, Manufactured capital, Natural capital. This influenced and supported implementation of all Union activities.

1.3 Compliance to the reporting requirements:

Under Financial reporting, the Union has been keen in satisfying various compliance reporting requirements, disclosure requirements of the following corporate reporting and regulatory frameworks and guidelines among others, which have been considered when preparing reports.

- International Financial Reporting standards
- United Nations Sustainable Development Goals
- Cooperative Societies Act, Cap 107 (as amended)
- King IV reporting on Corporate Governance

Section 2

About UCSCU

2.1 Who We Are

Uganda Cooperative Savings and Credit Union Limited (UCSCU) was formed in 1972 as a national apex body for Savings and Credit Cooperative Societies (SACCOs) in Uganda. It is registered and operates under the Uganda Cooperative Societies Act 1991 as amended in 2019, and the Uganda Cooperative Societies Regulations of 1992. UCSCU's dual mandate is to foster the organization and development of member SACCOs while at the same time providing specialized services that support their internal improvement. UCSCU is regulated by its registered bylaws, policies and procedures while its vision commits to the continuous development of its member SACCOs.

UCSCU was formed, owned and controlled by member SACCOs. The SACCOs elect representatives Board of Directors who formulates policies and report to the AGM. The Union Board of Directors is comprised of five (7) members, and a Supervisory Board (SUPBO) comprising of three (3) members. Together, the BOD and SUPCO are responsible for setting policies and procedures for the Union, as well as providing overall guidance and oversight to management.

The Union has a vetting committee of three members elected by the AGM. The vetting committee is charged with the responsibility of identifying and vetting the right leaders from whom the members elect from during the AGM. Union Headquarter Offices are on Plot 239 Bombo Road, Maganjo, and has contact officers in deference regions and sub - regions of Uganda.

2.2 UCSCU as at 30th June 2026

Number of Board members: **7**

Employees: **12**

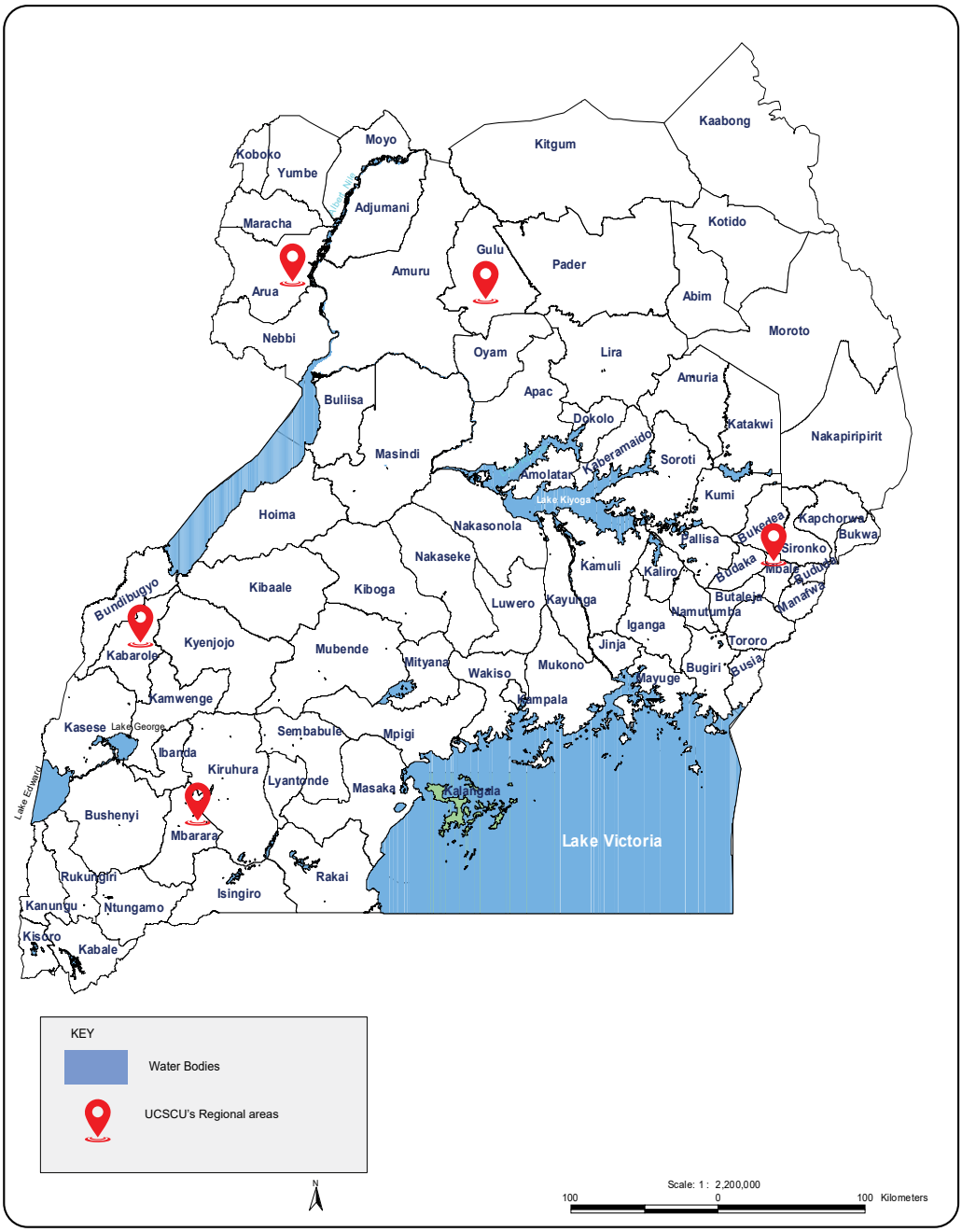
Total Assets : **5,413,209,067**

Shareholders: **1,410**

Number of regional offices : **5**

2.3 UCSCU FOOTPRINT

A map of Uganda showing our regional Presence



2.3 Our Business Model

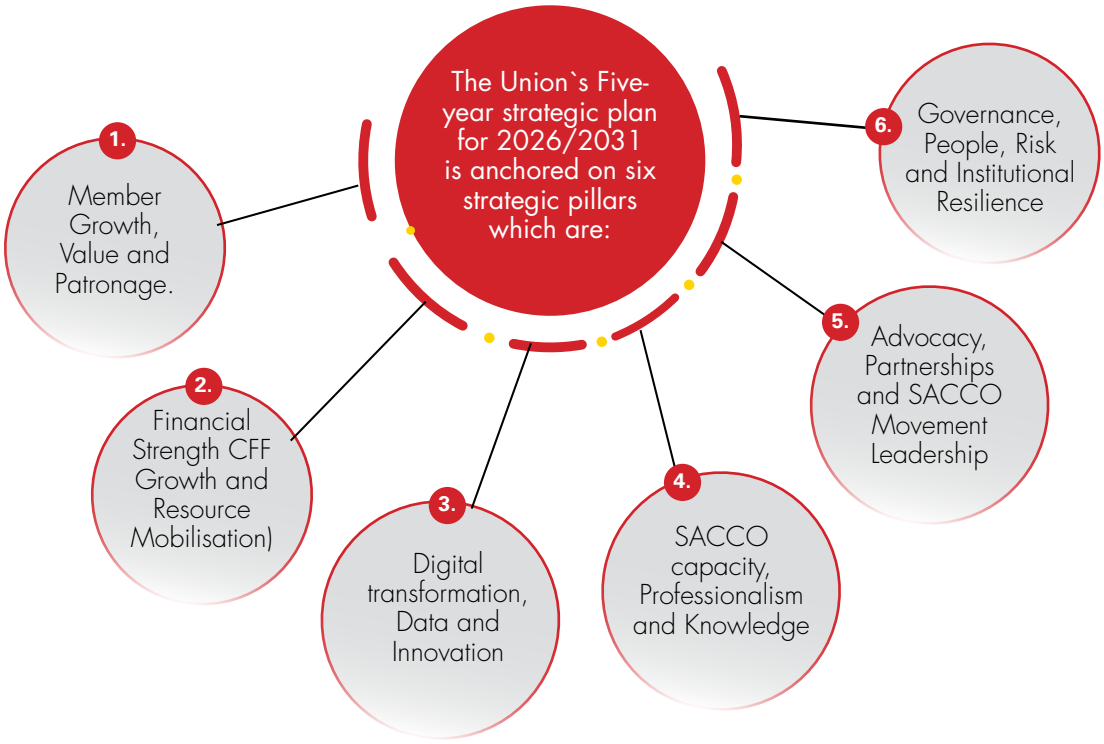
UCSCU Business model is guided by the Cooperative Philosophy. Cooperative organizations have a twofold purpose of existence; The Social purpose which aims at meeting the members associative objective (the reason why they joined the Union) and secondly the Commercial purpose which is to ensure that the Union is an economically viable, growing and sustainable institution, doing Business with its members and other stakeholders within the SACCO subsector.

2.4 Our Product and Services

The core products and services offered by the Union to its members include: Lobby and advocacy, Central Finance Facility; Policy and product development, Customized trainings, Workshop trainings, Skills development training done by the Academy, Technical assistance or Mentorship services, supply of stationeries, UCSCU Core Banking System, UCSCU MIS, UCSCU CBS and Awareness Creation.

Section 3

OUR STRATEGY



(Pillar six will be implemented through Cross cutting strategic themes that cut across the entire strategy)

Our expected Outcome by 2031 is: A well governed, high performing and resilient UCSCU, with the people, systems and institutional discipline required to sustain growth and excellence.

UCSCU is progressively reviewing and segmenting interventions under these strategic pillars, to ensure that our products and services are relevant, competitive, accessible, financially viable and responsive to different categories of member SACCOs.

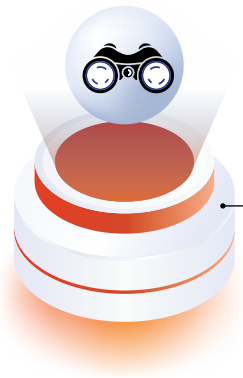
We place the interests of our Member SACCOs and the end beneficiaries at the community level, at the centre of our decision-making. We ensure that we offer activities in accordance with the development needs of our member SACCOs, and that of the Union. Our operations are member centred, serving UCSCU Member SACCOs, prospective members, and the communities in which our members operate.

UCSCU commit its expertise and resources towards ensuring wellbeing of Member SACCOs, for their business success, growth and sustainability, as they also support the Unions' community development services. By offering high quality specialized financial and non-financial services to its members, the Union promotes and empower SACCOs to offer better services that help them to steadily grow, become viable and sustainable.

3.1 Our Strategic Commitments

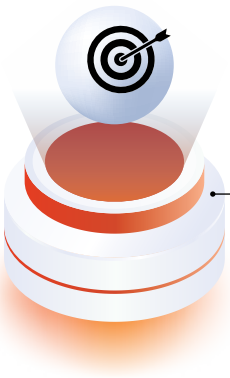
The strategic commitments reflects why we exist, what we intend to achieve and how we do business to achieve the Union objectives.

Vision



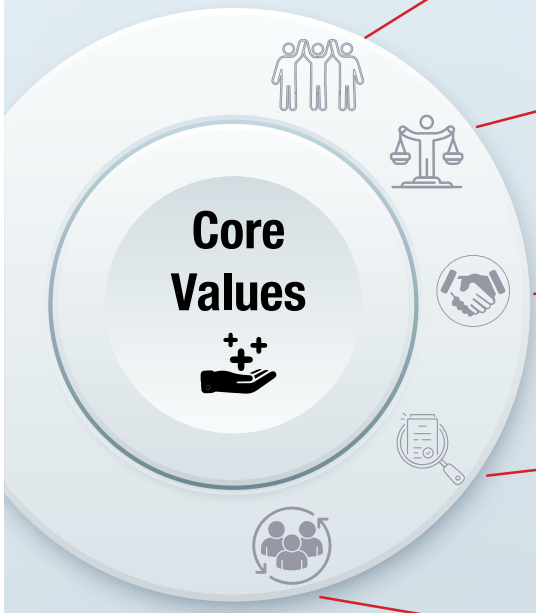
To be a world class National Union that strengthens Connects and Champion Uganda's SACCO Movement.

Mission



To Promote, Sustain and Empower SACCOs, Through Representation, Institutional Capacity Building, Advocacy, and Quality Technical Services, for Inclusive Social- Economic Transformation

Core values: Member first, Integrity, Professionalism, Accountability, Inclusivity



1. **Member first:** We Listen to members, understand their evolving needs, design products, services and interventions around their success. We measure our peformance by the value we create for SACCOs
2. **Integrity:** We Protect the interest of members and stakeholders, act fairly and hold the highest standard of ethical conduct in all our decisions, and relationships
3. **Professionalism:** We continuously strengthen our knowledge, skills systems and professional standards, to deliver credible, reliable, timely and high-quality services.
4. **Accountability:** We are insurable to our members and stakeholders for how we use resources, make decisions and deliver results. We promote transparency, performance and responsible stewardship
5. **Inclusivity:** We build strategic partnerships, share knowledge, mobilize collective action, and promote cooperation among cooperatives, for the benefit of member SACCOs, and the wider movement.

3.2 How we create value

Our approach to Value Creation

Value creation is key to our strategy execution. The successful execution of our strategy will create value and drive sustainable growth for all our stakeholders over the long term.

The International Integrated Reporting Council developed the value creation model which is built around` capitals`. That is, Financial Capital, Human Capital, Natural Capital, Intellectual Capital, Social and Manufactured capital.

Capital	Value Created
Manufactured Capital Our manufactured capital encompasses all physical and digital infrastructure that supports us in effectively reaching our Member SACCOs and achieving operational excellence and value creation	• Increase in asset base from 4.9 to 5.4 BN. • Business continuity. • Improved operational efficiencies • Financial inclusion through digital transformation.
Human Capital At UCSCU, Human Capital includes the knowledge, skills and experiences of our people, including wellbeing of employment, workplace health and safety.	• Total number of employees 16 • Amount spent on staff training and development Shs 2.9M
Intellectual Capital This includes the knowledge, processes, policies, and procedures, resources that we have built up over the years to deliver quality services to our members. We continually invest in acquiring knowledge through employee training which is converted into our unique way of doing what we do best.	• Strong brand and good reputation. • Increased customer trust and satisfaction in our way of doing business.
Social and Relationship Capital Includes Stakeholder relationships, social ties, networks, including the communities in which we operate, as we recognize the role that the Union plays in building a strong and thriving society. UCSCU reports on the strong collaborative relationships with a wide range of stakeholders including regulators, suppliers and the local communities and contributing to socioeconomic development and societal well being of our stakeholders.	• Membership over 1,410 • Conducted a Member satisfaction survey, and got productive feedback that propose improvement in service delivery • Collaborating with business partners and suppliers. • Fostering productive employee involvement. • Maintaining favourable rapport with governmental entities and regulatory bodies.
Natural Capital Natural capital refers to a collection of natural assets, including land, air, water, and all living things, that exist in our world. Use of natural resources, UCSCU contribution to mitigating effects of climate change and impact on the environment.	• Introduction of green loans product under the CFF to SACCOs for on lending to their members, engaged in environmental protection activities. • Provide product development trainings to member SACCOs on how they can support the communities in the improvement of access to safe, clean, and quality water through water and sanitation loans.

Key Drivers for Value creation

- Member satisfaction
- Membership Growth
- Use of technology to improve business operations'
- Strong governance and management structures
- Building a strong capital base

3.3 Member Concentric to Service Delivery

The 2025 Member Satisfaction Survey showed strong member confidence in UCSCU. 95.7% of participating SACCOs reported benefiting from UCSCU services, while 97.8% were likely or very likely to recommend UCSCU.

Members particularly valued lobbying and advocacy, education and training, collective representation, technical assistance and networking. Members recognised UCSCU's important role in bringing SACCOs together and providing a collective voice for the cooperative sector.

Members also highlighted areas where they would like UCSCU to improve: more affordable and accessible services, greater regional reach, faster communication and response, stronger follow-up after interventions, and enhanced digital and financing solutions.

Looking ahead, members expressed strong demand for support in governance, credit and delinquency management, risk management, financial management, internal audit and product development. The Overall, the feedback confirms that UCSCU remains highly valued by its members. The key message from members is not simply that UCSCU should provide more services, but that existing services should be made more accessible, timely, affordable, responsive and consistently followed through.

