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1.0 STRATEGIC PRINCIPLES OF THE SCHEME

Vision:

A Society of dignified retired citizens.

Mission:

Provision of retirement benefits services through efficient management and investment of Members' fund for quality life.

Values:

The Core values of Parliamentary Pension Scheme are:

- Diligence
- Transparency and Accountability
- Integrity
- Courtesy and Fairness
- Teamwork.

Strategic Objectives:

- To realize a net replacement ratio of 65% for members after 15 years of continuous service.
- To ensure 100% asset coverage for Scheme liabilities by 30th June 2016.
- To prudently invest the Scheme Funds to realize an average after tax return of 11.5% per annum.
- To ensure 95% compliance with corporate governance best practices by 30th June 2016.
- To strengthen management capacity to offer quality services in line with expectations of stakeholders by 30th June 2016.

2.0 FINANCIAL HIGHLIGHTS

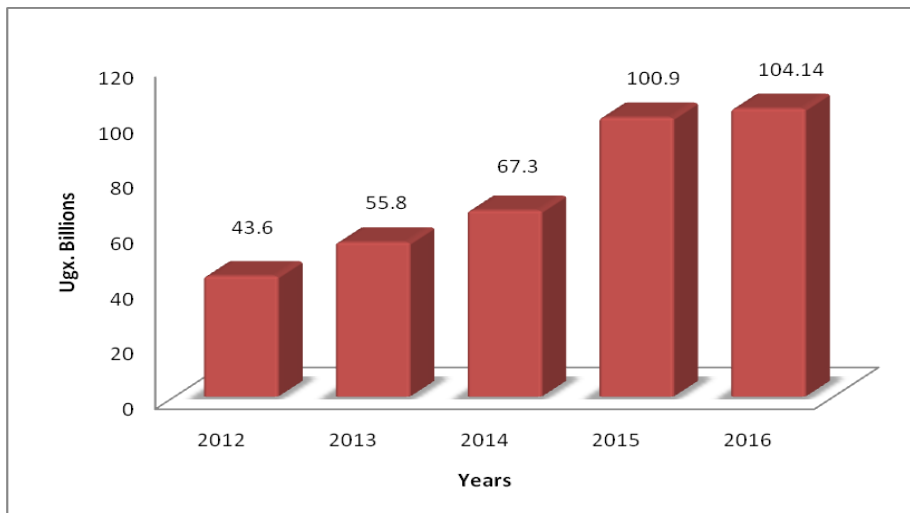


Figure 1: Scheme Assets

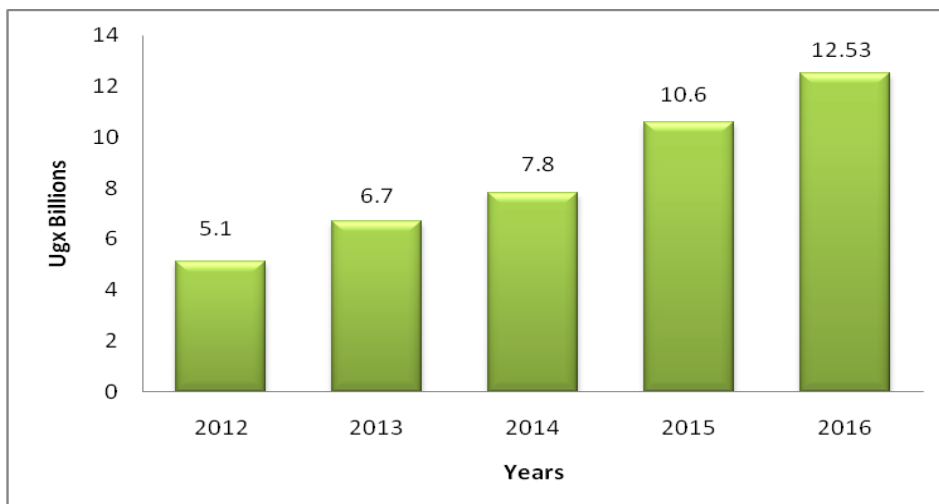


Figure 2: Investment Income

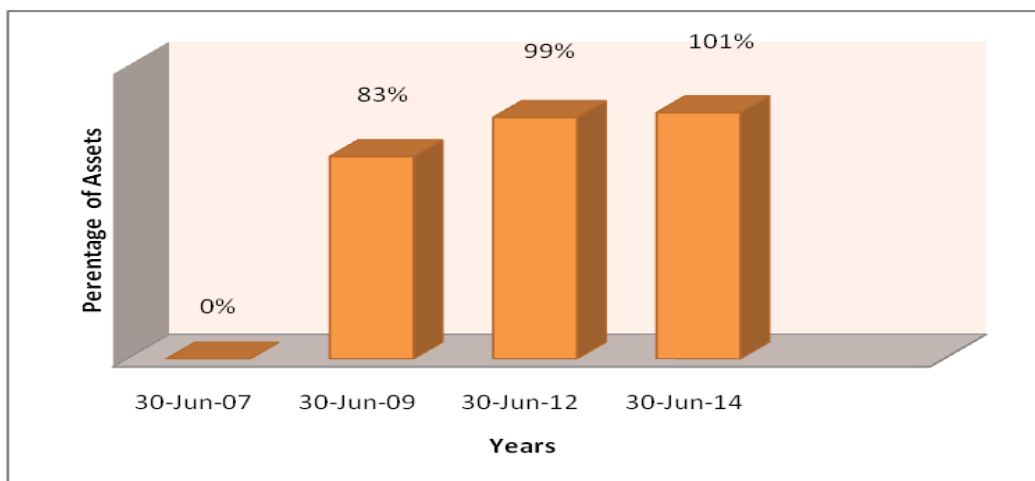


Figure 3: Funding Level

3.0 MEMBERS OF THE BOARD



Hon. Mary Paula Turyahikayo
CHAIRPERSON



Hon. Aston Kajara



Hon. Rose Akol Okullu



Hon. Roland Mugume



Hon. Sarah Nansubuga
Nyombi.



Mr. Makata Aloysius



Mr. Karyaijah Ngabirano J.



Jane L. Kibirige (Mrs.)
Chief Executive Officer

4.0 MANAGEMENT AND SERVICE PROVIDERS

Management:

Name

Jane Lubowa Kibirige (Mrs.)
Mr. Maurice O. Odiembo
Mr. Patrick Owere

Role

Chief Executive Officer
Chief Operations Manager
Finance Manager

Service Providers:

Fund Manager

African Alliance, Uganda Ltd.
1st Floor, Workers House,
P O Box 70828, KAMPALA.

Custodian

KCB Bank Uganda Ltd.
Commercial Piazza,
Plot 7, Kampala Road,
P O Box 7399, KAMPALA.

Auditor

Auditor General
P O Box 7083, KAMPALA.

Actuarial Services

ARGEN Actuarial Solutions Ltd,
39 President Street, Kroonstad,
SOUTH AFRICA.

Bankers

Centenary Bank,
Corporate Branch,
P O Box 1892, KAMPALA.

Standard Chartered Bank,
Plot 5, Speke Road,
P O Box 7111, KAMPALA.

Legal Services

Department of Legal & Legislative
Services, Parliamentary Commission,
P O Box 7178, KAMPALA.

Registered Office

Development House, Room G 10,
P O Box 7178, KAMPALA, UGANDA.

5.0 CHAIRPERSON'S STATEMENT

I am delighted to report that your fund registered positive performance in the financial year ended 30th June 2016.

The assets of the Scheme grew from UgX. 100.87 billion to UgX. 104.14 billion. The Scheme registered a mild growth due to massive payout made to exiting members in the last quarter of the financial year.

The Board of Trustees would like to sincerely thank the Parliamentary Commission for having facilitated the review of the of contribution structure for Members of Parliament which led to an increase in members' contributions.

The Investment Income before tax posted a slight increase from UgX. 10.56 billion to UgX.12.54 billion representing a growth of 18.7% compared to 35.8% in 2014/15. The reduced rate of growth is attributed to unfavourable changes in the market and the massive payouts of benefits. The benefits paid out amounted to UgX. 38.49 billion compared to UgX. 1.26 billion paid out last year. However, even with the massive exit of members towards close of year, the Fund posted a reasonable return on average investable fund of 12.47% before tax and a 10.08% after tax.

The Board remains focused and committed to superior service delivery that increases performance of the Scheme for the benefit of members. We have continued to pursue such strategies that are responsive to our members' expectations. This was evident in the amendments to the Parliamentary Pensions Act that were passed in 2015.

Operating Environment

The global economic growth was moderately slow at 3.1%¹, with growth in emerging economies subdued on account of the declining commodities prices, slow growth in the emerging markets and lower oil prices for oil exporting countries. The global growth remained weak despite very stimulatory monetary policies.

Sub-Saharan Africa, expected to realize growth of 3.0 %² in 2016 compared to 3.5%³ in 2015 due to sharp decline in the oil prices and decline in commodity prices, and the drought in many parts of the region.

East African economies experienced mixed growth due to rise in inflation, falling commodity prices and weakening currencies. The economic growth for Uganda was 4.6%⁴, Kenya 5.6%⁴, Tanzania 7.0%⁴ and Rwanda 6.9%⁴.

¹ African Development Bank – African Economic Outlook 2016

² Performance of the Economy, June 2016

³ World Economic and Financial Survey – IMF Report, April 2016

In Uganda, inflation at the end of the Financial Year was 6.6%, while the shilling lost 14.5% to the US dollar. The Uganda Securities Exchange local index registered 19.4% ahead of the regional markets. However the All Share Index (ALSI) was -14.47%. The 91-day Treasury Bills registered an average interest rate of 14.51% during the year under review.

In Kenya, inflation was 5.0% at the close of the Financial Year while the Kenya shilling lost 2.5% to the US dollar. The Nairobi Securities Exchange All share Index was -14.48% with the 91-day Treasury bills posting an average yield of 7.2%. The local share index was -25.79%.

In Tanzania, the ALSI was -8.98% while the Local Share Index (LSI) was -20.88%.

In Rwanda, the ALSI was -4.10% while the LSI was -35.28%. The Macroeconomic indicators for the East Africa region depicted a reduced economic growth generally.

Outlook

The global economic environmental outlook remains cautious due to slow down in the emerging markets and oil producing countries.

The Sub-Saharan Africa's growth was projected at 3.0 % but is expected to pick up to 4.1%⁵ in 2017 which will be driven by gradual improvements in regional largest economies and with the stabilization of commodity prices.

Prospects of growth remain good for the East African countries. With growth continuing in infrastructure Sector and reforms by individual governments, the trend is likely to be maintained in 2017. Kenya has projected growth at 6.4%⁶; Tanzania at 7.2%⁶ and Rwanda at 7.2%⁶.

The economy of Uganda is projected to expand at 4.6%⁷ which is lower than the 5%⁷ projected last year. The lower growth can in part be attributed to the slow execution of public investments; the relatively tight monetary policy stance which is aimed at reining the inflationary pressures.

The reforms in the retirement benefits sector are still expected to take place once the stakeholder consultations are completed.

⁴ Bank of Uganda – State of the Economy, June 2016

⁵ World Bank Report June, 2016

⁶ African Development Bank – African Economic Outlook 2016

⁷ Monetary Policy Report June, 2016

In order to ensure long term cost effectiveness, the Scheme will continue to incur some additional costs to deliver strategic priorities. More specifically the Scheme will invest in an improved pension administration platform to support efficient and effective service delivery to the members.

Appreciation

As we grow from strength to strength, we would like to thank our members for their support. We are committed to improve on effective engagement with you as we approach life outside Parliament.

We sincerely appreciate the continued support of the Government of Uganda and Parliamentary Commission in strengthening the benefits structure and operational capacity of the Scheme. The Commission provided additional office space and continuously incorporates the Scheme into its Equipment and Infrastructure maintenance plan which has gone a long way in increasing the operational capacity and service delivery to members. In addition, the Commission has continued to provide Human Resource, Legal and procurement services to the Scheme which would otherwise have been very expensive.

I would like to express my gratitude to my colleagues on the Board of Trustees for their support and commitment to good governance of the Scheme.