Following members' responses highlighted in the member satisfaction survey report, UCSCU will prioritize translating this distinctive position into a clearer and more tangible member value proposition.

Lobby and advocacy will remains a distinctive, cross-cutting institutional role throughout the framework. It shall continue to demonstrate the value of membership while UCSCU strengthens the service dimensions where members and competitors identify gaps.

Member priorities Identifies	Strategic Responses
1. Better service delivery	1. Transform Service Delivery and Regional Access
2. More relevant and affordable training	2. Improve Affordability and Access
3. Stronger technical assistance	3. Strengthen Training followed with Technical Assistance
4. Greater regional engagement	4. Transform Service Delivery and Regional Access
5. Stronger CFF/financing	5. Strengthen Financial and Digital Services
6. Better communication	6. Build a Responsive Member Engagement System through communication channels members already prefer, particularly email, WhatsApp and telephone.
7. Stronger digital services	5. Strengthen Financial and Digital Services

The consolidation is deliberate: some member priorities, especially training/affordability and regional access, require coordinated responses rather than stand-alone programme.

Section 4

OUR PERFORMANCE FOR 2025/2026 AT A GLANCE

Key Performance Indicators as indicated below;

Particulars	Position as at 30th June 2025	Position as at 30th June 2026	% change
Share Capital	480,052,517	488,753,082	0.02%
Members' Deposits	1,359,888,010	1,524,690,830	0.12%
CFF Loan Portfolio	1,326,240,331	192,460,891	-0.85%
Fixed Deposit Investment	927,252,482	101,817,349	-0.89%
Fixed Assets	1,366,187,222	1,930,610,895	0.41%
Intangible Assets	143,048,260	95,365,608	-0.33%
Revenue	1,664,280,813	1,063,916,774	0.36%
Expenditure	1,599,750,231	1,063,678,456	-0.34%
Surplus /Deficit for the year	64,530,582	238,278	-1%
Operational Self Sufficiency (OSS)	91%	92%	

Performance trend 2025/2026

Item	2022	2023	2024	2025	2026
Membership	1325	1359	1370	1382	1410
Members savings	897,613,559	1,121,135,857	1,335,379,814	1,359,888,010	1,524,690,830
Share capital	444,453,082	453,953,082	462,653,082	480,052,517	488,753,082
OSS	71%	74%	84%	91%	92%

5 Year Performance

	2026	2025	2024	2023	2022
(Shs 000)	(Shs 000)	(Shs 000)	(Shs 000)	(Shs 000)	(Shs 000)
Income Statement					
Profit Before Tax	238	64,530	91,090	77,374	320,113
Profit After tax	8,223	56,209	82,432	69,269	311,620
Financial Position					
Shareholders' Equity	2,236,500	2,323,082	2,365,726	2,340,586	2,164,749
Assets	5,413,230	4,813,687	4,926,914	4,887,346	4,232,713
Loans and Advances	2,092,742	1,326,240	1,118,349	1,351,304	779,607
Property & Equipment	1,330269	1,366,187	1,399,624	1,419,728	1,469,259
Member Deposits	1,524,691	1,359,888	1,335,379	1,121,134	897,614
Returns & Ratios					
Return on Average Equity		12.7%	4%	3.1%	15%
Return on Average Assets		1.3%	2%	2%	8%
Loan to deposit ratio		34%	84%	121%	87%
Cost to income ratio		96%	114%	133%	141%

Section 5

OUR GOVERNANCE

5.1 Report from Chairperson Board



Dear Delegates, Members, Partners and Friends of the Cooperative Movement,

It is with great pleasure and a profound sense of responsibility that I present to you the Annual Integrated Report of the Uganda Cooperative Savings and Credit Union (UCSCU) at our 51st Annual General Meeting, held on this 25th day of September 2026.

On behalf of the Board, Supervisory Board and Management, I warmly welcome you to this important occasion. I also extend my sincere appreciation to all of you who participated in the 11th Annual National SACCO Conference and have returned to join us for this AGM. Your presence, commitment and continued participation are a powerful demonstration of the strength and resilience of Uganda's cooperative movement.

The Annual General Meeting is the supreme organ of a cooperative. It is the forum through which members exercise their fundamental and inalienable rights to participate, deliberate, hold leadership accountable and collectively shape the future of their organisation. Your attendance and active participation therefore go beyond fulfilling a statutory obligation; they affirm the cooperative principle that people, united by a common purpose, can create institutions that transform lives and communities

A YEAR OF LEARNING, SERVICE AND RENEWED DETERMINATION

This first year of our leadership has been a remarkable journey of learning, reflection, service and institutional growth. It has presented opportunities to appreciate more deeply both the enormous potential of our cooperative movement and the challenges that confront it.

I wish to express my sincere appreciation to my fellow Board members for their commitment, wisdom and steadfast support. Through collective leadership, constructive engagement and a shared sense of responsibility, we have continued to strengthen UCSCU and position it to serve the cooperative sector with greater confidence and purpose.

I also recognise the contribution of our Supervisory Board, management and staff, whose dedication has enabled

the organisation to continue fulfilling its mandate under demanding circumstances.

To all our members, affiliates, SACCOs, partners, government institutions, regulators and other stakeholders, thank you for believing in the cooperative movement and for walking this journey with us. The progress we have made is not the achievement of one individual, one Board or one institution. It is the product of collective effort.

The challenges notwithstanding, we remain stronger, more united and more determined to deepen the growth, resilience and sustainability of the SACCO industry.

Our Vision, Mission and Core Values shall continue to guide us. The forthcoming Strategic Plan 2027–2032 will provide an important framework for translating our aspirations into measurable action and accelerating our commitment to a stronger, more inclusive and sustainable cooperative financial sector.

STRENGTHENING THE NATIONAL VOICE OF THE SACCO MOVEMENT

As the national voice of the SACCO movement, UCSCU is committed to strengthening policy and regulatory advocacy, deepening constructive engagement with Government and regulators, developing strategic partnerships and positioning the Union as a credible thought leader in cooperative finance, financial inclusion and inclusive economic development

Our responsibility is not simply to represent SACCOs; it is to help create an enabling environment in which cooperatives can grow, innovate, protect members' interests and contribute meaningfully to national transformation.

We shall therefore continue to advocate for policies and regulatory frameworks that recognise the unique role of SACCOs in mobilising savings, providing affordable financial services, supporting enterprise development and expanding financial inclusion, particularly among communities that remain underserved by conventional financial institutions.

DIGITAL TRANSFORMATION FOR A MODERN COOPERATIVE MOVEMENT

The future of cooperative finance will increasingly be shaped by technology, data and innovation. For this reason, digital transformation is central to our strategic direction.

We are committed to modernising UCSCU's management information systems and core financial systems, strengthening data collection and analytics, automating member and SACCO reporting, enhancing cybersecurity and developing digital channels that make UCSCU services more accessible, efficient and responsive.

However, our objective is not technology for its own sake.

We seek technology that improves efficiency, strengthens accountability, enhances member experience, supports evidence-based decision-making and ultimately improves SACCO performance.

A modern cooperative movement must be able to understand its data, anticipate emerging risks, respond quickly to members' needs and use innovation to expand opportunities for financial inclusion.

GOVERNANCE, LEADERSHIP AND INCLUSION

Good governance remains at the heart of a strong cooperative institution.

During the year under review, the Board continued to provide strategic oversight, direction and support to Management while promoting a culture founded on ethics, professionalism, accountability, transparency and responsible leadership.

We recognise that the strength of any institution is reflected not only in its financial performance but also in the quality, diversity and integrity of its leadership. When we assumed office, the prescribed vetting and election processes had been undertaken. However, there were no women contestants for the Board positions, except for the Supervisory Board. Recognizing the importance of inclusive leadership, the AGM resolved to increase the Board composition from seven to nine members and mandated the Board to identify two suitably qualified women to fill the additional positions.In response to this resolution, we have identified candidates from the Women Leadership Programme Cohort I, a programme designed to nurture credible women leaders and prepare them to become effective and equal contributors in SACCO and Union boardrooms.We therefore present the following for consideration:

- Ms. Akot Agnes – Kitgum SACCO
- Ms. Suzan Namuganza-Doho Farmers SACCO

This initiative represents more than filling positions. It is about deliberately building a leadership pipeline, widening participation and ensuring that the talents and perspectives of women are fully harnessed in shaping the future of the cooperative movement.

NETWORKING, PARTNERSHIPS AND GLOBAL COOPERATIVE SOLIDARITY

UCSCU will continue to participate actively in national, continental and global cooperative forums. Such engagement provides opportunities for learning, exposure, benchmarking, experience-sharing and the development of partnerships that ultimately benefit our members and the wider SACCO sector.

Our participation in regional and international platforms enables us to learn from other cooperative movements, share Uganda's experiences and identify innovative approaches that can be adapted to our own environment.

We look forward to participating meaningfully in forthcoming continental engagements, including the SACCO Congress in Tanzania, and encourage our members and stakeholders to embrace such opportunities for knowledge exchange and cooperative solidarity.

The cooperative movement is global, but its impact is local. What we learn from others must ultimately translate into better institutions, better services and better livelihoods for our members.

PERFORMANCE AND ACCOUNTABILITY

As we present this report, the final audited financial position will provide the definitive assessment of the organisation's financial performance for the year under review.

Whatever the final figures may demonstrate, our commitment remains clear: to strengthen institutional sustainability, improve value to members and ensure that every resource entrusted to UCSCU is managed responsibly and transparently.

Performance must be understood not only in terms of financial numbers, but also through the quality of advocacy undertaken, services delivered, partnerships created, governance strengthened, capacity developed and lives positively touched through the cooperative movement.

LOOKING AHEAD

As we look towards the next chapter, our ambition is clear.

We want a UCSCU that is stronger in advocacy, stronger in governance, stronger in technology, stronger in partnerships and stronger in its service to the SACCO movement.

We want a cooperative sector that is resilient enough to withstand emerging challenges, innovative enough to embrace new opportunities and inclusive enough to ensure that every member has a meaningful opportunity to participate in economic development.

Our journey ahead will not be without challenges. Yet history has taught us that cooperatives are at their strongest when members, leaders and partners stand together around a common purpose.The road ahead therefore calls for unity of purpose, discipline, innovation, integrity and collective action.

APPRECIATION

I extend my heartfelt appreciation to my fellow Board members, the Supervisory Board, Management and all staff of UCSCU for your support throughout the year under review. We could not have achieved what we have achieved without your dedication and sacrifice.

I also thank our member SACCOs, delegates, Government, regulators, development partners, cooperative institutions and all stakeholders who continue to contribute to the growth of the movement.To our members, I say: UCSCU belongs to you. Its strength comes from you, its legitimacy comes from you, and its future depends upon your continued participation and commitment.As we enter another chapter of our journey, let us remain united by the cooperative spirit and guided by the conviction that when we save together, invest together, learn together and lead together, we create possibilities that none of us could achieve alone.

Let us therefore continue to build a cooperative movement that is financially strong, technologically enabled, professionally governed, socially responsible and firmly rooted in the principles of solidarity and mutual prosperity. On behalf of the Board, I once again welcome you to the 51st Annual General Meeting of UCSCU and thank you for your continued confidence, support and commitment to our shared cooperative vision.Together, we shall continue to build a stronger UCSCU and a stronger cooperative movement for Uganda and beyond.

For God and My Country.

Col. Allan Tom Kitanda
Chairperson
Uganda Cooperative Savings and Credit Union (UCSCU)

5.2 Report from the Chief Executive Officer



ACCOLADES RECEIVED BY THE UNION









5.3 Who governs us

BOARD OF DIRECTORS



Col. Allan Tom Kitanda
Board Chairperson
Tenure: 4 years
Experience in: Cooperatives



Mr. Stephen Mugumya Bongonzya
Vice Chairperson-UCSCU
- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



CPA Derick Nkajja
Treasurer
- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



Rev. Canon Kankiriho Robert
Board Member-Western region
- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



Mr. Luberenga Mugabi Paul
Board Member-Central region
- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



Mr. Simon Peter Anyanzo Lenin
Board Member-Northern region
- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



Mr. Kitto Rajab
Board Member-Eastern region
- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



Mr Robert Mbakiibi Waiswa
Representative of the Registrar for Cooperatives



Dr. Sylvester Ndiroramukama
Secretary/CEO

SUPERVISORY **BOARD**



Fr. Zeddy Byabashaija
Chairperson-SUPBO

- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



Ms.kabanyoro Lilian
Secretary-SUPBO

- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance



Mr.kawanguzi Daniel
SUPBO Member

- MA (Economics)
- BA (Economics)

Tenure: 4 years
Experience in: Economics and Finance

VETTING **COMMITTEE**



Mr. Okema Amic Christopher
Chairperson



Dr. Jane Bosa Sewanyana
Member



Mr. Nnume Yasin Abubaker
Member



Miria Hamega
Registrar Representative



Dr. Sylvester Ndiroramukama
Ex - official

Other Key Sub Committees

FC - Finance Committee of the Board

HRC - Human Resource Committee

ICTC - Information Communication Technology Committee

SACCO Academy Committee

Our Board Governance

The governance structure is as follows;

Board of Directors

The Union Board of Directors is the highest governing authority appointed by the Annual General Meeting. The Board provides oversight and direction to the Union.

The Board`s principal responsibility is to promote the long-term success of the Union by creating sustainable shareholder value. The Board provides direction by setting policy and strategy as well as overseeing their implementation. The Board also seeks to ensure Management delivers on both long-term and short-term objectives striking the balance between the goals of the Union.

More specifically, the Board`s responsibilities as detailed in the Board Charter which include;

- Ensuring adequate systems, policies and procedures are in place to safeguard the assets of the Union and thereby building long-term shareholder value.
- Overseeing the implementation of corporate governance principles and guidelines.
- Overseeing the establishment of the union`s risk management framework including monitoring and implementation of the framework. Approving the Union`s risk management strategies, philosophy, risk appetite and initiatives.
- Ensuring that Management maintains a sound system of internal controls to safe guard the shareholders investments and assets.
- Approving the appointment, retention and removal of the Chief Executive Officer.

Supervisory Board (SUPBO)

No.	Name	Position
1	Fr. Zeddy Byabashaija	Chairperson
2	Ms. Lillian Kabanyoro-Secretary	Member
3	Mr. Kawanguzi Paul Daniel Dramani Robert	Member

The Supervisory Board is composed of three Members as required by the Cooperative Societies Act, who are independent and answerable to the AGM. This composition underpins the independence of SUPBO from executive influence.

The responsibilities of the SUPBO

- Provide assurance about risk management, governance and internal control environment
- Make recommendations to the Board regarding appointment, remuneration and removal of external auditors
- Ascertain whether the Union`s accounting and reporting policies are in accordance with legal requirements and agreed ethical practices.
- Provide oversight on the integrity of the Union`s financial statements.

Board Sub-Committees

Finance and Administration Committee of the Board

No.	Name	Position
1.	CPA Derick Nkajja	Chairperson
2.	Stephen Mugumya Bongonzya	Member
3.	Rev. Canon Kankiriho Robert	member

Key responsibilities of the Finance Committee of the Board

- Assists the Board in fulfilling its oversight responsibilities for the Union`s financial reporting process, the system of internal controls, the audit process and monitoring compliance with laws and regulations
- Review the Union's, quarterly, half-yearly and annual financial results.
- Review the audit process and evaluate the effectiveness of the external audit

- Obtain assurance from the external auditors that their independence was not impaired.
- Ensure that the annual financial statements conform with IFRS
- Ensure there is an efficient risk management framework for identification and management of business risks facing the Union.
- Evaluates UCSCU`S risk profile and the controls in place to mitigate such risks.
- Makes proposals to Board on major policies and decisions relating to major capital investments, staff compensation and other issues related to business.

Lobby and Advocacy Committee of the Board

1	Mr. Bongonzya Mugumya Stephen Chairperson	Chairperson
2	Rev. Canon Robert Kankiriho Member	Member

The committee serves in protecting the interests of the cooperators in the cooperative movement. Solicit for Government and stakeholders support to ensure that SACCOs have a good working environment that can allow them to do business, survive and grow and become sustainable.

Academy and ICT Committee of the Board

No.	Name	Position
1	Mr. Luberenga Mugabi Paul	Chairperson
2	Mr. Rajab Kitto Member	Member
3	Mr. Anyanzo Simon Peter Lenin Member	Member

The Committee oversees the affairs of the Newly introduced SACCO Academy which is responsible for organizing, facilitating and promoting members' education by providing professional training on management of Cooperatives, operations and promotion of Information and Communication Technology.

Investment Committee of the Board

No.	Name	Position
1	Mr. Rajab Kitto Chairperson	Chairperson
2	CPA Derrick Nkajja Member	Member

Provides oversight over the Union`s investments

Profile of the Board of Directors

The Board currently consists of Seven (7) directors

The Profile of the Board of Directors is depicted below;

Independence – protecting the interests of all shareholders

The Union`s Board of Directors are independent non-executive directors, which complies with global best-practice.

Board Diversity-Being relevant in transforming the society

In a fast-transforming society, Board diversity is important for remaining relevant and sustainable. UCSCU is committed to promoting diversity at Board level, with diversity and inclusion being key considerations in our Board selection processes. All regions are represented on the Board.

As at 30th June 2026 our Board demographics were as follows:

Gender Profile

Female - **0** Male - **7**



Age **Age**

40-50- 2 50-60- 5

Board tenure – A blend of experience and new insight

As per the Cooperative Societies Act, Cap 107 (as amended), the Board of the Union has a tenure of four years after which a new Board is elected by Member SACCOs at the AGM. We pay significant attention to the issue of Board refreshment. Our aim is therefore to maintain a balance of experience and new capacity on the Board.

Balance of knowledge, skills and experience – well diversified to objectively discharge its governance role.

The Union need a broad range of skills on the Board to ensure and create value in the interest of all stakeholders.

Having the appropriate mix of skills and experience, the Union ensures that the Board as a collective unit is well equipped to guide and drive the Union's strategy into the future and thereby create value.

As a Union representing SACCOs country wide, the members of the Board must have the highest levels of integrity, deep understanding of governance, appropriate technical, financial and non-financial knowledge and interpersonal skills. Our Board is equipped with skills and experience specifically in the fields of SACCO Management, banking, finance, Human Resource Management, research, planning, strategy development, and administration.

Knowledge of Board members, and their relevancy to UCSCU

No of Board with Experience out of 7	Board Skills & Experience	Relevant to UCSCU
SACCO Business Model-7/7	All Board Members of the Union are also Members of SACCO Boards.	Understanding of the operational landscape, opportunities, and challenges in the sector
Accounting and finance-3/7	Experience in financial reporting, internal controls and identifying, assessing, and monitoring systemic, existing and emerging financial risks	Understanding the financial implications of key transactions on value creation
Human resource management-3/7	Understanding organizational culture, succession planning, and remuneration and reward framework	Overseeing the culture of the Union and upholding the Code of Conduct
Planning and strategy development-7/7	Experience in leading, developing or executing strategic planning and business objective	Reviewing and setting the Union's strategy

Corporate Governance Statement

This Corporate Governance Statement sets out the governance framework adopted by UCSCU designed to ensure that the Union operates a sustainable business for the benefit of all stakeholders. This statement highlights how the key elements of good governance were applied during the year 2025/2026.

UCSCU's corporate governance approach is informed by the global best practices and in compliance with the Cooperative Societies Act Cap 112(as amended) and the Cooperative Societies Regulations 1992. This comprehensive framework facilitates adherence to good governance practices and enables the Board to effectively fulfill its mandate.

The Union views governance as integral to doing business – it includes both structures to ensure effective control as well as an ethical consciousness that drives a culture of integrity and transparent reporting to stakeholders. This builds trust, strengthens its reputation and ultimately drives value creation.

The Group's various governance structures ensure that good corporate governance is entrenched at all levels of its operations and structures.

Role of the Board.

The Board of UCSCU sets the tone at the top and serves as the custodian of the Union's corporate governance. It is responsible for providing ethical and effective leadership to the Union. The Board is responsible for setting up policies and procedures for the Union, as well as providing overall guidance and oversight to management. It agrees the strategic direction and approves the policy frameworks used to measure UCSCU`s performance. This is achieved through transparent reporting on the part of management and active Board oversight.

Board members are bound by the code of ethics and fiduciary duties owed to the company. Directors have the necessary competence and ethical character to discharge their duties, to provide strategic direction and control the Union, as set out in the Board mandate. The Board is committed to acting in the best interests of the Union, in good faith and without undue personal conflicts of interest.

Board Appointment

UCSCU is formed, owned and controlled by members SACCOs. The SACCOs elect representatives Board of Directors at the Annual General Meeting, who report to them annually. The Directors are elected based on their skills, competence and experience. The Vetting Committee, which is also appointed at the AGM, screens for eligible candidates from a pool of applicants and a shortlist is presented at the Annual General Meeting where democratic elections are held in accordance with the Cooperative Societies Act, Cap 112(as amended) and UCSCU Bylaws.

Board composition

The Union has a Balanced Board in terms of professional ability, demographics, Integrity, and independence and this is vital for the sustainable value creation at UCSCU. The Union Board of Directors is comprised of seven (7) members, and a Supervisory Committee (SUPCO) comprising three (3) members.

Changes to Board Composition

Accordingly, the composition of the Board is regularly reviewed to ensure it has the necessary skills and that new ideas are embedded in the decision-making processes in compliance with the Cooperative Societies Act Cap 112(as amended) and UCSCU Bylaws.

Delegation to Board Committees

The Group Board has overall responsibility and is accountable for the performance and affairs of the organisation. To assist the Board effectively discharge its duties as well as promote independent judgment, the Board, through its corporate governance framework, delegates its authority to its various Board committees and Management with clearly defined mandates and authorities while ensuring accountability through quarterly reports.

Director induction and Board skills development

We recognize that being a director is becoming increasingly more challenging; thus we ensure that Board members participate in both National and international events like Conferences, workshops to improve their decision-making capacity, thereby contributing to the overall effectiveness of the Board. Additional time is scheduled outside of the Board meetings to run dedicated sessions that highlight key issues related to the Union`s strategy. The Union conducts joint comprehensive orientation programes for new directors. The orientation programe gives Directors an understanding of the Union and the SACCO Sector to enable them to assimilate into their new roles.

Additionally, the Union allows the new directors to get acquainted with senior management, thereby facilitating Board interaction and independent access to senior management.

Declaration of financial, economic and potential conflicts of interest

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Union. The Board therefore has a set procedure and guidance to deal with actual or potential conflicts of interest and at the beginning of each Board meeting, Directors have an opportunity to declare any interest in any item on the agenda that could result in a conflict of interest.

Succession plan for Board members and senior executives

Succession planning for Board members is one of the most important responsibilities of the Board as a whole, assisted by the Human Resource Committee. The HR Committee continuously monitors the skills, experience and tenure of Board members. One of the focus areas of the HRC is to ensure that, when directors are reaching tenure and retirement age, Board continuity is ensured through active succession planning that takes into account any changes to the skills needed on the Board in terms of the Union's strategic focus areas.

UCSCU recruits experienced employees, develop their knowledge, skills and abilities and prepare them for promotion into more challenging roles.

Remuneration Report

The remuneration paid to Board of Directors, senior executives during the year was sufficient, reasonable and aligned to the long-term goals of the Union.

Board of Directors' Remuneration

In determining the remuneration of the of the Board of Directors, the Board is guided by the provisions in the Cooperative Societies Act, Cap 112(as amended) and UCSCU bylaws.

The meeting attendance fee for Board and committee meetings are paid. Fees are paid in arrears.

The Board of Directors are entitled to re- imbursable expenses and sitting allowances.

Summary of Directors Compensation and other Board expenses

Expenses	2026	2025
Board & Committees Meeting Expenses	33.898,000	26,485,000
SUPBO Expense	-	-
	33,898,000	**26,485,000**

Remuneration for employees

The terms and conditions of employment of the Union`s employees are guided by local legislation. The remuneration of the employees includes the following;

a. A fixed pay intended to attract and retain employees by ensuring competitive positioning in the local market;

b. Annual bonuses are provided to qualifying employees to ensure appropriate reward for performance. This is paid after attaining the set annual targets.

To determine the remuneration of employees of the Union, the Human Resource Committee of the Board review market and competitive data and considers the Unions' performance against financial objectives and individual performance.

Remuneration of senior Management team

The remuneration packages and long-term incentives for senior Management team are determined along with other employees on the same basis and using the same qualifying criteria and is subject to an annual review process.

Remuneration for Staff and senior Management team is composed of;

a) a Monthly Salary;

b) Annual Performance incentives bonus which is paid after attaining set annual targets

The remuneration paid to the senior Management team and other employees during the year was sufficient, reasonable and aligned to the long-term goals Union.

Summary of Staff remuneration including senior management team

Remunerations	2025/2026	2024/2025
Staff Salaries	271,521,092	335,412,706

Board activities in 2026

The Board uses its quarterly meetings as a mechanism for discharging its duties as per the Cooperative Societies Act, Cap 107 (as amended) and UCSCU bylaws. and similarly, as a means of influencing and monitoring strategic direction and the Union`s approach to risk management.

Each Board meeting follows a carefully tailored agenda, agreed in advance with the Chairperson, and the Chief Executive Officer.

A typical meeting will comprise reports on current operating and financial performance, strategic risks and opportunities, governance updates and regulatory considerations, and deeper discussions regarding areas of strategic importance.

Performance against the strategic priorities

At each Board meeting, the Chief Executive Officers update the Board on implementation progress made against the strategic priorities.

Board committee updates

In terms of their mandates, the chairpersons of the various Board committees provide reports to the Board regarding the actions of their respective committees, as well as the material matters arising out of their latest quarterly meetings.

Chief Executive Officer/ Secretary

UCSCU has a full time Chief Executive Officer/Company Secretary, who assist in providing any information or documentation that may be required to facilitate the discharge of Board duties and responsibilities. The CEO`s mandate is to manage the day-to-day operations of the Union and ensure that the operations are consistent with policies developed by the Board and that they are executed effectively.

Going concern considerations

The Board of Directors have sufficient reason to believe that the Union has adequate resources to continue operating as a going concern in the foreseeable future.

Section

6

Risk Management framework



The environment within which the Union operates is constantly changing exposing it to both internal and external risks. The Union has therefore adopted strategies, policies and procedures to be able to manage these risks effectively and efficiently. Our risk culture is a collection of values, skills and habits that equip our employees to understand the risks and make sound judgements towards achievement of objectives of the Union.

Risk governance

The governance of risk management starts with the Union Board at the top. Each Board Member has ultimate accountability for the management of the risks.
The Board plays a pivotal role in ensuring the Union has an effective risk management system. This mandate includes overseeing the Risk Management systems, practices, and procedures to ensure effectiveness in risk identification and management, as well as to ensure compliance with internal policies, national laws and regulations. The Board has set up various Committees that help it in overseeing risk management activities of the Union.

The Finance Committee of the Board

The Finance Committee plays an important role in risk management by providing independent assurance. The primary purpose of the Finance committee is to provide oversight of the financial
reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.

ICT Committee of the Board

The Committee plays an important role in risk management by providing oversight over the information technology

strategy of the Union. In particular, the Committee ensures that there is a balance in IT investment risk against potential IT investment opportunities by selecting those IT investments that are in line with the risk profile of the Union.

Management team

Management team are the owners and managers of the risks inherent in the activities they perform daily. Risk is inherent in all business activities. Sound risk management enables the Union to efficiency meet its objectives.

Supervisory Board

The Supervisory Board is responsible for overseeing compliance risk pursuant to the regulations. They are also responsible for the oversight on the risk framework and key risks we face and the Union`s overall risk appetite. The committee presents the risk framework and the risk appetite at the AGM. The committee also oversees the Board and senior management`s responsibilities for the identification, measurement, monitoring and control of key risks.

UCSCU`s Risk Priorities for the year 2026

Reputational Risk

We recognise that trust takes time to build and can be easily eroded through poor decisions; disruption of services; unfair treatment of customers; failure to meet customer and community expectations, or by not complying with our regulatory obligations.
Reputation risk issues may lead to several undesirable outcomes including loss of clients, increased operating costs, loss of revenue, loss of shareholder value among others.

Mitigation Measures

- A code of conduct was put in place to guide staff on behaviour while working for the Union.
- The Union has maintained regional presence around the country with staff attached to every region to be able to monitor its activities among its member SACCOs.
- A competitive reward and compensation program is in place for all employees of the Union.
- We have actively promoted various social responsibility programs.

Compliance Risk

Regulatory compliance is critical for UCSCU. The Board has to ensure that there are necessary controls to monitor the union`s compliance with its regulatory obligations. Compliance risk is the current or prospective risk of legal sanctions and material financial loss that the Union may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of effective laws or regulations.

Mitigation Measures

1. The Supervisory Board currently responsible for overseeing the implementation of risk policies and framework and ensure systems are in place to support them in executing their mandate.

Technology Risk
This is the risk arising from inadequate Information Communication Technology (ICT) resources or inappropriate use of available ICT resources. This can result in financial loss and lost business opportunities due to unavailability of the ICT resources, loss of data integrity and confidentiality.

Mitigation Measures

1. There is an ICT policy in place to provide guidance on management of technology risk.

Environmental Risk

This is risk or potential threat of adverse effects on the environment by effluents, emissions, wastes, resource depletion, etc., arising out of an organization's activities.
Mitigation Measures

1. The Union is undertaking green finance trainings to the SACCOs and their Members to impact skills to reduce on environmental degradation.
2. Introduction of Green loan products under the Central Finance facility for on lending to Members who are involved in environmental protection activities.
3. UCSCU has made its credit appraisal process to be much more stringent from an Environment perspective – evaluating all the environmental factors such as project impacts on the environment, before approving a loan.

Credit Risk

This is a risk of loss arising from inability or failure by the

borrowers to meet their obligations.

Migiation measures.

- A CFF credit policy in place to guide on the management of loans.
- The policy has clear repayment programs, loan refinancing mechanisms as well as member relations infrastructure to relay information on our services.

Strategic risk

This risk results from incorrect assumptions about internal and external factors that affect the business, ineffective business strategy execution or failure to respond in a timely manger to changes in the regulatory, macro economic or competitive environments.

Mitigation Measures

- Regular monitoring of business performance by senior management and providing the Board with regular progress reports on whether strategic objectives are being met. This is done every quarter and the Board convenes quarterly meetings.
- On annual basis, the Board reviews and approves the Strategic plan and with oversight by Board, the senior management directs the lines of business to execute the strategic plan consistent with our core operating principles and risk appetite.

Operational Risks

Risk of loss resulting from inadequate or failed processes, people, systems or from external events.

Mitigation Measures

- Offering competitive benefits and wellbeing programs, fostering an inclusive and diverse workforce.
- Enhanced technology, tools, and platforms to support team engagement, development and the health and safety of employees.
- Leadership initiatives to develop our leaders' capabilities and equip them with the skills and approaches required to lead cultural and behavioural change; and strengthening our culture and remuneration frameworks to ensure employees are clear on expectations and accountabilities, and demonstrate risk behaviour that led to appropriate outcomes for all stakeholders.
- We have targeted training programs to develop our people, including senior management, and our talent development approach seeks to attract and retain high calibre people.

Our risk management process

UCSCU has adopted the best practice Risk Management process which consists of the five interrelated steps as shown below;

Identity risks

We identify existing and potential risks and their likely impact on the business operations

Analyses the risks

After risk identification, we perform risk analysis. Some risks can bring the business to a standstill, while some will only be minor inconveniences. We analyse each threat and determine how severe the risk is and the potential disruptions. We ask ourselves: How likely are these risks to occur? And if they do, what will the consequences be?.

Evaluate and Prioritize every Risk

Next, we rank and prioritize each risk depending on its severity. This allows the Board and management team to see and understand the organization's total risk exposure. For example, risks that will lead to minor inconvenience should be a lower priority, while risks that can cause catastrophic losses should be at the top.

Treat the Risks

We develop a risk treatment plan to eliminate or contain each risk as much as possible. starting with the highest-priority risk, the team works to solve the threat (or at least mitigate it) so the risk no longer threatens the organization.