Our gratitude is also extended to Uganda Retirement Benefits Regulatory Authority, service providers and business partners for their contribution to the Scheme's success over this period.

Finally, I take this opportunity to sincerely thank Management and Staff of Parliamentary Pension Scheme for their dedication, loyalty and commitment to excellent service in all areas of operation.

.....
MARY PAULA TURIAHIKAYO (MP)
CHAIRPERSON

6.0 The Board of Trustee's Report

The Board of Trustees, Parliamentary Pension Scheme, presents its Annual Report together with independent Auditor's Report and Financial Statements for the year ended 30th June 2016 in accordance with Section 25 of Parliamentary Pensions Act and Section 66 of Uganda Retirement Benefits Regulatory Authority Act.

6.1 The Scheme

Parliamentary Pensions Scheme was established by the Parliamentary Pensions Act, 2007 as a Contributory Hybrid Cash Balance retirement benefit plan for Members of Parliament and Staff of Parliamentary Commission. The Act came into force on the 1st July 2001. Since 2007 a number of amendments were passed and incorporated in the Act as amended 2015.

The main purpose of the Scheme is to provide pensions and other retirement benefits to Members of Parliament and Staff of Parliamentary Commission, and relief to the dependants of deceased participants.

The Members contribute 15% of the basic salary and the Sponsor contributes 30% or a rate determined to guarantee solvency of the Scheme. Members receive interest on their scheme credit at a guaranteed rate specified by the Parliamentary Pension Act of 8%.

6.2 Scheme Governance

The Scheme is governed on behalf and in the interest of Members and Sponsor by a Board of Trustee's (herein called The Board) appointed in accordance with Section 18 of the Parliamentary Pensions Act. The Members of the Board of Trustees and their respective constituencies are listed in Table 1 below:

Table 1: Board of Trustees

Name	Position	Representing
Hon Mary P. Turyahikayo	Chairperson	Backbench Members
Hon Rose Akol Okullo	Member	Parliamentary Commission
Hon Aston Kajara Peterson	Member	Minister of Finance
Hon Roland Mugume	Member	Backbench Members
Hon Sarah N. Nyombi	Member	Retired MPs
Mr. Makata Aloysius	Member	Retired Staff of Parliamentary Commission
Mr. Karyaijah Jutus	Member	Staff of Parliamentary Commission
Jane Lubowa Kibirige(Mrs.)	Chief Executive Officer	Secretary

The Board manages and oversees the operations of the Scheme in accordance with Parliamentary Pensions Act, Uganda Retirement Benefits Regulatory Authority Act and accompanying regulations.

It is responsible for prompt collection of members' contributions, sound investment of members Fund, and overall management of the Scheme in accordance with statutory provisions.

The Board of trustees contracted a consultant to develop policies and procedures on governance to guide the Board in its operations. The future Boards will find this manual useful.

Committees of the Board of Trustees

The Board constituted three Committees to assist in the effective governance and oversight role of the Scheme. The Committees have specific mandates that are documented in their respective Terms of Reference to ensure accountability. The Board co-opted independent professionals on the Committees to provide technical expertise and guidance to the Trustees. The Committees, their membership as at 30th June 2016 and a summary of their mandate are detailed hereunder:-

- **Governance and Administration Committee (GAC)**

Hon. Kajara Aston Peterson - Chairman
Hon. Sarah Nansubuga Nyombi - Member
Mr. Okumu Dison - Co-opted Member

The Governance and Administration Committee assists the Board of Trustees in ensuring best practice in governance and administration of Scheme operations.

- **Investment, Risk and Custody Committee (IRCC)**

Hon. Mugume Roland - Chairman
Mr. Karyaijah Ngabirano - Member
Hon. Dombo Emmanuel - Co-opted Member

The Investment, Risk and Custody Committee assists the Board of Trustees in prudent investment of Members' fund so as to realize competitive rate of return without exposing the Fund to undue risk.

- **Audit Committee (AC)**

- Mr. Makata Aloysius - Chairman
- Hon. Oduman A. C Okello - Co-opted Member
- Hon. Rose Akol Okullu - Member

The Audit Committee assists the Board of Trustees in ensuring oversight of the integrity and quality of financial statements, effectiveness of internal controls and compliance with statutory requirements.

During the reporting period, the Board and Committees held meetings as follows:-

- Board of Trustees - 7 meetings
- Governance and Administration Committee - 3 meetings
- Investment Risk and Custody Committee - 2 meetings
- Audit Committee - 7 meetings

6.3 Management

The Scheme is internally administered by a team of qualified staff under the supervision of the Chief Operations Manager.

The Board is cognizant of the contribution of employees in realizing Scheme's objectives; hence it continued to strengthen the professional capacity of staff for improved service delivery to members.

6.4 Scheme Membership

At the end of the Financial Year, the Scheme had 799 active members (288 women, 511men) 102 pensioners and 3 deferred members. A detailed category of existing membership is given in Table 2 below:

Table 2: Scheme Membership

	Active Members		Deferred Members		Pensioners	
	MPs	Staff	MPs	Staff	Staff	MPs
At 1 st July 2015	383	361	0	2	14	51
New Entrants	265	2	1	0	3	58
Deceased	(4)	0	0	0	0	0
Leavers	(143)	(4)	0	0	2	22
Retired	(58)	(3)	0	0	0	0
At 30th June 2016	<u>443</u>	<u>356</u>	<u>1</u>	<u>2</u>	<u>15</u>	<u>87</u>

	<u>799</u>	<u>3</u>	<u>102</u>
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6.5 Financial Highlights

The audited Financial Statements for the year ended 30th June 2016, are herewith presented to Members on Pages 21 to 40.

The Scheme assets grew from 100.87 billion to Sh. 104.14 billion posting a 3.24% rate of growth. The mild growth compared to the previous year was due to massive payouts made to the exiting members of the 9th Parliament.

There was a slight increase in the Members' contributions of 21.6% compared to 235.14% the previous year where there was a salary enhancement.

The return on investable fund before tax for the year was 12.47% (10.08% after tax) compared to 12.84% (11.25% after tax) previously. The Investment Income before tax increased by 18.7% from Sh. 10.56 billion to Sh. 12.54 billion due to sound investment policies.