Monitoring the Risks

We regularly monitor, track, and review the risk mitigation results to determine whether the initiatives are adequate or if there is need to make any changes. The team will have to start over with a new process if the implemented risk management strategy isn't practical.

Section 7

Our Sustainability Report



UCSCU is currently implementing a comprehensive Sustainability strategy that has continued to shapes its business priorities across the organisation. As an Apex institution for SACCOs in Uganda, we serve a wider community and our major focus is to contribute to the development of a sustainable economy and through our SACCOs, we empower people in communities to build better futures.

Our mission is; To Promote, Sustain and Empower SACCOs, Through Representation, Institutional Capacity Building, Advocacy, and Quality Technical Services, for Inclusive Social- Economic Transformation. By delivering on our sustainability priorities, we create a meaningful impact in our communities and for stakeholders we serve. This year`s report to society highlights our major interventions in line with our commitment to Environmental, Social and Governance (ESG) impact priorities.

In support of the UN SDGs agenda, UCSCU has leveraged the CSR activities to achieve the SDGs for sustainable growth in a holistic Members, UCSCU has been socially responsible, through several social and

community initiatives that are being undertaken.

From our perspective, sustainability work is a commitment to ensure promotion of social and environmental well-being of the communities in which we do business. In combination, sustainability and SDGs together provide great opportunities to develop an interconnected model for sustainable growth.

6.1 Social Impact

Organizational Health and Employee engagement

Organizational health describes an organization's ability to operate effectively, grow sustainably and adapt smoothly to change.

UCSCU's' operational and workforce requirements are defined within the Human Resource Manual, which provides a framework of policies, standards, and procedures designed to guide our work processes.

UCSCU has a budget for Board and staff training which caters for all employees training needs.

6.2 Community Involvement

UCSCU with its partners encourages sponsorships, charitable contributions, and volunteer activities that positively contribute to local communities in which we work. In 2024, UCSCU in partnership with DSIK, aBi and We Effect made tremendous efforts to engage and support

these communities by providing trainings and capacity building activities to SACCOs to benefit the communities. Among these included Women & youth empowerments by conducting Financial Education in schools, financial literacy trainings to communities, financial management to SACCOs and their members.

6.3 Economic Impact

Under the economic impact pillar, the Union targets areas such as Job creation, Financial Inclusion, support for small scale farmers and SMEs. Two critical Interventions by the Union in partnership with DSIK, that were put in place to support the communities, are the Credit Rotation Fund (CRF) and the Business Hub. The CRF is loaned to SACCOs at a very low interest rate for on lending to their members. DSIK also supports UCSCU Core Banking System and a Management Information System as one way of promoting financial inclusion.

6.4 Environmental Impact

UCSCU believe that we can derive multiple benefits from a well-functioning ecosystem.

A well-protected natural environment is critical to economic activity and development.

UCSCU with support from partners has established environmental protection

programs, aimed at supporting the achievement of SDG 13 on climate action that is focused on taking urgent action to combat climate change and its impacts.

The Union has undertaken various initiatives during the year aimed at protecting the environment. Including Green financing trainings and green loans under the CRF.

The Board of Directors and Management remain committed to ensuring that Sustainability and ESG is central to the business strategy. We shall continue to prioritise our efforts to address the climate change crisis by reducing the carbon-intensity of economic growth and financing adaptation initiatives to improve the resilience of communities, infrastructure, and businesses.

6.5 Our approach to sustainability

Our sustainability approach mainly focuses more on interventions that support achieving positive Social, Economic and Environmental impact priorities and our approach to ESG risk management. We are also guided by our mission of promoting and empowering member SACCOs by offering high quality specialized financial and non-financial services for their sustainability.

We have good governance frameworks and controls in place to manage the environmental, social and governance risks associated with our operations.

Our ESG risk management is informed by regulatory requirements in Uganda and voluntary frameworks such as the UN Guiding Principles on Business and Human Rights, and global standards governing environmental and social risk management.

6.6 Our sustainability governance

The UCSCU Board of Directors and its committees are primarily responsible for providing effective governance over the Company's affairs, including its strategy of being focused, value-driven and responsible. The Board is also responsible for providing oversight and guidance with regards to environmental, social and governance matters, including ESG risks and opportunities, and for reviewing the Company's Sustainability Report.

We are committed to creating and protecting value for our stakeholders, thus maintaining superior corporate governance, transparency and accountability is essential for the long-term sustainable performance and growth of our business.

Our governance framework is integral in supporting our business and helping us deliver on our sustainability strategy. It provides the structure through which we set our objectives, monitor our performance and manage the risks we face. It includes a clear framework for decision making and accountability across our business and provides guidance on the standards of behavior we expect of each other.

The Board delegates its authority to committees with the mandate to deal with relevant governance issues and report on them quarterly to the Board. Each committee operates under terms of reference setting out roles and responsibilities, composition and scope of authority.

The Board Executive Committee specifically oversees sustainability strategic ambitions,

progress and milestones covering various environmental, social and governance matters.

The Executive Committee is ultimately accountable for the execution of the sustainability strategy and actions, with accountabilities assigned to relevant executives led by the Chief Executive Officer.

6.7 Our sustainability Strategy

UCSCU recognizes that transparent, insightful metrics, targets, and disclosures provide a basis upon which investors, customers, regulators, employees, and other stakeholders can meaningfully compare organizations within a sector or industry.

At UCSCU we believe that, sustainability is an integral part of our business strategy. Sustainability and sustainable business practices are embedded at every level of our business. We believe that our most important contribution to sustainable development is to operate an effective and profitable Union.

Proposed SACCO Annual dues to UCSCU

Computations basing on SACCO Earning Assets

Earning assets = Loan portfolio + investments + Fixed Bank Deposits +Government Securities.

A healthy SACCO often aim at an earning asset to total assets ratio of 75% to 90%. A lower ratio means too much money sits in non-earning cash or fixed assets, which hurts profitability.

Our assumption in this case is:

Earning Asset of a SACCO = the ration of 75% of the SACCO Total assets.

Our SACCO categotisation is majorly basing on the above assumption and depends on the percentage level of the SACCO earning Assets.

Below the computation of the targeted SACCOs

SACCO category and Proposed annual dues basing on SACCO Earning Assets

SACCO Earning Asset (75% of the total assets) Annual Dues to UCSCU. UG SHS.

A	Above 50Bn	35,000,000
B	From 25.01Bn – 50Bn	25,000,000
C	from 10.01Bn to 25Bn	10,000,000
D	from 2.01Bn to 10Bn	5,500,000
E	from 600M to 2Bn	2,000,000
F	Below 600M	1,500,000

UCSCU strategic identity Based on its history, mandate,

cooperative ownership and future ambition, UCSCU will position itself around five mutually reinforcing roles:

Strategic role What this means for UCSCU Strategic value to member SACCOs

1. **Voice of SACCOs:**

   - Advocating for a stronger, enabling, inclusive and competitive cooperative financial sector. UCSCU represents the collective interests of SACCOs before government, regulators, development partners and other stakeholders:
   - A stronger collective voice; better policies and regulation; increased recognition of SACCOs; and an enabling environment for sustainable growth.

2. **The financial partner of SACCOs**

   - Providing appropriate, competitive and sustainable financial solutions through the Central Finance Facility (CFF) and other innovative financial services.
   - UCSCU will increasingly position the CFF as a strategic financial engine for member SACCOs.
   - Access to affordable and responsive liquidity, investment and other financial solutions that support SACCO growth and resilience.

3. **The capacity builder of SACCOs**

   - Strengthening governance, leadership, management, technical, financial and institutional capabilities of member SACCOs. UCSCU will move beyond conventional training towards continuous professional development, mentoring, diagnostics and performance improvement.
   - Better-governed, professionally managed, resilient and member responsive SACCOs.

4. **The innovation and knowledge hub**

   - Driving digitalisation, research, data, knowledge management, innovation and technology-enabled solutions for the SACCO movement. UCSCU will become a centre for sector intelligence, learning and practical innovation.
   - Access to better information, digital solutions, benchmarking, research, emerging practices and technology that improve competitiveness and service delivery.

5. **The champion of cooperative prosperity**

   - Demonstrating and amplifying the contribution of strong SACCOs to financial inclusion, enterprise development, employment, household resilience, asset creation and national economic transformation.
   - Greater visibility and recognition of the SACCO model, stronger member confidence, and evidence of the real economic and social value created by SACCOs.

By delivering our mandate of organising and developing the SACCO sector, we enable individuals at the grassroot level to improve their quality of life and enhance their financial security. By providing trainings, financial products and capacity building to our Member SACCOs and their members, we facilitate economic growth, job creation, and contribute to financial inclusion.

Our ESG commitments aligns with the UN SDGs which sets a long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. UCSCU is committed to playing its role in attaining some of these goals through our business activities and investments for our stakeholders.

The Supervisory Board Report



Fr. Zeddy Byabashaija
Chairman Supervisory Board



Through UCSCU's continued Lobby and Advocacy Efforts, we had the privilege to have an engagement with His Excellency Yoweri Kaguta Museveni of key Issues affecting the SACCO Sector. Among milestones achieved from this meeting include: Income tax exemption for SACCOs was extended, Bank of Uganda halted the threats to SACCO operations, Key Stakeholders met and harmonize sector regulations







We held press engagements that are leveling grounds for Effective SACCO Regulations the giants. Speaking at the SACCO Stakeholders' Meeting. Col. Allan Kitanda, Chairperson UCSCU Board has urged SACCOs to support UCSCU, He welcomed the extension of the tax exemption and expressed optimism for a favorable regulatory environment for SACCOs in Uganda.



We engaged in the drafting and reviewing of the matrix outlining key issues in Uganda's SACCO Legal and regulatory framework We remain fully committed to delivering on our mandate and are pleased to have



Speaking at the SACCO Stakeholders' Meeting, Col. Allan Kitanda, Chairperson UCSCU Board has urged SACCOs to support UCSCU, welcomed the extension of the tax exemption and expressed optimism for a favorable regulatory environment for SACCOs in Uganda



Kabale, the land of rolling hills successfully hosted this year's 5th Annual Western Region SACCO Convention participants under the inspiring theme: *"The Future Ready SACCO: Resilient, Innovative & Member Centered."* With the Key Note Address Delivered by Brig.Gen. Yusuf Buha Magero-CEO Wazalendo SACCO


SPEKE RESORT CONVENTION CENTRE
UGANDA






ACCOSCA





UCSCU in partnership with African Confederation of Co-operative Savings and Credit Associations (ACCOSCA) hosted a two a two-day Consultative Meeting on the Regulation of Large SACCOs in Uganda. As the Cooperative Sector continues to Grow and Evolve, Regulatory Frameworks tailored to Large-scale SACCO Operations are Critical for Sustainability, Compliance, and Sector stability. The purpose of this Consultative the Meeting sought Views and Recommendations from Key SACCO Leaders and Stakeholders aimed at Streamlining and Strengthening the Regulatory Framework for Large SACCOs in Uganda. The meeting will provide a Platform for Dialogue and Consensus-building on the Regulatory Dynamics affecting Large SACCOs and contributed to Shaping an Inclusive and Effective Regulatory Environment for the Sector.





UCSCU successfully hosted the 1st SACCO Leadership summit at the National Leadership Institute in Kyankwanzi (NALI) under the theme *"Building a Resilient and Sustainable SACCO Ecosystem in Uganda,"* The summit brought together sector leaders to address Critical challenges facing Financial Cooperatives such as weak Governance, Regulatory pressures under the Tier IV Microfinance and Money Lenders Act, and Market competition. The event successfully fostered High-level discussions, Strategic insights, and Collaborative frameworks aimed at Strengthening domestic Savings mobilization and expanding Financial inclusion across Uganda's production value chains.



UCSCU equipped SACCO Leaders from Kampala & Wakiso with practical skills in Tax Planning, Compliance & Risk Management to strengthen Institutional Resilience and Performance



UCSCU hosted Regional SACCO trainings on Digital Transformation & Cyber Awareness, equipping SACCO leaders and staff with skills to deliver Safer, and more Efficient Financial Services.













The 5th Cohort of the Women Mentorship Program has crossed the finish line. Over 40Women Leaders in SACCOs were sharpened into Strategic anchors for themselves, the SACCO Sector and the Community at large.



Our team had a privilege to Attend and offer Guidance during several SACCO Annual General Meetings

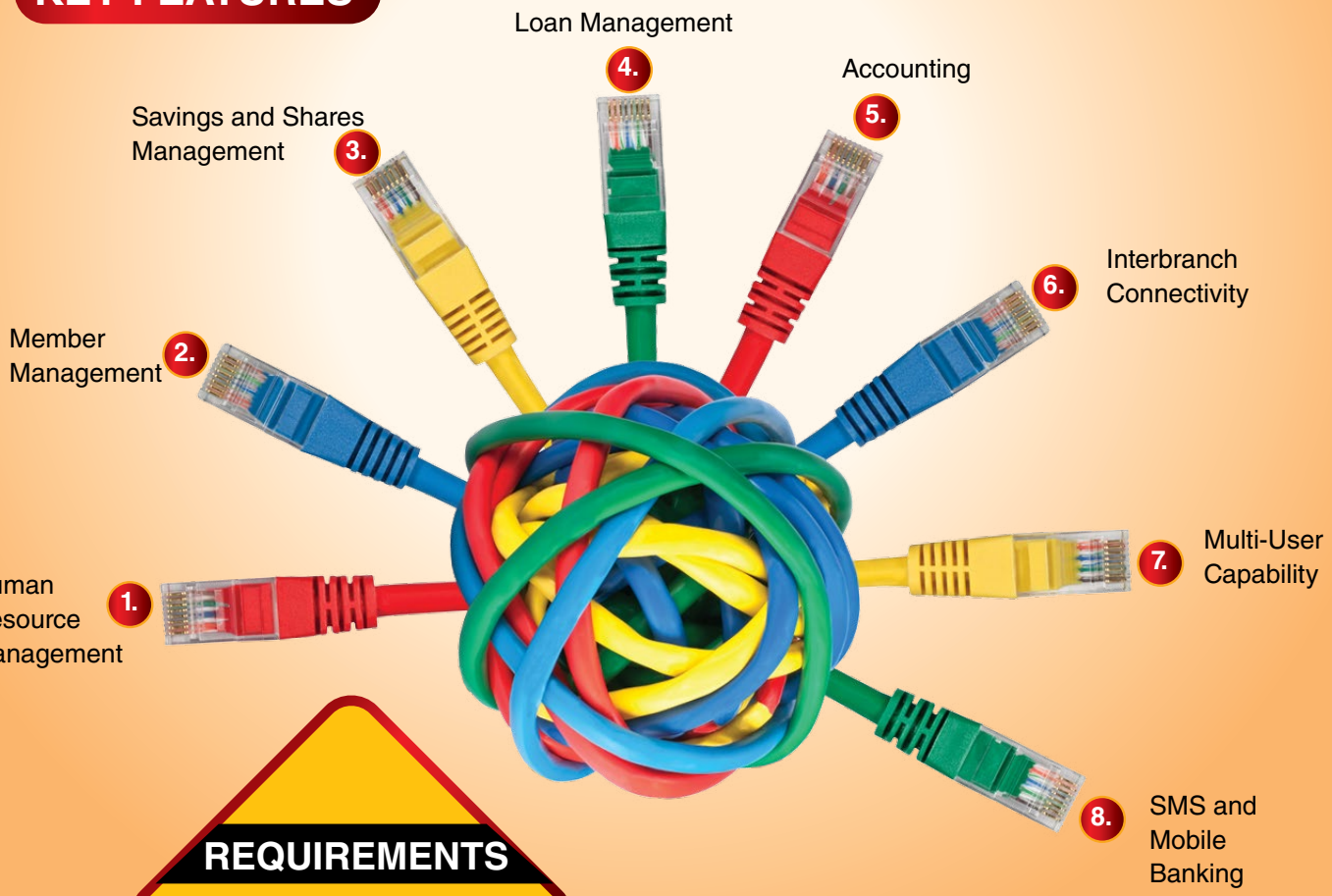




We had the pleasure to host the Gambia Armed Forces for a Country to Country and Peer to Peer learning Exchange, Exploring Uganda's experience in SACCO Regulation, Sector Development and Investment among others

UCSCU CORE BANKING SYSTEM

KEY FEATURES



REQUIREMENTS

1. A Computer
2. Internet
3. Personnel

BENEFITS

1. Improved SACCO-Member Management
2. Real time/Accurate Reporting
3. Member Convenience
4. Revenue Stream



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Also find us on:
Facebook and Twitter



7. Audited Financial Statements For the Year ended 30th June 2026

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REPORT OF THE BOARD MEMBERS

The Board members submit their report and the audited financial statements for the year ended 30 June 2026 which disclose the state of affairs of Uganda Cooperative Savings and Credit Union Limited "UCSCU" (the "Union").

BACKGROUND

UCSCU is the national apex organization for Savings and Credit Co-operative Societies (SACCOs) in Uganda. It is registered under the Cooperative Societies Act Cap 107 (as amended) and the Uganda Cooperative Societies Regulations 1992.

PRINCIPAL ACTIVITIES

UCSCU's mandate is to promote and support the development of SACCOs in Uganda and to improve on their internal operations for their sustainability. This is done through:

- Education and training programs
- Lobby and advocacy
- Designing and offering financial management programs
- Networking and linkage between SACCOs and similar bodies
- Research and development in the SACCO sector.
- UCSCU Core Banking System and Information Management System
- Risk Management Programs

As part of its operations, UCSCU runs the Central Finance Facility (CFF) which was set up by the Union to provide financial services to its members. The CFF was formulated as the liquidity management pool for SACCOs in Uganda. The facility mobilizes deposits from its member SACCOs and inter-lends amongst themselves to mitigate against any liquidity challenges. The CFF manages the liquidity system by providing innovative and appropriate financial products to the member SACCOs.

VISION

To be a world class national Union for all SACCOs in Uganda

MISSION

To promote and empower SACCOs by offering high quality specialized financial and non-financial services for their sustainability.

CORE VALUES

- Team work
- Responsiveness
- Transparency
- Integrity
- Professionalism

RESULTS

The results have been segmented between UCSCU main and the CFF operations:

	2026 UGX UCSCU MAIN	2026 UGX CFF	2026 UGX COMBINED	2025 UGX COMBINED
Deficit before tax	(120,393,554)	120,631,832	238,278	64,530,582
Income tax	(8,222,846)	-	(8,222,846)	(8,321,402)
Deficit after tax	**(128,616,400)**	**120,631,832**	**(7,984,568)**	**56,209,180**

DIVIDENDS
The members of the Board do not recommend and do not declare a dividend for the year ended 30 June 2026.

BOARD OF DIRECTORS

The Board members who held office during the year ended 30 June 2026 are shown on page 4.

INDEPENDENT AUDITOR
Ardenfield Certified Public Accountants were reappointed as auditors during the year and have expressed willingness to continue in the office in accordance with the Cooperatives Societies Regulations.

BY ORDER OF THE BOARD

Board Chairperson

2026

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Management on behalf of the Board of Directors ("Board") has a duty and responsibility to prepare Financial Statements which give a true and fair view of the state of affairs of Uganda Cooperative Savings and Credit Union Limited as at the end of the financial year and of the operating results of the Union for the year. It also requires the Board of Directors to ensure that the Union maintains proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union. The Board members are also responsible for safe guarding the assets of the Union.

The Board accepts responsibility for the preparation and fair presentation of Financial Statements that are free from material misstatement whether due to fraud or error.
They also accept responsibility for;

i) Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.
ii) Selecting and applying appropriate accounting policies
iii) Making accounting estimates and judgments that are reasonable in the circumstances.

Members of the Board are of the opinion that Financial Statements give a true and fair view of the state of the financial affairs of the Union as at 30 June 2026 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) Accounting Standard and in a manner required by the Union's Bye-laws and the Co-operative Societies Act Cap 107 (as amended) and Cooperative Societies regulations 1992.
Nothing has come to the attention of the Board of Directors to indicate that the Union will not remain a going concern for at least twelve months from the date of this statement.

Approved by Board on _____ 2026 and signed on its behalf by:

Chairperson Board

Treasurer

Chief Executive Officer

Ardenfield
Certified Public Accountants

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3rd Floor, Wing A,
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INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the Financial Statements of Uganda Cooperative Savings and Credit Union Limited (the "Union") which comprise the Statement of Financial Position of the year ended 30 June 2026, and the Statement of Comprehensive Income, Statement of Changes in Equity and 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 Uganda Cooperative Savings and Credit Union Limited as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standard.

Basis for Opinion.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. 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 Union 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.

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 year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

There were no key audit matters.



Responsibilities of Management and those charged with Governance for the Financial Statements.
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards Accounting Standard and for such internal control as management determines as 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 Union'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 Union or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements.
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collision, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union'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 adequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union 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 determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore 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.
As required by the Uganda Co-operative Societies Act Cap 107 (as amended) and the Cooperative Societies Regulations 1992, 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 necessary for the purpose of our audit.
II. In our opinion proper books of account have been kept by the Union, so far as appears from our examination of those books.
III. The Union's Financial Statements are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is CPA Arnold AHEREZA– P0190

For and on behalf of
Ardenfield Certified Public Accountants
Kampala, Uganda.

CPA Arnold AHEREZA- P0190

STATEMENT OF FINANCIAL POSITION

	Notes	2026 UGX UCSCU MAIN	2026 UGX CFF	2026 UGX COMBINED	2025 UGX COMBINED
ASSETS					
Non-current assets					
Property and equipment	4a	1,330,268,807	-	1,330,268,807	1,366,187,222
Work in progress – SACCO Academy	4c	403,161,131	-	403,161,131	403,161,131
Investment in shares	5	101,817,349	-	101,817,349	100,817,349
UCSCU core banking system	4b	48,260,247	-	48,260,247	72,386,751
UCSCU management information system	4b	47,103,361	-	47,103,361	70,651,509
Total Non-current assets		**1,930,610,895**	**-**	**1,930,610,895**	**2,013,203,962**
Current assets					
Inventories	6	17,305,751	-	17,305,751	16,271,961
Accounts receivable and advances	7	50,000	2,092,691,575	2,092,741,575	1,326,240,331
Related party receivables	8a	46,029,481	-	46,029,481	46,003,906
Prepayments	9	88,903,195	-	88,903,195	82,946,240
Tax claimable	10	172,461,385	9,879,615	182,341,000	182,341,000
Cash and cash equivalents	11	513,861,185	124,163,503	638,024,688	219,427,302
Short term investments	12	132,926,933	284,325,549	417,252,482	927,252,482
Total Current assets		**971,537,930**	**2,511,060,242**	**3,482,598,172**	**2,800,483,222**
Total Assets		**2,902,148,825**	**2,511,060,242**	**5,413,209,067**	**4,813,687,184**

STATEMENT OF FINANCIAL POSITION (Continued

	Notes	2026 UGX UCSCU MAIN	2026 UGX CFF	2026 UGX COMBINED	2025 UGX COMBINED
EQUITY AND LIABILITIES					
Equity					
Members share capital		488,753,082	-	488,753,082	480,052,517
Capital Grant		658,450,000	-	658,450,000	658,450,000
Donated capital		1,037,127,072	-	1,037,127,072	1,116,276,609
Revaluation reserves		99,100,000	-	99,100,000	99,100,000
Revenue reserves		2,128,000	192,460,891	194,588,891	194,588,891
Non-distributable reserves	**13**	222,567,256	-	222,567,256	222,567,256
Retained earnings		(957,455,504)	493,368,168	(464,087,336)	(447,952,481)
Total Equity		**1,550,669,906**	**685,829,059**	**2,236,498,965**	**2,323,082,792**

Extract from Audited Financial Statements For the Year ended 30th June 2026
"QUALITY SERVICES, QUALITY SACCOs"

Statement of Financial Position (Continued)

	Notes	2026 UGX	2026 UGX	2026 UGX	2025 UGX
Non-current Liabilities					
Deferred tax	**14**	141,227,432	-	141,227,432	133,004,587
Current Liabilities					
Deferred grants	**15**	413,096,106	-	413,096,106	64,630,903
Members' savings	**16**	-	1,524,690,830	1,524,690,830	1,359,888,010
Trade and other payables	**17**	903,516,903	148,149,350	1,051,666,253	887,076,987
Related party payables	**8b**	-	46,029,481	46,029,481	46,003,906
Total liabilities		**1,457,840,441**	**1,718,869,661**	**3,176,710,102**	**2,490,604,393**
Total Equity and Liabilities		**3,008,510,347**	**2,404,698,720**	**5,413,209,067**	**4,813,687,184**

The Financial Statements which appear on pages 12 to 17 were approved and authorized for issue by the Board members on _____ 2026 and were signed on its behalf by:

_____

Board Chairperson

_____

Treasurer

_____

Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2026 UGX UCSCU MAIN	2026 UGX CFF	2026 UGX COMBINED	2025 UGX COMBINED
Revenue	18	644,614,433	315,319,673	959,934,106	1,286,293,468
Cost of Sales	19	(1,866,210)	-	(1,866,210)	1,294,260
Gross Operating Income		**642,748,223**	**315,319,673**	**958,067,896**	**1,284,999,208**
External grant	18(e)	105,848,838	-	105,848,838	379,281,605
Total income		**748,597,061**	**315,319,673**	**1,063,916,734**	**1,664,280,813**
Expenditure					
Marketing, publicity and networking costs	20	44,020,649	-	44,020,649	60,437,604
Member development services	21	-	-	-	12,866,429
SACCO monitoring and technical support	22	154,636,150	-	154,636,150	163,536,750
Grant Expenditure	23	27,042,923	-	27,042,923	183,358,412
Institutional development and governance	24	147,756,569	-	147,756,560	363,987,260
General administration	25	112,667,109	104,806,087	217,473,196	236,672,714
Personnel costs	26	298,673,202	-	298,673,202	368,953,985
Finance costs	27	600,946	89,881,754	90,482,700	95,117,705
Depreciation expense	4	83,593,067	-	83,593,067	114,819,372
Total Expenditure		**868,990,615**	**194,687,841**	**1,063,678,456**	**1,599,750,231**
Net Deficit/Surplus Before Tax		**(120,393,554)**	**120,631,832**	**238,278**	**64,530,582**
Income Tax	14	(8,222,846)	-	(8,222,846)	(8,321,402)
Net Deficit/Surplus After Tax		**(128,616,400)**	**120,631,832**	**(7,984,568)**	**56,209,180**

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2026

	Members Share Capital	Grant Capital	Donated Capital	Share Transfer fund	Development fund	Statutory Reserves	Revenue & Revaluation Reserves	Retained Earnings	Total
	UGX	UGX	UGX	UGX	UGX	UGX	UGX	UGX	UGX
nce as at 1st July 2025	**480,052,517**	**658,450,000**	**1,116,276,609**	**55,641,803**	**55,641,803**	**111,283,609**	**293,688,891**	**(447,952,481)**	**2,323,082,751**
year adjustments	-	-	-	-	-	-	-	(8,100,000)	(8,100,000)
ement in Revenue rves	-	-	-	-	-	-	-	-	-
tional Member's re contributions	8,700,565	-	(79,149,538)	-	-	-	-	-	(70,448,973)
ined profit or loss for ear	-	-	-	-	-	-	-	(7,984,568)	(7,984,568)
ıs at 30 June 2026	**488,753,082**	**658,450,000**	**1,037,127,071**	**55,641,803**	**55,641,803**	**111,283,609**	**293,688,891**	**(464,037,049)**	**2,236,549,210**

Surplus before tax	238,278	64,530,582
Adjustments for:		
Depreciation expense (**Note 4a**)	35,918,415	43,310,969
Amortization **(Note 4b)**	47,674,652	71,508,403
Loss on de-recognized assets	-	(74,160)
Net cash flows before changes in Working capital	**83,831,345**	**180,506,956**
Working capital changes		
Change in Deferred Income on donated assets	(79,149,537)	(117,946,535)
Change in inventories	(1,033,790)	994,260
Change in receivables and advances	(766,501,244)	(209,122,206)
Change in prepayments	(5,956,962)	(932,891)
Change in members' deposits	164,802,820	24,508,196
Change in payables and accruals	164,589,266	(4,999,764)
Prior year adjustment	(8,150,287)	1,153,842
Net Cash flow used in operating activities	**(447,568,382)**	**(125,838,142)**
Cash flows from Investing activities		
Investment in Unit trust	510,000,000	(101,452,728)
Acquisition of fixed assets	-	(9,873,814)
SACCO Academy work in progress	-	(840,000)
Investments in National Cooperative Society	(1,000,000)	-
Proceeds from sale of fixed assets	-	750,000
Net cash flow used in investing activities	**509,000,000**	**(111,416,789)**
Cash flows from financing activities		
Proceeds from members' share contributions	8,700,565	17,399,435
Movement in deferred grant	348,465,203	(134,542,028)
Net cash flow used in financing activities	**357,165,768**	**(117,142,593)**
Net increase/(decrease) in cash and cash Equivalents	**418,597,386**	**(353,856,959)**
Cash and cash equivalents at start of year	219,427,302	573,284,261
Cash and cash equivalents at end of year	**638,024,688**	**219,427,302**

The notes on pages 18 to 38 form an integral part of these Financial Statements.
Report of the Independent Auditors – pages 9 to 11.



NOTES TO THE FINANCIAL STATEMENTS

Significant Accounting Policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied to the information presented, unless otherwise stated.

1.0 Reporting entity

The Union is incorporated under the Cooperative Societies Act Cap.107 of the Laws of Uganda. Its registration number is 2725 and is domiciled in Uganda.

2.0 Summary of significant accounting policies

a) Basis of preparation

The Financial Statements of Uganda Cooperative Savings and Credit Union Limited have been prepared in accordance with the International Financial Reporting Standards Accounting Standard and the requirements of the Co-operative Societies Cap 107 (as amended) and the Co-operative Societies Regulations 1992. The financial statements are presented in Uganda shillings (UGX) which is the functional as well as reporting currency and are prepared under the historical cost convention.

The preparation of Financial Statements in conformity with the IFRS Accounting Standard requires the use estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Union's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in **note 3.0.**

b) Sustainability of significant accounting policies

The International Sustainability Standards Board (ISSB) has issued IFRS S1 [General Requirements for Disclosure of Sustainability-related Financial Information] and IFRS S2 [Climate related Disclosures], which establish a framework for reporting sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect an entity's financial position, financial performance or cash flows.

As at the reporting date, these standards have not yet been formally adopted for mandatory application in Uganda. The Ugandan Regulator (the Institute of Certified Public Accountants of Uganda), has issued a roadmap with a phased implementation and transition to sustainability reporting as below:

Phase	Effective Date	Entities covered
Voluntary adoption	January 1, 2026	All entities (optional early adoption)
Mandatory – Phase 1	January 1, 2028	Listed entities, financial institutions, insurers, public utilities
Mandatory – Phase 2	January 1, 2029	Retirement Benefit Schemes, Large companies, other Public Interest Entities
Mandatory – Phase 3	January 1, 2030	SMEs

Accordingly, the Organization has not prepared sustainability-related financial disclosures in accordance with IFRS S1 and IFRS S2 within these financial statements. Management continues to monitor developments relating to the adoption of sustainability reporting frameworks and will consider the implications of these standards on the Organization's future reporting.

c) Going concern
Nothing has come to the attention of the Board to indicate that the Union will not remain in operation for the next twelve months from the date of this report. Therefore, the financial statements have been prepared on a going concern basis.

d) Statement of compliance
The financial statements of the Union have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standard and the requirements of the Cooperative Societies Act Cap 107 (as amended), and the Cooperative Societies Regulations1992

New or revised Standards or Interpretations
The accounting policies adopted are consistent with those used in the previous financial year. Changes from the following new or revised standards and interpretations, amendments to existing standards and interpretations and improvements to IFRS Accounting Standard that were effective for the current reporting year did not have material impact on the accounting policies, financial position or performance of the Union.

There were no new or revised standards.

e) Standards, Amendments and Interpretations to Existing Standards that are not yet effective and have not been adopted early by the Union

At the date of authorisation of these financial statements, there are certain new Standards, amendments and interpretations to existing Standards that have been issued but are not yet effective for the Union's reporting period. The Union has not early adopted these pronouncements.