During the Financial year, the Board of Trustees approved crediting Members' accounts with interest of 8% per annum. The Board also adopted the Unisex Conversion Annuity factors for both men and women members.

6.6 Custody Arrangements

Uganda Retirement Benefits Regulatory Authority Act requires the Board of Trustees to safeguard the assets of the Scheme by appointing a Custodian. The Custodian is responsible for safekeeping and administration of assets.

During the financial year, the Board continued to use KCB (U) Ltd to keep custody of all Scheme assets.

6.7 Funding Status

The Board of Trustees conducts periodic actuarial valuation in accordance with Section 71 of Uganda Retirement Benefits Regulatory Act. The last actuarial valuation was done as at 30th June 2014 and the Scheme was found to be financially sound. The funding level was UgX. 66.38 billion Representing 101% with a surplus of Sh. 550 million representing 1%.

Signed on behalf of the Board of Trustees by:

.....

.....

7.0 INVESTMENT REPORT

7.1 Investment Policy

The Investment Strategy for the Scheme is determined by the Board of Trustees and is reviewed from time to time. The detailed Investment Policy Statement is available to members on request.

The Board considers several drivers to the investment strategy like the Scheme's liability profile, overall risk tolerance, guidelines by the Regulator and views of Scheme advisors on the investment environment.

The policy carefully balances the interest of maximizing the long-term returns and minimizing short-term volatility, liquidity needs and other risks.

The Board set a revised strategic target of 11.5% after tax return on invested funds without exposing it to undue risks. This is underpinned on the belief that a long-term approach to investing delivers optimal returns to members.

The implementation of the policy is delegated to the Investment Manager whose performance is closely monitored by the Investment, Risk and Custody Committee.

7.2 Strategic Asset Allocation

In order to realize its set objectives, the Board developed the following Strategic Asset Allocation for the Scheme. To allow for short-term deviations, manage emerging market conditions and exploit exceptional opportunities, the Board provided for a tactical range as detailed hereunder.

Asset Class	Minimum (%)	Strategic Weight (%)	Maximum (%)
Treasury Bills & Money Market Instruments	3.00	5.00	10.00
Uganda Treasury Bonds	40.00	39.50	50.00
Term Deposit	7.50	10.00	17.50
Uganda Corporate Bonds	2.50	2.50	12.50
Domestic Equities	10.00	10.00	15.00
EAC Equities	10.00	23.00	25.00
Property	5.00	7.50	10.00
Private Equity	0.00	2.00	4.00
Others	0.00	0.50	1.00

7.3 Investment Environment

The Fund was mainly invested in Uganda at 83% with 17% being invested in Kenya. The environment generally experienced some volatility given the global and regional economic slowdowns.

The Ugandan economy grew by 4.8% in the year under review compared to 5.0% previously. The slower economic growth was explained by the impact of macro volatility on the private sector activity (WB, June 2016). Inflation was also on the increase but the tight monetary policy had it contained closing the year at 5.9%.

The interest rates were on the rise with the benchmark 91-day Treasury Bills closing at 14.76%. The securities market had a low performance with the USE All Shares Index losing 14.47%. The Uganda shilling depreciated by 6.40% against the US dollar closing at UgX 3,410.

The Kenyan economy remained resilient to the internal and external shocks, experiencing an economic growth rate of 6.0% compared to 5.3% previously. Inflation was on an upward trend closing at 6.6%.

Interest rates generally declined during the year closing at 7.25%. The Nairobi Security Exchange had a low performance with the All Share Index posting a loss of 14.48% during the reporting period. The Kenyan shilling (KES) lost 2.5% against the US dollar closing at KES.101.10.

7.4 Strategy

In line with the revised policy approach of a moderate risk appetite, the Scheme's holdings in equities and bonds were increased.

The Board also commenced the alignment of the cash flow profile of the assets with the anticipated payment obligations towards the end of the financial year.

The portfolio mix at the end of the reporting period was as follows:

Table 3: Portfolio Mix

Asset Class	Amount (Sh. bn)	Proportions (%)
Equities	27.92	26.7
Government Bonds	52.87	51.5
Treasury Bills	8.94	8.5

Corporate Bonds	1.1	1.0
Fixed Deposit	5.62	5.40
Others	7.20	6.90
Total	<u>104.65</u>	<u>100</u>

7.5 Risk Management and Controls

The Board of Trustees is ultimately responsible for the overall management of the Scheme to deliver superior benefits to members without exposing it to undue risks.

The Board has accordingly set up appropriate governance structures, policies and systems to ensure effective achievement of Scheme objectives within acceptable risk levels. The Board of Trustees established an internal audit function within the Scheme.

The Audit and Investment, Risk and Custody Committees of the Board are charged with providing assurance that operational and investment decisions and internal controls are effective and efficient.

Investment activities generally expose the Scheme to various risks. These have been identified and suitable mitigating strategies provided for in the Investment Policy Statement.

7.6 Investment Performance

During the year, the investment revenue increased to UgX. 12.54 billion from UgX. 10.60 billion, representing 18.7% growth. The net income after tax increased to UgX. 10.14 billion compared to UgX. 9.25 billion Previously.

The income realized from different asset classes was as per the pie chart below:-