Pronouncement	Effective date
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

The Union does not expect the adoption of the above pronouncement to have a material impact on the amounts recognised in the financial statements. However, IFRS 18 is expected to result in changes to the presentation and disclosure of financial performance when it becomes effective. The Union will continue to assess the impact of the new requirements and will adopt the applicable pronouncements when they become effective.

f) Revenue recognition
Income of the entity is recognized upon performance of services and or sale of goods, net of discounts, and Value Added Tax where applicable.
Interest income is recognized on a time proportion basis using the effective interest method.
Revenue interest earned on loans advanced to members and all other incomes are recognized on accrual basis.
The Union recognizes revenue at a point in time or over time, when (or as) the Union satisfies performance obligations by transferring the promised goods or services to its customers.
Interest income is accrued by reference to the time in relation to the principal outstanding and affective interest rate applicable.

g) Expenditure recognition
Expenditure is recognized when it is incurred.

h) Accounts payable
Accounts payable are recognized at fair value.

i) Translation of foreign currencies
The financial statements have been prepared in Uganda Shillings. Monetary assets and liabilities expressed in foreign currencies are translated into Uganda Shillings at the rate of exchange ruling at the balance sheet

date. Foreign currency transactions during the reporting year are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are charged to that statement of comprehensive income in the year which they arise.

j) Property, plant and equipment

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributed costs which have been incurred in bringing the assets to the present location and condition necessary for their intended service.

All property and equipment of the Union are stated at the historical cost value less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost of each asset over their expected useful lives using the reducing balance method and at the annual rates stated below:

	Class	Rate (%)
i	Data handling equipment	33.33
ii	Motor vehicles and cycles	25.00
iii	Furniture and fixtures	20.00
iv	Office and other equipment	20.00
v	Buildings	2.50

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of, the assets fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which, they are separately identifiable cash flows (Cash Generating Units).

k) Intangible Assets

UCSCU Management Information System refers to a system that was bought by UCSCU for the purposes of collecting data from its member SACCOs.

UCSCU Core Banking System is the system bought by the Union which is sold to SACCOs to help them in keeping their financials.

Intangible assets are initially recognized at cost and subsequently at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on straight line basis over three years.

l) Recognition, presentation and disclosure of donated property and equipment

The contributions made by the Government of Uganda towards the cost of acquiring equipment and refurbishment of the Unions Head office premises at Maganjo under the component of support to Apex Institutions, has been recognized as Donated capital and added to the total equity base of the Union.

The Government donated all assets which were acquired during the implementation of RFSP Programme to the Union. These assets have been recognized using modified historical cost (carrying value).

Recognition was in accordance with *IAS 20 accounting for Government Grants and Disclosure of Government Assistance.*

m) Funding by Government and other development partners

On 25th May 2015, a Memorandum of Understanding (MOU) was signed between the Union and the Government of Uganda through the Ministry of Finance, Planning and Economic Development under the PROFIRA Project to provide support to the Union as a vehicle to achieve its sustainability. This funding arrangement ran from the Financial Year 2014/15 to 2017/18.

o) IFRS 9 Financial instruments

IFRS 9, as issued on July 2014, reflects the completion of the phases of the IASB's work on the replacement of IAS 39 and applies to the classification and measurement of financial assets and financial liabilities, impairments as well as hedge accounting.

Classification and measurement of financial instruments

- *Financial assets*

Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics.
Equity securities are measured at fair value through profit or loss unless the entity chooses, on initial recognition, to present fair value changes in Other Comprehensive Income (OCI). This option is irrevocable and applies only to equity instruments, which are not held for trading. Unlike debt instruments, gains and losses in OCI are not recycled on sale and there is no impairment accounting. Derivatives are also measured at fair value through profit or loss. In comparison to IAS 39, there is no divergence of embedded derivatives for financial assets recorded at mortised cost or FVOCI. The de-recognition principles in terms of IAS 39 remain the same in IFRS 9.

- *Financial liabilities*

For liabilities designated at fair value through profit and loss, the change in the fair value of the liability attributable to changes in credit risk is presented in OCI. All other classification and measurement requirements in IAS 39 have been carried forward into IFRS 9.

- *Impairment of financial assets*

The expected credit loss model applies to debt instruments recorded at amortized cost or at fair value through other comprehensive income (such as loans, debt securities and trade receivables), lease receivables and most loan commitments and financial guarantee contracts.

Entities are required to recognize either 12 –month or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

The measurement of expected credit losses would reflect a probability-weighed outcome, the time value of money and reasonable and supportive information.

Effective date and transition

The standard applies to annual years beginning on or after 1 January 2018.

The Board has opted to apply the simplified approach for the trade receivables whereby lifetime expected credit losses are provided for from inception.

For the year under audit, the following simplified matrix was used by management to cater for IFRS 9:

Category	Amount	Probability of default	Impairment loss	Earlier provision	To Statement of Comprehensive Income – UGX
	UGX	%	UGX	UGX	

CFF		
Loan debtors-irrevocable (or Loss Given Default)	-	-
Loan debtors-irrevocable	**-**	**-**

p) Funding from Deutsche Sparkassenstiftung for International Kooperation.
UCSCU signed a project agreement with DSIK to implement the project 'Strengthening Financial Literacy and the Microfinance Sector in Uganda'. While the main scope of DSIKS's contribution to the project was technical assistance, financial assistance was also included for special measures including: capacity building activities, equipment for project partners, communication and other public relations activities, project planning and implementation.
N.B Part of the funding is used to pay off the project Trainers or managers.

q) Loans, bad and doubtful debts
Loans to members are carried at anticipated realizable values. However, provision for doubtful debts against loans advanced to members is stated after taking into account the insurable portions.

Bad debts are written off when all the reasonable steps to recover them have been taken without success. Nevertheless, the Union will continue with debt collection until the obligations have been paid or all means of collection have been exhausted. Bad debts are only written off when approved by the board.

r) Provisions, contingent assets and contingent liabilities
Provisions for legal disputes, onerous contracts or other claims are recognized when the Union has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Union and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are not recognized for future operating losses.
Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are discounted to their present values, where the time value of money is material.
Any reimbursement that the Union is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.
No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

s) Inventories

As per IAS 2, Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of the business less any applicable selling expenses. Costs of ordinary interchangeable items are assigned using the First In, First Out cost formula.

At the end of the reporting year, the entity has resale inventories in form of SACCO customized stationery. A write off has been made for slow moving and obsolete inventories.

t) Taxation

Current tax assets and liabilities

Current tax for the currents and prior year is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior years exceeds that amount due for those years, the excess is recognized as an asset, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding bases (known as temporary differences)

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future.

Deferred tax assets are recognized for all temporary differences that are expected to decrease taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.
The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current year. The tax currently payable is based on the taxable profit for the year. The rate of income tax that will be applied in measuring the current tax shall be the statutory 30% in accordance with the Income Tax Act (1997).

u) Cash and cash equivalents

For purposes of presenting the statement of cash flows, cash and cash equivalents compromise cash in hand and that in bank accounts run by the Union.

v) Investment in shares and fixed deposits

Investments in shares are measured at cost. These shares are not tradable on the stock exchange.

w) Members share capital contributions

Members share capital contributions are classified as member's equity.

x) Employees benefits

Retirement benefits obligation

The Union and its employees contribute to the National Social Security Fund (NSSF), which is a defined contribution scheme. The contributions are charged to the Statement of Comprehensive Income in the year to which they relate.

Dividends

Dividends on ordinary shares are charged to equity in the year in which they are declared. Proposed dividends are shown as separate component of equity until declared.

y) Statutory reserves

The Cooperative Societies Act Cap 107 and Cooperative Regulations 1992 require the Union to provide for the following statutory reserves:

Reserve	Rate	Basis	Reference	Comments
Education fund	1%	Year's surplus	Sec. 49 of Coop. Societies Act	Not applicable because Union is involved in training as a core activity
Share transfer fund	5%	Share capital	Reg. 43 of Coop. Societies Regulations	Implemented, the Union made a surplus

Development revolving fund	5%	Annual surplus	Reg. 36 of Coop. Societies Regulations	Implemented, the Union made a surplus
Statutory reserve fund	10%	Annual net surplus	Reg. 34 of Coop. Societies Regulations	Implemented, the Union made a surplus

Za) Comparatives
Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Zb) Operating segments
This is the sixth year in which the Union is applying IFRS 8 Operating Segments, whereby the financial statements disclose the operations of UCSCU Main from those of the CFF. The Board decided to do this in order to clearly distinguish the operations of the CFF from the operations of UCSCU main to enable users of the financial statements to better understand the operations of the two segments.
Each of these segments is managed using its own accounting system. All inter-segment transfers are carried out at arm's length based on prices charged to unrelated customers in stand-alone sales of identical goods and services.

3.0 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience of future events that are believed to be reasonable under the circumstances.

i) Critical accounting estimates and assumptions
Receivables
Critical estimates are made by the board in determining the recoverable amount of impaired receivables.

ii) Critical judgment in applying the entity's accounting policies
In the process of applying the Unions accounting policies, management has made judgment in determining:

- The classification of financial assets and whether assets are impaired

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. **a) Property and Equipment**

Particulars	Leasehold land	Buildings	Data handling equipment	Motor vehicle and motor cycles	Furniture and fittings	Office and other equipment	Total
Cost	**UGX**	**UGX**	**UGX**	**UGX**	**UGX**	**UGX**	**UGX**
As at 01 Jul 2025	606,300,000	929,899,462	90,058,558	172,439,497	105,509,025	65,989,112	1,970,195,654
As at 30 June 2026	**606,300,000**	**929,899,462**	**90,058,558**	**172,439,497**	**105,509,025**	**65,989,112**	**1,970,195,654**
Accumulated Depreciation							
As at 01 Jul 2025	-	243,635,197	69,163,395	147,401,656	84,853,765	58,954,419	604,008,432
Charge for the year	-	17,156,607	6,964,358	6,259,460	4,131,052	1,406,939	35,918,415
As at 30 June 2026	**-**	**260,791,804**	**76,127,753**	**153,661,116**	**88,984,817**	**60,361,358**	**639,926,847**
NBV as at 30 June 2026	**606,300,000**	**669,107,658**	**13,930,805**	**18,778,381**	**16,524,208**	**5,627,754**	**1,330,268,807**
NBV as at 30 June 2025	**606,300,000**	**686,264,265**	**20,895,163**	**25,037,841**	**20,655,260**	**7,034,693**	**1,366,187,222**

Extract from Audited Financial Statements For the Year ended 30th June 2026
"QUALITY SERVICES, QUALITY SACCOs"

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 b). Intangible Asset

Particulars	UCSCU MIS	UCSCU CBS	Total
Cost	**UGX**	**UGX**	**UGX**
As at 01 Jul 2025	158,950,000	235,220,000	394,170,000
As at 30 June 2026	**158,950,000**	**235,220,000**	**394,170,000**
Amortization			
As at 01 Jul 2025	88,298,491	162,833,249	251,131,740
Charge for the year	23,548,148	24,126,504	47,674,652
As at 30 June 2026	**111,846,639**	**186,959,753**	**298,806,392**
NBV as at 30 June 2026	**47,103,361**	**48,260,247**	**95,363,608**
NBV as at 30 June 2025	**70,651,509**	**72,386,751**	**143,038,260**

4 c). Work in progress-SACCO Academy*
This relates to the ongoing construction work at the Union`s SACCO Academy at Maganjo

	2026 UGX UCSCU main	2026 UGX CFF	2026 UGX COMBINED	2025 UGX COMBINED
UCSCU Sacco Academy under construction	403,161,131	-	403,161,131	403,161,131
Total	**403,161,131**	**-**	**403,161,131**	**403,161,131**

5.0 Investment in shares

Uganda Cooperative Transport Union	217,349	-	217,349	217,349
Uganda Cooperative Alliance	600,000	-	600,000	600,000
Cooperative Insurance Company	100,000,000	-	100,000,000	100,000,000
National Cooperative Savings Society	1,000,000	-	1,000,000	-
Total	**101,817,349**	**-**	**101,817,349**	**100,817,349**

6.0 Inventories

Printed stationery	17,305,751	-	17,305,751	16,271,961
Total	**17,305,751**	**-**	**17,305,751**	**16,271,961**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU main	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
7.0 Accounts receivable and advances				
Loan to member SACCOs	-	1,691,042,058	1,691,042,058	1,042,368,791
Loan fees receivable	-	-	-	-
Interest on loan advances	-	19,230,374	19,230,374	19,457,672
Stationery debtors	1,907,500	-	1,907,500	-
Staff salary advances	50,000	-	50,000	-
Other receivables	33,677,624	-	33,677,624	33,677,624
Total	**35,635,124**	**1,710,272,432**	**1,745,907,556**	**1,097,411,594**
Less; provision for bad debts/ loan loss	(35,585,124)	-	(35,585,124)	(35,585,124)
Interest on fixed deposit	-	449,623,599	449,623,599	331,618,317
Impairment of receivables	-	(67,204,456)	(67,204,456)	(67,204,456)
Net Accounts receivables and advances	**50,000**	**2,092,691,575**	**2,092,741,575**	**1,326,240,331**
8a) Related party receivables (Due from)				
Due from CFF to UCSCU	46,029,481	-	46,029,481	46,003,906
Total	**46,029,481**	**-**	**46,029,481**	**46,003,906**
8b) Related party payables (Due to)				
Due to UCSCU from CFF	46,029,481	-	46,029,481	46,003,906
Total	**46,029,481**	**-**	**46,029,481**	**46,003,906**
9.0 Prepayments				
VAT claimable	80,960,100	-	80,960,100	75,417,396
Prepaid Pastel Software costs	7,943,095	-	7,943,095	7,528,844
Total	**88,903,195**	**-**	**88,903,195**	**82,946,240**
10.0 Tax claimable				
Withholding tax prepaid	172,461,385	9,879,615	182,341,000	182,341,000
Total	**172,461,385**	**9,879,615**	**182,341,000**	**182,341,000**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU main	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
11.0 Cash and cash equivalents				
Stanbic bank (UCSCU main)	15,851,841	-	15,851,841	30,621,879
Equity bank - CRF	92,439,238	-	92,439,238	31,469,692
Centenary bank (CFF)	-	124,163,503	124,163,503	100,038,104
Stanbic bank - CBS	207,326,575	-	207,326,575	191,724
Stanbic bank-Training fund	186,299,831	-	186,299,831	47,531,725
Stanbic bank - aBi project	-	-	-	2,772
Stanbic bank - We Effect Project	11,943,700	-	11,943,700	9,571,406
Total	**513,861,185**	**124,163,503**	**638,024,688**	**219,427,302**
12.0 Short term Investments				
Fixed Deposit in UAP-CFF	-	284,325,549	284,325,549	927,252,482
Fixed Deposit in UAP-UCSCU	17,926,933	-	17,926,933	-
Fixed Deposit in Britam	115,000,000	-	115,000,000	-
Total	**132,926,933**	**284,325,549**	**417,252,482**	**927,252,482**
13.0 Non-distributable reserves				
Share transfer fund	55,641,803	-	55,641,803	55,641,803
Development revolving fund	55,641,803	-	55,641,803	55,641,803
Statutory fund	111,283,609	-	111,283,609	111,283,609
Total	**222,567,256**	**-**	**222,567,256**	**222,567,215**
14.0 Deferred tax				
Carrying amount (NBV) as at 30-Jun-2026	-	-	723,968,807	759,887,222
Tax base as at 30-Jun-2026	-	-	253,210,699	316,538,600
Temporary difference	**-**	**-**	**470,758,107**	**443,348,622**
Deferred tax asset/ liability at 30%	-	-	141,227,432	133,004,587
Deferred tax credit charge to profit or loss	**-**	**-**	**(8,222,846)**	**(8,321,402)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU main	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
15. Deferred grants				
Grant brought forward	64,630,903	-	64,630,903	199,172,931
Add;				
Grant received during the period	386,103,292	-	386,103,292	126,790,270
Less;				
Grant used during the period	(37,638,089)	-	(37,638,089)	(261,332,298)
Balance carried forward	**413,096,106**	**-**	**413,096,106**	**64,630,903**
16. Members' Saving				
Members' savings	-	1,359,888,010	1,359,888,010	1,335,379,814
Deposits/ Withdrawals for the period	-	164,802,820	164,802,820	24,508,196
Total		**1,524,690,830**	**1,524,690,830**	**1,359,888,010**
17. Trade and other payables				
VAT payable	324,152,082	-	324,152,082	305,729,094
PAYE and NSSF payable	200,444,500	-	200,444,500	180,658,789
Other payables	169,522,327	-	169,522,327	102,281,317
Gratuity payable	85,702,717	-	85,702,717	85,702,717
Interest payable on members' savings	-	82,536,184	82,536,184	65,770,087
CFF Credit protection fund	-	65,613,166	65,613,166	49,113,166
Salaries/ wages payable	49,798,395	-	49,798,395	29,443,854
Office rent payable	28,144,000	-	28,144,000	29,176,000
Repairs and maintenance payable	16,221,130	-	16,221,130	16,221,130
Unallocated bank deposits	17,690,000	-	17,690,000	12,390,000
Audit fees payable	8,970,000	-	8,970,000	8,970,000
Employees' SACCO deductions	2,871,752	-	2,871,752	1,620,833
Total	**903,516,903**	**148,149,350**	**1,051,666,253**	**887,076,987**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU main	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
18. a) CFF income/ revenue				
Income from investment in CFF				
Interest from loans to members	-	167,068,263	167,068,263	153,911,032
Interest earned from fixed deposits	-	115,251,410	115,251,410	111,696,922
Loan processing fees	-	33,000,000	33,000,000	27,833,334
Other income	-	-	-	3,666,667
Sub- total	**-**	**315,319,673**	**315,319,673**	**297,107,955**
18.0 b) Operating revenue				
Members' contributions				
Annual contribution	88,290,800	-	88,290,800	111,926,400
National Education Fund	7,924,225	-	7,924,225	146,567,359
Entrance fees	900,000	-	900,000	1,300,000
Sub-total	**97,115,025**	**-**	**97,115,025**	**259,793,759**
18. c) Business income				
PRE-AGM conference	81,550,000	-	81,550,000	47,950,000
Workshop training income	74,015,000	-	74,015,000	49,029,500
Income from SACCO academy	54,606,919	-	54,606,919	39,412,900
Income from core banking system	11,744,500	-	11,744,500	21,683,850
Consultancy/ training income	10,520,000	-	10,520,000	6,099,425
Sacco Exchange Visits	9,576,900	-	9,576,900	239,359,600
Customized training income	6,897,400	-	6,897,400	17,500,000
Sale of stationery - SACCOs	5,233,800	-	5,233,800	1,937,400
SACCO leaders/ managers forum	555,000	-	555,000	13,661,200
Total	**254,699,519**	**-**	**254,699,519**	**436,633,875**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU main	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
18. d) Other income				
30% contribution from CFF	88,592,126	-	88,592,126	86,657,695
Contributions towards Lobby & Advocacy activities	60,950,000	-	60,950,000	32,900,000
Women Mentorship Program	60,000,000	-	60,000,000	35,000,000
Collaboration with other entities (partnerships)	34,491,525	-	34,491,525	84,248,577
Hire of office facilities	26,356,368	-	26,356,368	28,253,117
Contribution towards ACCOSCA fees	19,656,000	-	19,656,000	25,624,330
Gain on disposal of assets	-	-	-	74,160
Sub-total	**290,046,019**	**-**	**290,046,019**	**292,757,879**
TOTAL	**644,614,433**	**315,319,673**	**959,934,106**	**1,286,293,468**
18. e) Grants income				
Deferred Grant Income on Donated Assets	79,149,538	-	79,149,538	117,946,535
Grants from Partners	26,699,300	-	26,699,300	261,335,070
Sub-Total	**105,848,838**	**-**	**105,848,838**	**379,281,605**
Total	**750,463,271**	**315,319,673**	**1,065,782,944**	**1,665,575,073**
19. Cost of Sales				
Opening inventory	16,271,961	-	16,271,961	17,266,221
Add purchases	2,900,000	-	2,900,000	300,000
Stationery available - sale	19,171,961	-	19,171,961	17,566,221
Less closing inventory	(17,305,751)	-	(17,305,751)	(16,271,961)
Cost of stock sold	**1,866,210**	**-**	**1,866,210**	**1,294,260**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU main	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
20. Marketing, publicity, and networking costs				
Lobbying and advocacy	27,280,406	-	27,280,406	21,644,000
MIS and Core banking systems expenses	16,660,243	-	16,660,243	31,915,604
Promoting business partnership	80,000	-	80,000	-
Advertising and publicity	-	-	-	3,278,000
Total	**44,020,649**	**-**	**44,020,649**	**60,437,604**
21. Member Development Services				
Voluntary supervision and technical support	-	-	-	12,866,429
Total	**-**	**-**	**-**	**12,866,429**
22. SACCO monitoring and technical support				
Workshop based training	45,177,500	-	45,177,500	37,165,200
Field and technical support services	37,012,650	-	37,012,650	44,308,500
Women Mentorship Program	34,950,000	-	34,950,000	20,739,720
SACCO Academy expenses	21,296,000	-	21,296,000	23,619,000
ACCOSCA forum expenses	15,600,000	-	15,600,000	21,794,330
Cost of holding the Leaders'/Managers' forum	600,000	-	600,000	9,500,000
Customized training	-	-	-	3,520,000
Consultancy training services	-	-	-	2,890,000
Total	**154,636,150**	**-**	**154,636,150**	**163,536,750**
23. Grant expenditure				
Activities under DSIK	25,856,623	-	25,856,623	63,041,640
We Effect Project	1,186,300	-	1,186,300	100,633,100
aBi Project expenditure	-	-	-	19,683,672
Total	**27,042,923**	**-**	**27,042,923**	**183,358,412**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU main	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
24. Institutional development and governance				
PRE-AGM expenses	60,468,500	-	60,468,500	47,049,500
AGM expenses	39,743,169	-	39,743,169	51,025,400
Board meeting and supervision expenses	33,898,000	-	33,898,000	26,485,000
SACCO exchange visits	9,646,900	-	9,646,900	204,327,320
Participation in national and international events	4,000,000	-	4,000,000	17,124,150
Training of Board and staff	-	-	-	15,040,490
Staff training and capacity building	-	-	-	2,935,400
Total	**147,756,569**	**-**	**147,756,569**	**363,987,260**
25. General Administration Expenses				
Fuel and lubricants	18,440,000	-	18,440,000	20,340,000
Premises Repair & maintenance	12,301,500	-	12,301,500	11,426,500
Repair and maintenance – vehicle	11,614,350	-	11,614,350	20,357,154
Communication costs	9,749,139	-	9,749,139	7,385,000
Consultancy fees	9,000,000	-	9,000,000	-
External audit fees	8,970,000	-	8,970,000	8,970,000
Software license and permits	8,028,844	-	8,028,844	8,388,300
Utilities	6,423,390	-	6,423,390	6,764,691
Annual subscriptions	5,994,466	-	5,994,466	6,314,000
Office Stationery & Consumables	5,673,820	-	5,673,820	9,709,000
Meetings and seminars	3,140,000	-	3,140,000	790,000
Property tax	2,652,569	-	2,652,569	2,407,860
Rent for regional offices	2,400,000	-	2,400,000	2,400,000
Repair and maintenance – equipment	1,089,000	-	1,089,000	3,907,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU MAIN	2026 (UGX) CFF	2026 (UGX) COMBINED	2026 (UGX) COMBINED
Insurance	2,386,827	-	2,386,827	-
Institutional Development	1,677,270	-	1,677,270	1,321,456
Staff welfare	1,300,000	-	1,300,000	1,355,000
Bank charges	953,934	352,475	1,306,409	2,031,222
Transport and travelling	872,000	-	872,000	2,542,000
30% contribution from CFF to UCSCU	-	88,592,126	88,592,126	86,657,695
Interest on Staff NSSFArrears	-	-	-	15,475,331
Taxation	-	15,861,486	15,861,486	9,319,955
Impairment of loans	-	-	-	8,810,550
Total	**112,667,109**	**104,806,087**	**217,473,196**	**236,672,714**

26. Personnel costs

Salaries – UCSCU main	271,521,092	-	271,521,092	335,412,706
10% NSSF UCSCU main	27,152,110	-	27,152,110	33,541,279
Total	**298,673,202**	**-**	**298,673,202**	**368,953,985**

27. Finance costs

Interest on members' savings	600,946	89,881,754	90,482,700	95,117,705
Total	**600,946**	**89,881,754**	**90,482,700**	**95,117,705**

28. Taxation

Surplus/(Deficit) before tax	(122,680,401)	120,631,832	(2,048,569)	64,530,582
Adjustment;				
Depreciation expense	83,593,067	-	83,593,067	114,819,372
Impairment of receivable	-	-	-	8,810,550
Condolences	1,300,000	-	1,300,000	1,355,000
Capital allowances	(63,327,901)	-	(63,327,901)	(71,048,977)
Non-taxable income	(237,616,011)	-	(237,616,011)	(723,323,941)
Chargeable income/ tax loss for the year	**(338,731,246)**	**120,631,832**	**(218,099,414)**	**(604,857,414)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2026 (UGX) UCSCU MAIN	2026 (UGX) CFF	2026 (UGX) COMBINED	2025 (UGX) COMBINED
Add; taxable loss b/f	(9,286,734,894)	285,505,898	(9,001,228,996)	(9,000,883,534)
Prior period adjustment	(8,100,000)	-	(8,100,000)	(345,462)
Tax loss c/f	**(9,294,834,894)**	**285,505,898**	**(9,009,328,996)**	**(9,606,086,410)**

29. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the organization if they have the ability, directly or indirectly, to control the organization or exercise significant influence over the organization in making financial and operating decisions, or vice versa, or if they and the organization are subject to common control. Related parties may be individuals or other entities.

Directors and Board members as related parties

The remuneration paid to Board of Directors, senior executives during the year was sufficient, reasonable and aligned to the long-term goals of the Union.

Board of Directors' Remuneration

In determining the remuneration of the of the Board of Directors, the Board is guided by the provisions in the Cooperative Societies Act, Cap 107 (as amended) and UCSCU bylaws.
The meeting attendance fee for Board and committee meetings are paid. Fees are paid in arrears.
The Board of Directors are entitled to re-imbursable expenses and sitting allowances.

Summary of Directors Compensation and other Board expenses

	2026	2025
Board & Committees Meeting Expenses	33,898,000	26,485,000
SUPBO Expense	-	-
Total	**33,898,000**	**26,485,000**

Remuneration of senior Management team

The remuneration packages and long-term incentives for senior Management team are determined along with other employees on the same basis and using the same qualifying criteria and is subject to an annual review process.
Remuneration for Staff and senior Management team is composed of;

a) a Monthly Salary;
b) Annual Performance incentives bonus which is paid after attaining set annual targets

The remuneration paid to the senior Management team and other employees during the year was sufficient, reasonable and aligned to the long-term goals Union.

The management of UCSCU did not receive a bonus during the year.

CFF has been identified as a Related Party since UCSCU and CFF are subject to common control. Notes 8a and 8b disclose the transactions between UCSCU main and CFF

30. Financial risk management objectives and policies

The Union has exposure to the following risks from its use of financial instruments.
The Union business activities involve over-seeing the Union development activities in the country and provision of savings and credit services to its members. These activities expose it to a variety of risks as listed

NOTES TO THE FINANCIAL STATEMENTS (Continued)

above. The Union overall risks management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects.

The policies and procedures established for this purpose are continuously benchmarked with industry best practices. Management is responsible for the assessment, management and mitigation of risk in the Union. The Union does not hedge any risk.

(i) Credit risk

Credit risk refers to the risk that the Union will default on its contractual obligations resulting in financial loss to the Union. The Union credit risk is primarily attributable to amounts due from loans and trade receivables as well as cash equivalents.

The estimate of the risk is based on prior experience; existing financial and economic factors faced by the borrowers and exit options available. Individual risk limits are in accordance with limits set by the board based on the internal and external ratings. The amount that best represents the Union maximum exposure to credit risk as at 30 June 2026 is made up as follows:

Financial Asset	Fully performing	Past due date	Impaired	Total
	UGX	**UGX**	**UGX**	**UGX**
Bank balances	638,024,688	-	-	638,024,688
Accounts receivable	2,092,741,575	-	-	2,092,741,575
Total	**2,730,766,263**	**-**	**-**	**2,730,766,263**

Cash and cash equivalents are fully performing. The accounts receivables have been stated net of appropriate write-offs and provisions.

(ii) Market risk

- **Price risks**

The Union does not hold any financial instruments subject to price risk.

- **Cash flow and fair value interest rate risks**

The Union did not have any financial liabilities that bear interest at floating interest rates which could have exposed its cash flows to interest rate risks.

(iii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and other availability of funding from adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the finance department maintains flexibility in funding its activities. Management monitors rolling forecasts of the Union liquidity reserve on the basis of expected cash flow.

(iv) Capital risk management

The Union's objectives when managing capital are to safeguard the Union's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the costs of capital.

31. Sensitivity assessment

The risks detailed above are sensitive to changes in the economic and market conditions in the country.

The likelihood of occurrence of credit risks, market risk, liquidity risk and capital risk management is highly dependent on a number of factors,

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Stability of the national inflation rate

At a stable rate of inflation, the magnitude of the above-mentioned risks is mitigated by the financial management practices and policies of UCSCU such as investment in fixed interest securities, maintenance of a liquidity threshold and use of an Expected Credit Loss (ECL) provision as directed by IFRS 9. In case of volatility in the inflation rate however, the likelihood of the risks identified is considerably higher as the controls and policies in place are no-longer able to mitigate the impact of volatility in higher levels of inflation.

Stability of the reporting currency (Uganda Shilling) against foreign currencies

The risks identified are not affected significantly by possible changes in the valuation of Uganda Shillings against foreign currencies as UCSCU maintains all its cash and cash equivalent in Uganda Shilling accounts. Furthermore, the financial instruments exposed to forex risk are all denominated in the reporting currency.

32. Fair value hierarchy

IFRS 13 and IFRS 7 specify a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the union market assumptions. These two types of inputs have created the following fair value
hierarchy:s

— Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges and exchanges traded derivatives like futures.

— Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The sources of input parameters like LIBOR yield curve.

— Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. The union considers relevant and observable market prices in its valuations where possible.

33. Contingent liabilities

There were no contingent liabilities as at 30 June 2026 from which material loss would be anticipated.