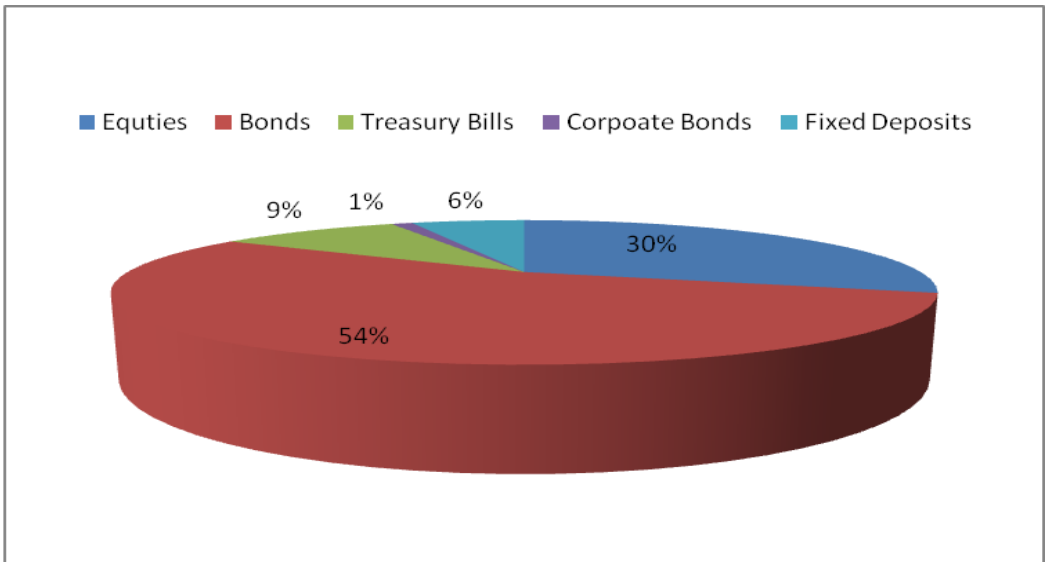


Figure 4: Income from Investment Classes

The return on investable assets before tax was 12.47% compared to 12.84% previously. The decrease was attributed to the reduction in investable assets earmarked for pay outs to exiting members and unfavourable market conditions. The return after tax was 10.08% compared to the target of 11.5%.

Signed on behalf of the Board of Trustees by:

.....
CHAIRPERSON

.....
TRUSTEE

8.0 STATEMENT OF BOARD OF TRUSTEES' RESPONSIBILITIES

The Board of Trustees of the Parliamentary Pension Scheme is required to prepare the financial statements which presents fairly, in all material respects, the Parliamentary Pension Scheme's revenues and expenditures incurred during the period ended June 30, 2016.

The Board is responsible for ensuring that the incomes of the Scheme are solely utilized for the purpose of achieving the objectives of the Scheme. The Board is also responsible for ensuring that the Scheme keeps proper accounting records that disclose, with reasonable accuracy, its financial position. The Board is also responsible for safeguarding the assets of the Scheme. As such, the undersigned officials acknowledge the responsibility for safeguarding the assets of the Scheme and hereby confirm compliance with the requirements.

The Board certifies that there were no irregularities in the management of the Scheme's resources and that the financial statements for the year ended June 30, 2016 are free from material misstatements. The Board further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the Financial Statements, as well as adequate systems of internal controls. The Board further confirms that all the relevant supporting documentation was made available to the auditor.

Nothing has come to the attention of the Board to indicate that Parliamentary Pension Scheme will not remain a going concern for at least the next twelve months from the date of this statement.

This statement has been certified by the Board of Parliamentary Pension Scheme on 19th September 2016 and signed on its behalf by:

.....

Chief Executive Officer

Date: 19th September 2016

.....

Finance Manager

Date: 19th September 2016

.....

Board of Trustees - Chairperson

Date: 19th September 2016

9.0 REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

THE RT. HON. SPEAKER OF PARLIAMENT

I have audited the accompanying financial statements of the Parliamentary Pension Scheme (PPS) together with the notes thereon for the year ended 30th June, 2016. The financial statements which are set out on pages 19 to 40 comprise of;

- Statement of changes in net assets
- Statement of net assets
- Statement of cash flows
- Notes to the financial statements including a summary of significant accounting policies used.

Management Responsibility

The Board of Trustees of the Parliamentary Pension Scheme are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in a manner required by the Parliamentary Pensions Act 2007 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the Financial Statements, based on my audit. I conducted the audit in accordance with International Standards on Auditing. Those Standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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 entity's internal control. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Part “A” of this report sets out my opinion on the financial statements. Part “B” which forms an integral part of this report presents in detail all the significant audit findings made during the audit which have been brought to the attention of management.

PART “A”

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Parliamentary Pension Scheme as at June 30, 2016, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and requirements the Parliamentary Pensions Act (2007) as amended.

John F. S. Muwanga
AUDITOR GENERAL

19th September, 2016

10.0 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2016

	Notes	30-Jun-16 UGX	30-Jun-15 UGX
Income from dealing with members			
Member contributions	13.2.1	10,563,997,974	8,680,426,801
Government contributions	13.2.2	<u>21,127,995,948</u>	<u>17,362,039,890</u>
Total contributions		31,691,993,922	26,042,466,691
Outgoing from dealings with members			
Benefits to members	13.2.3	<u>(38,490,334,425)</u>	<u>(1,266,932,216)</u>
Net additions (withdrawals) from the dealings with members		(6,798,340,503)	24,775,534,475
Returns on Investments			
Investment income	13.3	15,257,348,968	8,755,204,364
Fund Expenses	13.3.1	<u>(800,877,554)</u>	<u>(41,600,000)</u>
Net investment income		14,456,471,414	8,713,604,364
Income tax	13.20.2	<u>(2,402,149,672)</u>	<u>(1,309,603,453)</u>
Net Investment Income after tax		12,054,321,742	7,404,000,911
Other comprehensive income			
Change in the value of the Equities	13.8.1	(3,522,093,803)	2,691,615,101
Changes in the value of bonds	13.7	(1,684,863,189)	(824,242,708)
Foreign exchange gain/(loss)		(82,308,306)	(26,045,367)
Profit / Loss on Sale of Shares		<u>523,973</u>	<u>3,432,737</u>
Gain (loss) in the value of the investments		(1,919,014,947)	1,844,759,763
Guaranteed Interests to Members	13.15	<u>(8,015,116,756)</u>	<u>(5,550,875,671)</u>
Net change available for members		(4,678,150,464)	28,473,419,478
Other incomes	13.4	1,449,829,529	1,527,242,403
Management expenses	13.5	(1,932,887,363)	(1,972,168,754)
Income Tax on interest from grants	13.20.2	<u>(6,824,384)</u>	<u>(30,028,560)</u>
Net Administrative Surplus/(deficit)	13.12	(489,882,218)	(474,954,911)
Net Increase (Decrease) in Net Assets		(5,168,032,681)	27,998,464,567

These financial statements were approved by the Board on 19th September 2016 and signed on behalf of the Board by:

.....

.....
Chief Executive Officer	Finance Manager	Chairperson, Board of Trustees

The Accounting policies and notes on pages 22 to 40 form an integral part of these financial statements.

11.0 STATEMENT OF NET ASSETS AS AT JUNE 30, 2016

	Notes	30-Jun-16	30-Jun-15
Non-Current Assets		UGX	UGX
Property Plant and Equipment	13.19	185,584,942	181,251,584
Medium/ Long term Investments	13.6.1	81,333,550,123	54,278,356,680
Sub total		81,519,135,065	54,459,608,264
Current Assets			
Short term Investments	13.8.2	16,106,678,463	44,319,381,897
Receivables	13.9	621,981,370	513,297,985
Tax Assets	13.23	1,877,423,117	1,523,186,766
Cash and Bank balances	13.10	7,196,272,703	1,341,867,020
Subtotal		25,802,355,653	47,697,733,668
Current Liabilities			
Creditors and Accruals	13.11	3,113,768,123	1,112,205,837
General reserve Account	13.17	67,560,237	177,502,155
Subtotal		3,181,328,360	1,289,707,992
Total Net Current Assets		22,621,027,293	46,408,025,676
Net Total Assets	13.16	104,140,162,358	100,867,633,940

These financial statements were approved by the Board on 19th September 2016 on behalf of the Board by:

.....
Chief Executive Officer

.....
Finance Manager

.....
**Chairperson, Board
of Trustees**

The Accounting policies and notes on pages 22 to 40 form an integral part of these financial statements.

12.0 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2015

		30-Jun-16 UGX	30-Jun-15 UGX
Cash-flows from operating activities	Notes		
Contributions during the year	13.2.1/2	31,691,993,922	26,042,466,691
Taxes paid	13.21	0	0
Gain (Loss) in the Value of Investments		(1,919,014,947)	1,844,759,763
Unvested Benefits		427,979,907	35,089,591
Other incomes		1,425,001,568	1,843,578,664
Expenses paid		(41,164,368,290)	(3,235,611,735)
Increase (Decrease) in Payables		1,891,620,368	321,725,446
Decrease (Increase) in Receivables		(28,473,638)	(199,745,131)
Net cash from operating activities		<u>(7,675,261,110)</u>	<u>26,652,263,289</u>
Cash-flows from investing activities			
Investment income (net)		12,514,174,101	6,929,988,921
Decrease (increase) in investment		1,077,300,244	(33,897,851,364)
Purchase of assets		<u>(61,807,552)</u>	<u>(186,568,889)</u>
Net cash used in investing activities		<u>13,529,666,793</u>	<u>(27,154,431,332)</u>
Net Increase (decrease) in cash and cash equivalents		<u>5,854,405,683</u>	<u>(502,168,043)</u>
Movement in cash and cash equivalents			
Cash balance at start of year		1,341,867,020	1,844,035,063
Net Increase (decrease) during the year		<u>5,854,405,683</u>	<u>(502,168,043)</u>
Cash balance at end of year	13.10	<u>7,196,272,703</u>	<u>1,341,867,020</u>

These financial statements were approved by the Board on 19th September 2016 on behalf of the Board by:

.....
Chief Executive Officer

.....
Finance Manager

.....
**Chairperson, Board
of Trustees**

The Accounting policies and notes on pages 22 to 40 form an integral part of these financial statements.

13.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

13.1 ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial statements are prepared in compliance with the International Financial Reporting Standards.

The financial statements summarize the transactions of the Scheme and deal with the net assets at the disposal of the Board of Trustees.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

The Board identifies all significant accounting policies as documented in the accounting manual. The Financial statements have been prepared on accrual basis.

(b) Contributions Receivable

The contributions from Members and the Sponsor are accounted for in the period in which they fall due.

(c) Benefits Payable

Pension and Benefits payable to members are taken into account in the period in which they fall due.

(d) Cash and Cash Equivalents

For the purpose of the cash flow, cash and cash equivalent comprises of cash at hand, cash at bank and cash deposits held on call.

(e) Revenue Recognition

Revenue is recognized on accrual basis.

(f) Investment Income

Investment income includes interest and dividends from investments. The Interest income is recognized on an accruals basis using the effective yield method based on the actual purchase price.

(g) Funding Policy

Parliamentary Pensions Scheme is a contributory Hybrid Cash Balance Retirement Benefit Plan for Members of Parliament and Staff of the Parliamentary Commission. Members of Parliament may serve for five years or more whereas staff members of the Parliamentary Commission are generally on long term engagement.

The benefits of Members are based on the accumulated Scheme Credit. This rate is reviewed by the Board of Trustees based on investment performance and in consultation with the Sponsor.

The Board of Trustees is required under the Parliamentary Pensions Act to maintain long-term solvency and sustainability of the Scheme. The Board is therefore committed to ensure full funding of the Scheme liabilities.

To realize the funding objective, the Scheme has a clear Contribution Schedule of 15% and 30% of the basic salary by the Member and Sponsor respectively. Further, investment of Scheme assets forms a major strategy in funding the Scheme liabilities.

(h) The Presentation Currency

The financial statements are presented in the functional currency - Uganda Shillings (UGX).

(i) Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. Financial instruments held by the Scheme include term Fixed deposits, Treasury bills, Corporate Bonds and Shares.

The Board determines the appropriate classification of its financial instruments at the time of purchase.

Recognition

The Scheme recognizes fixed deposits, treasury bills, Government bonds, shares and Corporate Bonds on the date at which they are purchased. Regular purchases of financial assets are recognized on the trade date at which the Scheme commits to purchase.

For a financial asset initially measured at cost, the transaction costs that are directly attributable to its acquisition or issue shall be part of the value of the financial asset.

Measurement:

Amortized Cost Measurement

Fixed income investments (Fixed deposits, Treasury bills and Corporate Bonds) are held to maturity and are measured at amortized cost less impairment losses if any. Amortized cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

Mark to Market

Financial instruments (Government bonds and shares) are measured initially at cost, including transaction costs. Subsequent to initial recognition, all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses. In the case of marketable securities, the fair value is market value.

Fair Value Measurement Principles

The fair value of financial instruments is based on their market price at the period end date without any deduction for transaction costs.