34. Events after the reporting period

The Union has evaluated the subsequent events through the date of signing these financial statements and there were no events to be disclosed or reported during the period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. Computation of capital allowances on depreciable business assets

Industrial Building Allowance			
Qualifying Asset	**Cost Base**	**%Rate**	**Amount claimable**
Head office Buildings	929,899,462	5%	46,494,973
Total	**929,899,462**		**46,494,973**

36. Wear and Tear Allowance:

Name of Asset	**Head office Building**	**Data Handling Equipment**	**Motor Vehicles & Cycles**	**Furniture & Fixtures**	**Office & other Equipment**	**Total**
Class	**IBA**	**I**	**II**	**III**	**IV**	
% Rate	**5%**	**40%**	**30%**	**20%**	**20%**	
T.W.D.V as at 01-Jul-2025	256,302,215	15,944,928	15,966,650	21,023,617	7,301,191	316,538,600
Initial Allowance (50%)						
Qualifying Cost	**256,302,215**	**15,944,928**	**15,966,650**	**21,023,617**	**7,301,191**	**316,538,600**
W&T Allowance for the year	(46,494,973)	(6,377,971)	(4,789,995)	(4,204,723)	(1,460,238)	(63,327,901)
T.W.D.V as at 30-Jun-2026	**209,807,242**	**9,566,957**	**11,176,655**	**16,818,893**	**5,840,953**	**253,210,699**

Summary	
Initial Allowance	-
Industrial Building Allowance	-
Wear and Tear Allowance	63,327,901
Total Capital Allowances claimable	**63,327,901**

UGANDA COOPERATIVE SAVINGS AND CREDIT UNION LIMITED FY2026/2027 BUDGET PROJECTION FROM JULY 2026 TO JUNE 2027

PARTICULARS	APPROVED BUDGET 2025/2026	ACTUAL PERFORMANCE JULY 2025 - JUNE 2026	PROJECTED BUDGET 2026/2027
PROJECTED REVENUE			
CFF Income			
Interest on CFF Loans	160,000,000	167,068,263	209,117,627
Loan Processing fees	30,000,000	33,000,000	30,000,000
Fixed Deposit interest	120,000,000	115,251,410	120,000,000
Other Income	3,500,000		3,500,000
Sub Total	**313,500,000**	**315,319,673**	**362,617,627**
			-
Projected CFF Expenditure			-
Interest on Members' Deposits	105,000,000	82,536,184	100,000,000
Contribution to the Union`s expenditure(30% of total income)	93,000,000	88,592,126	95,000,000
Taxation Charges	15,000,000	15,861,486	16,000,000
Adminitration expenses	20,000,000	352,475	20,000,000
Total Expenditure	**233,000,000**	**187,342,271**	**231,000,000**
Projected Surplus/Deficit	**80,500,000**	**127,977,402**	**131,617,627**
Operational Self Sufficiency	**135%**	**168%**	**157%**

UCSCU MAIN BUDGET 2025/2026

PARTICULARS	APPROVED BUDGET 2025/2026	ACTUAL PERFORMANCE JULY 2025 - JUNE 2026	PROJECTED BUDGET 2026/2027
PROJECTED REVENUE			
Members Subscription & Statutory Contributions			-
Entrance Fees	2,000,000	900,000	2,000,000
Annual Contributions	150,000,000	88,290,800	188,500,000
National Educations Fund	170,000,000	7,924,225	75,000,000
Sub Total	**322,000,000**	**97,115,025**	**265,500,000**
			-
Business Income			-
Gross Income from stationery sales	2,000,000	5,233,800	6,000,000
Customised Training Income	23,000,000	6,897,400	25,000,000
Workshop Based Training Income	52,000,000	74,015,000	64,000,000
Consultancy & Technical Services	50,000,000	10,520,000	50,000,000
Income from the SACCO Academy	45,000,000	54,606,919	50,000,000
Managers /Leaders Forum	34,000,000	555,000	34,000,000

PARTICULARS	APPROVED BUDGET 2025/2026	ACTUAL PERFORMANCE JULY 2025 - JUNE 2026	PROJECTED BUDGET 2026/2027
Pre-AGM Conference Income	50,000,000	81,550,000	54,000,000
Income from Core Banking System	36,000,000	11,744,500	38,000,000
Sacco Exposure Visits	250,000,000	9,576,900	-
Income from Leadership Summit	-	-	250,000,000
Income from Women Mentorship Program	35,000,000	60,000,000	67,500,000
Sub Total	**577,000,000**	**314,699,519**	**638,500,000**
			-
Other Income			**-**
External Strategic Partners	115,000,000	34,491,525	100,000,000
Hall Hire/Rent income/income from investments/Other income	24,000,000	26,356,368	23,000,000
Contribution from CFF 30% of CFF income)	93,000,000	88,592,126	95,000,000
Contribution towards lobby & Advocacy activities & Accosa dues	-	60,950,000	60,000,000
Sub Total	**232,000,000**	**210,390,019**	**278,000,000**
Total Internal Revenue	**1,131,000,000**	**622,204,563**	**1,182,000,000**
GRANT	**300,000,000**	**27,199,132**	**300,000,000**
TOTAL REVENUE	**1,431,000,000**	**649,403,695**	**1,482,000,000**
			-
BUDGETED EXPENDITURE			
COST OF FUNDS			**-**
Grant Expenditure	**120,000,000**	**27,199,132**	**200,000,000**
BUSINESS DEVELOPMENT SERVICES			**-**
Cost of stationery for sale	1,300,000	1,866,210	2,500,000
Marketing, Publicity and rebranding	5,000,000		5,000,000
ICT Expenditure incl.MIS & CBS	18,000,000	16,660,243	18,000,000
Promoting Business Partnerships	5,000,000	80,000	5,000,000
Monitoring,Evaluation and Research	2,000,000		2,000,000
Lobby and advocacy Expenses	20,000,000	27,280,406	40,000,000
Sub Total	**51,300,000**	**45,886,859**	**72,500,000**
			-
SACCO TRAINING AND TECHNICAL SERVICES			
Field and technical Assistance including AGMs of SACCOs	45,000,000	37,012,650	42,000,000
Customised Training Expenses	13,800,000		12,500,000
Workshop Based training Expenses	31,200,000	45,177,500	31,000,000
Training Contract/Consultancy services	15,200,000		15,000,000
Managers/Leaders Forum	20,400,000	600,000	20,500,000
Contribution towards aBi Activities		-	-
SACCO Academy Expenses	27,000,000	21,296,000	25,000,000
National Leadership Summit			125,000,000

PARTICULARS	APPROVED BUDGET 2025/2026	ACTUAL PERFORMANCE JULY 2025 - JUNE 2026	PROJECTED BUDGET 2026/2027
Women Mentorship Program expenses	21,000,000	34,950,000	35,000,000
Sub Total	**173,600,000**	**139,036,150**	**306,000,000**
			-
MEMBER DEVELOPMENT SERVICES			**-**
Membership Sensitization, on site education and Net working activities	10,000,000		10,000,000
Peer to Peer(Board, Supco, Mgt) voluntary supervision and technical support	10,000,000		10,000,000
Total	**20,000,000**	**-**	**20,000,000**
INSTITUTIONAL DEVELOPMENT			**-**
Board and SUPCO Expenses	35,000,000	33,898,000	35,000,000
Specialised Training for Board and mgt	10,000,000		10,000,000
Training & capacity building of Staff	10,000,000		10,000,000
Policy Development/ Review & Printing	3,000,000		4,000,000
Participation in National & International Events	18,000,000	19,600,000	35,000,000
Sacco Exposure Visit	187,500,000	9,646,900	5,000,000
Pre-AGM Sacco Conference	45,000,000	60,468,500	45,000,000
AGM Expenses	52,000,000	39,743,169	52,000,000
Support to ESG & CRS activities	10,000,000		20,000,000
Sub Total	**370,500,000**	**163,356,569**	**216,000,000**
			-
GENERAL ADMINISTRATION			**-**
Subscription to Affiliate Bodies	6,500,000	5,994,466	7,000,000
System Software Licence -Pastel	7,900,000	7,528,844	8,443,500
Annual lincense and Permit	500,000	500,000	500,000
Travel and Transport	3,000,000	872,000	3,000,000
External Audit Services	9,000,000	8,970,000	9,000,000
Office Stationery & consumables	10,000,000	5,673,820	10,800,000
Secretarial Services	2,000,000	1,677,270	2,000,000
Postage and Courier Services	135,000		135,000
Communication	7,500,000	9,749,139	10,800,000
Staff Meeting , workshops and seminars	3,000,000	3,140,000	4,000,000
Staff welfare and Team building	5,000,000	1,300,000	5,000,000
Utilities (Water, Electricity)	7,000,000	6,423,390	9,600,000
Repairs, Cleaning and mantainance of premises	13,000,000	12,301,500	14,200,000
Equipment repairs & maintenance	5,000,000	1,089,000	5,000,000
Repairs and Maintenance of Vehicles	15,000,000	11,614,350	30,000,000
Insurance	7,000,000	2,386,827	7,000,000
Fuel & Lubricants	20,400,000	18,440,000	30,000,000
Security Services	3,000,000	-	3,000,000
Office Rent - 4 Regions	2,400,000	2,400,000	2,400,000

PARTICULARS	APPROVED BUDGET 2025/2026	ACTUAL PERFORMANCE JULY 2025 - JUNE 2026	PROJECTED BUDGET 2026/2027
Regional office expenses	1,200,000		1,200,000
Depreciation & amortisation	85,593,067	83,593,067	70,000,000
Consultancy expenses	6,000,000	9,000,000	6,000,000
Bank Charges	2,500,000	953,934	2,500,000
Property tax	2,407,860	2,652,569	3,000,000
PROVISIONS & WRITE-OFFS			
Impairment of Receivables	5,000,000		5,000,000
Interest on Staff NSSF arrears	5,000,000		5,000,000
Sub Total	**235,035,927**	**196,260,176**	**254,578,500**
PERSONNEL EXPENSES			**-**
Salaries &Wages	**315,931,092**	**271,521,092**	**315,931,092**
NSSF - 10%	**31,593,108**	**27,152,110**	**31,593,108**
Staff Incentive pay			
GPA Insurance			**5,000,000**
Sub Total	**347,524,200**	**298,673,202**	**352,524,200**
TOTAL RECURRENT EXPENDITURE	**1,197,960,127**	**843,212,956**	**1,221,602,700**

SUMMARY BUDGET PERFORMANCE REPORT AS AT 30TH JUNE 2026

A. CENTRAL FINANCE FACILITY			
PARTICULARS	**APPROVED BUDGET 2025/2026**	**ACTUAL PERFORMANCE JULY 2025 - JUNE 2026**	**PROJECTED BUDGET 2026/2027**
Total Internally Generated Revenue	313,500,000	315,319,673	362,617,627
Total Recurrent Expenditure Excluding Investments	233,000,000	187,342,271	231,000,000
OPERATIONAL SELF-SUFFICIENCY	**135%**	**168%**	**157%**
			-
B. UCSCU MAIN PERFORMANCE(EXCLUDING CFF)			
Total Internal Generated Revenue	1,131,000,000	622,204,563	1,182,000,000
Total Recurrent Expenditure Excluding Investments	1,197,960,127	843,212,956	1,221,602,700
OPERATIONAL SELF-SUFFICIENCY	**94%**	**74%**	**97%**
			-
C. OVERALL PERFORMANCE-UCSCU and CFF -			
Total Internal Generated Revenue	1,444,500,000	937,524,236	1,544,617,627
Total Recurrent Expenditure Excluding Investments	1,430,960,127	1,030,555,227	1,452,602,700
OPERATIONAL SELF-SUFFICIENCY	**101%**	**91%**	**106%**

Summary of the Member Feedback from the satisfaction survey



1. The 2025 Member Satisfaction Survey showed strong member confidence in UCSCU. 95.7% of participating SACCOs reported benefiting from UCSCU services, while 97.8% were likely or very likely to recommend UCSCU.
2. Members particularly valued **lobbying and advocacy, education and training, collective representation, technical assistance and networking.** They recognised UCSCU's important role in bringing SACCOs together and providing a collective voice for the cooperative sector.
3. Members also highlighted areas where they would like UCSCU to improve: **more affordable and accessible services, greater regional reach, faster communication and response, stronger follow-up after interventions, and enhanced digital and financing solutions.**
4. Looking ahead, members expressed strong demand for support in **governance, credit and delinquency management, risk management, financial management, internal audit and product development.**
5. The message from members is clear: they value what UCSCU does and want us to bring that value **closer, faster and more affordably.**

Overall, the feedback confirms that UCSCU remains highly valued by its members. The key message from members is not simply that UCSCU should provide more services, but that existing services should be made more accessible, timely, affordable, responsive and consistently followed through.

UGANDA COOPERATIVE SAVINGS AND CREDIT UNION (UCSCU)
PROPOSED AMENDMENTS OF THE UCSCU BYLAWS-2026

S/No.	CURRENT ARTICLE	PROPOSED AMENDMENT	JUSTIFICATION
1.	**ARTICLE 1: APPLICABLE LAW** a) The byelaws are made under the overriding authority of the Uganda Cooperative Societies statute 1991 and the Uganda Cooperative Societies Regulations 1992, herein after the respectively as the statute and the regulations	**ARTICLE 1: APPLICATION LAW** a) The byelaws are made under the overriding authority of the Uganda Cooperative Societies Act CAP 107 as amended and the Uganda Cooperative Societies Regulations 1992.	1. The amendment of this article will allow the Union to comply with the Cooperative societies Act CAP 107 as amended
2.	ARTICLE 16: STRUCTURE c) The Supervisory committee.	ARTICLE 16: STRUCTURE c)The Supervisory Board	The amendment of this article will allow the Union to comply with the Cooperative societies Act CAP 107 as amended.
3.	**ARTICLE 17: GENERAL MEETING** a) Subject to the Statute, Regulations and Byelaws, a General Meeting is the Union's main governing body with the most comprehensive powers to address the Union's business; b) On expiry of the two - year term, outgoing delegates shall be eligible for re-election,	**ARTICLE 17: GENERAL MEETING** a) Subject to the Cooperative Societies Act CAP 107 as amended, Regulations and Byelaws, a General Meeting is the Union's main governing body with the most comprehensive powers to address the Union's business; b) On expiry of the (4) four - year term, outgoing delegates shall be eligible for re-election,	The amendment of this article will allow the Union to comply with the Cooperative societies Act CAP 107 as amended.
4	**ARTICLE 22: NOMINATION TO THE BOARD AND SUPERVISORY BOARD** a) Three (3) months before the Union's Annual General Meeting, persons interested in serving on the Union's Board and Supervisory Committee shall indicate their interest in writing.	**ARTICLE 22: NOMINATION TO THE BOARD AND SUPERVISORY BOARD** a) Persons interested in serving on the Union's Board and Supervisory Board shall indicate their interest in writing and shall be vetted according to the vetting criteria set by the Union from time time	The amendment of this article will allow the Union to comply with the Cooperative societies Act CAP 107 as amended.

5	**ARTICLE 26: AUTHORITY - CONSTITUTION NORMS**	**ARTICLE 26: AUTHORITY - CONSTITUTION NORMS** Replace article 26 as follows; a) The Board shall be responsible for overall direction of the Union and the determination of its policies. b) The Board shall consist of 9 (Nine) members who shall include; i. Chairperson, ii. Vice Chairperson, iii. Treasurer, and iv. 4 (Four) other Board members each representing/from one of the Union's constituent geographical regions of Western, Central, Northern and Eastern; v. At-least two females represented on the Board c) No member SACCO shall have more than one person on the Board.	This article's amendment is aimed at expanding the Board to; 1. Have a bigger pool of knowledge on the board; 2. Ensure regional balance and mobilization of SACCOs will be made easy; 3. Bring out the sense of inclusiveness and working together-the core principle of cooperatives.
6.	**ARTICLE 29: BOARD MEETINGS** (c) The Board may also meet at the request of any of the 5 (five) Board Members by written notice of the meeting notified at least 5 (Five) days in advance, and stating the Agenda.	**ARTICLE 29: BOARD MEETINGS** Replace (c) with; The Board may also meet at the request of any of the 7 (seven) Board Members by written notice of the meeting notified at least 5 (Five) days in advance, and stating the Agenda.	The expanded Board and its quorum to call or hold meetings in certain circumstances.
7.	**ARTICLE 30: QUORUM** 5 (Five) Board members shall be required as quorum for the Board meeting. Unless otherwise delegated by the Board, all documents and contracts shall be signed on behalf of the Union by any of the following in accordance with the policies. - Chairperson - Chief Executive Officer	**ARTICLE 30: QUORUM** 7 (seven) Board members shall be required as quorum for the Board meeting. Unless otherwise delegated by the Board, all documents and contracts shall be signed on behalf of the Union by any of the following in accordance with the policies. (i) Chairperson. (ii) Chief Executive Officer (CEO).	Quorum expanded because of expanded Board members
8.	**ARTICLE 39: VACANCIES** Until a member is appointed on the Board or Supervisory Committee at the next General Meeting, the Board or Supervisory Committee shall appoint from member of the Union who meets the qualifications to fill any vacancy occurring on the Board or Supervisory Committee within 30 (Thirty) days by vote of a simple majority of the remaining Board members. The Board or Supervisory Committee shall appoint these members independently.	**ARTICLE 39: VACANCIES** Until a member is appointed on the Board or Supervisory Board at the next General Meeting, the Board or Supervisory Board shall co-opt from members of the Union who meets the qualifications to fill any vacant position occurring on the Board or Supervisory Board within 30 (Thirty) days by vote of a simple majority of the remaining Board members. The Board or Supervisory Board shall appoint these members independently but present them to the Annual General Meeting for ratification.	

Prepared by: **Dr. Sylivester Ndiroramukama**
Chief Executive Officer

Special appreciation to our partners below

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- Loan protection fund 1.5%
- Interest rate pa from 13.5 %
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- Loan monitoring fees 0.5% of principal amount
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