A financial asset is derecognized when the company loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

Investments that have a fixed redemption value and that have been acquired to match the obligations of the scheme, or specific parts thereof, are carried at amounts based on their ultimate redemption value assuming a constant rate of return to maturity.

Fair value gains/(losses) arising on investments are credited/(debited) to the statement of changes in net assets.

De-recognition

The Scheme derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Impairment

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

Objective evidence that financial assets are impaired can include indications that an issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in issuers in the Scheme, or economic conditions that correlate with defaults in the Scheme. During the year there was no evidence of any impairment.

Re-classifications

If, as a result of a change in intention or ability, it is no longer appropriate to classify an investment as held to maturity, it is reclassified as available for sale and re-measured at fair value, and the difference between its carrying amount and fair value is recognized in other comprehensive income.

(j) Government Grants

Government grant is recognized over the period in which the Scheme qualifies to receive it and expense the related costs for which the grant is intended.

(k) Property, Plant and Equipment

The Property, Plant and Equipment are stated at historical cost less adjustment for depreciation.

The Depreciation Rates:-

Depreciation is calculated on straight-line basis at annual rate estimated to write down the cost of each asset to its residual value as follows:

Furniture and Fitting	12.5%
Motor Vehicles	25%
Office Equipment	20%
Computer Equipment	33.3%

Depreciation for assets acquired in the course of the year is calculated on a pro rata basis depending on the number of months the asset has been in use.

(l) Foreign Currency Transactions

Transactions in foreign currencies are converted into Uganda Shillings (UGX) at the exchange rate ruling on the transaction dates. Gains or losses resulting from these transactions shall be recognized in Statement of Changes in Net Assets under other Comprehensive Incomes.

(m) Employment Benefits

The Scheme makes contributions to a Statutory Provident Fund, the National Social Security Fund (NSSF). The contributions are determined by a local statute and are shared between the employer and employee at 10% and 5% respectively. The Scheme also contributes to staff gratuity based on their basic salary.

(n) Donated Assets

The transferred assets acquired from Parliamentary Commission have been recognized in the records of the Scheme using the IAS 20 which applies to government non monetary grant using the Income approach.

(o) Comparatives

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

13.2 CONTRIBUTION INCOME

13.2.1 Members Contributions

	30-Jun-16 UGX	30-Jun-15 UGX
Staff contributions	2,795,647,104	1,013,962,801
MPs contributions	7,768,350,870	7,666,464,000
Total Members Contributions	10,563,997,974	8,680,426,801

13.2.2 Government Contribution

	30-Jun-16 UGX	30-Jun-15 UGX
Contributions for staff	5,591,294,208	2,029,111,886
Contributions for MPs	15,536,701,740	15,332,928,004
Total Government Contributions	21,127,995,948	17,362,039,890

13.2.3 Benefit to Members

	30-Jun-16 UGX	30-Jun-15 UGX
Staff Retirement lump sum	229,284,819	127,757,643
Staff Withdrawal Benefit	481,645,831	303,210,680
Staff – Death in Service Benefit	0	39,199,548
MPs-Death in Service Benefit	705,604,162	0
MPs-Withdrawal Benefit	28,388,247,864	160,933,465
MPs-Retirement lump sum	7,916,640,472	52,111,660
Pensions	768,911,277	583,719,220
Total benefits to members	38,490,334,425	1,266,932,216

13.3 INVESTMENT INCOME

	30-Jun-16 UGX	30-Jun-15 UGX
Interest on Treasury Bills	3,014,973,526	2,186,828,127
Interest on Fixed Deposits	2,894,834,005	1,665,263,472
Interest from Corporate Bonds	147,540,465	199,824,554
Interest from Government Bonds	8,088,964,055	3,709,084,114
Other Investment Income	455,548	404,627,054
Dividend Income	1,110,581,369	589,577,043
Total investment income	15,257,348,968	8,755,204,364

13.3.1 Fund Expenses

	30-Jun-16 UGX	30-Jun-15 UGX
Annual General Meeting	114,445,900	41,600,000
Investment Expenses	341,984,976	0
Board of Trustees Costs	237,751,585	
URBRA Levy	52,848,671	
Benefits Administration Costs	24,082,112	
Organisation Structure and Policy Formulation	29,764,310	
Total fund expenses	800,877,554	38,557,100

13.4 OTHER INCOMES

	30-Jun-16 UGX	30-Jun-15 UGX
Grant revenue	1,424,546,020	1,424,546,000
Interest credits on bank balances	0	14,405,610
Donation Income	2,535,564	2,601,204
Investment income on operational funds	22,747,945	85,689,589
Total other incomes	1,449,829,529	1,527,242,403

13.5 Management Expenses

	30-Jun-16 UGX	30-Jun-15 UGX
Board of Trustees costs	0	91,725,476
Board of Trustees Capacity Building	0	248,904,067
Board of Trustees meetings	100,934,033	88,109,347
Personnel costs	1,530,676,842	904,786,336
Staff Capacity Building	93,520,799	76,170,754
Membership costs	0	30,273,900
URBRA Compliance	0	6,000,000
Benefit Administration (Actuarial)	0	49,880,000
Investment and Finance Charges	0	266,101,928
Travelling expenses	14,402,308	2,642,000
Consultancy services	0	6,795,000
Organization structures, planning, policies	0	72,863,632
Office Administration, supplies/others	102,360,859	60,054,579
Audit fees	27,809,970	30,598,500
Publicity and communication	3,451,500	0
Depreciation	59,731,052	37,263,235
Total	1,932,887,363	1,972,168,754

13.6 INVESTMENTS

13.6.1 Long-term Investments

	Note	30-Jun-16 UGX	30-Jun-15 UGX
Corporate Bonds	13.6.2	1,056,075,000	1,482,087,500
Government Bonds	13.6.3	52,361,660,395	27,174,221,387
Shares	13.8	27,915,814,728	25,622,047,793
Sub-total		81,333,550,123	54,278,356,680

13.6.2 Corporate Bonds

	30-Jun-16 UGX	30-Jun-15 UGX
Housing Finance Bank – maturing in 2017	300,000,000	600,000,000
African Development Bank – maturing in 2023	756,075,000	882,087,500
Total	1,056,075,000	1,482,087,500

13.6.3 Government Bonds (Government of Uganda)

	30-Jun-16 UGX	30-Jun-15 UGX
Two-Year Government Bond	20,923,357,939	12,272,335,003
Three-Year Government Bond	2,973,984,637	8,525,255,656
Five-Year Government Bond	16,875,611,392	6,007,291,059
Ten-Year Government Bond	7,600,393,648	276,297,385
Fifteen-Year Government Bond	3,988,312,779	93,042,284
Total	52,361,660,395	27,174,221,387

13.7 Changes in the Value of Bonds

The changes in the value of Bonds arise as a result of the increase or decrease in the market price of the Government Bonds in the active market. The market prices are obtained as published by the Central Bank of Uganda for the bonds being traded in the market.

In the financial year ended 30th June 2016, the fund increased its investment in Government Bonds which had high yields. Although the general increase in interest rates lowered the values of the existing bonds, this was offset by the new acquisitions of bonds with higher yields that will be realized on receipt of the coupons. The net increase in value of the bonds is UGX1,684,863,189 as reported in the statement of changes in net assets.

13.8 Investment in Shares

	No. of shares No	2016 UGX	2015 UGX
Bank of Baroda (U) Ltd	23,159,563	3,288,657,946	2,947,498,190
DFCU (U) Ltd	3,185,682	2,548,545,600	3,024,660,364
Stanbic Bank (U) Ltd	129,863,427	3,376,449,102	4,159,637,658
Umeme	4,165,592	2,082,796,000	1,957,828,240
ARM Cement Ltd	358,100	385,713,724	865,352,707
Atlas Development and Bamburi	98,000 210,400	4,288,251 1,203,941,679	35,875,405 1,078,312,172
Barclays Bank Kenya	1,969,000	636,249,922	794,721,256
BAT Kenya	15,000	421,588,278	157,825,158
Centum Investments	262,800	389,214,338	470,185,787
CFC Stanbic of Kenya	136,800	368,372,225	519,001,963
Cooperative Bank of Diamond Trust Bank	1,390,817 41,800	756,054,861 232,151,246	660,797,828 103,040,287
East African Breweries	176,200	1,648,775,376	497,756,268
Equity Group Holding	535,100	693,436,142	625,673,053
Flame Tree Group	390,600	63,765,353	65,231,337
I & M Holdings Ltd	54,200	200,679,386	172,102,105
Jubilee Holdings Ltd	8,030	122,980,919	136,532,872
Kenya Commercial Bank	1,177,200	1,337,318,410	1,161,191,679
KenGen Company	719,500	158,629,111	169,156,029
KenolKobil Ltd	1,855,700	649,608,800	483,826,261
Kenya Power and National Media Group	1,340,800 30,000	444,540,184 151,468,842	713,030,663 198,679,191
NIC Bank (K)	767,711	943,194,849	1,366,877,506
Nairobi Stock Exchange	141,200	94,817,476	50,139,539
Safaricom Ltd	7,257,300	4,335,949,608	2,538,686,924
Stanlib Fahari I-Reit	1,149,200	841,328,636	0
Standard Chartered Bank	81,555	535,298,464	668,427,351
Total	180,541,278	27,915,814,728	25,622,047,793

13.8.1 Changes in the value of Equities (Shares)

The changes in the value of equities (shares) arise as a result the increase or decrease in the market prices of the shares in the active market. In this case, the market prices are obtained as published by the Uganda Securities Exchange for the Ugandan listed equities and the National Securities Exchange for the Kenyan listed equities.

In the financial year ended 30th June 2016 there was general decrease in the market prices of the shares that resulted into a cumulative loss of UGX3,522,093,803 as reported in the statement of Changes in net assets

13.8.2 Short Term Investments

		30-Jun-16 UGX	30-Jun-15 UGX
	Note		
Fixed Deposits Investments	13.8.3	5,624,267,929	20,655,915,533
Treasury Bills Investments	13.8.4	8,939,781,109	22,938,785,739
Corporate Bond due in 12 months	13.8.5	34,467,517	40,078,594
Treasury Bonds due in 12 months	13.8.6	1,508,161,908	684,602,031
Total		16,106,678,463	44,319,381,897

13.8.3 Fixed Deposits (Commercial Banks)

	30-Jun-15 UGX	30-Jun-15 UGX
Fixed deposits (maturing within 0 – 1 month)	5,605,000,000	14,080,000,000
Fixed deposits (maturing within 1 – 2 months)	0	4,600,000,000
Fixed deposits (maturing within 2 – 3 months)	0	1,800,000,000
Interest receivable on all Fixed Deposits	19,267,929	175,915,533
Total	5,624,267,929	20,655,915,533

13.8.4 Treasury Bills (Bank of Uganda)

	30-Jun-16 UGX	30-Jun-15 UGX
91- Day Treasury Bills	0	1,029,656,406
182-Day Treasury Bills	1,216,852,500	4,045,828,429
364-Day Treasury Bills	6,889,789,026	16,850,806,186
Interest Receivable on all Treasury Bills	833,139,583	1,012,494,718
Total	8,939,781,109	22,938,785,739

13.8.5 Corporate Bonds Interest receivable in 12 months

	30-Jun-16 UGX	30-Jun-15 UGX
Housing Finance Bank Bond	157,890	315,781
African Development Bank Bond	34,309,627	39,762,813
Total	34,467,517	40,078,594 0

13.8.6 Treasury Bonds interest receivable in 12 months

	30-Jun-16 UGX	30-Jun-15 UGX
Two-Year Government Bond	713,610,689	409,756,220
Three-Year Government Bond	37,079,782	106,832,323
Five-Year Government Bond	475,917,542	151,855,793
Ten-Year Government Bond	202,742,521	12,830,767
Fifteen-Year Government Bond	78,811,374	3,326,928
Total	1,508,161,908	684,602,031

13.9 RECEIVABLES

	30-Jun-16 UGX	30-Jun-15 UGX
HFB Bond Principle Receivable	0	186,018,749
Sale of Shares Receivables	217,264,098	0
Dividend Income Receivable	321,983,592	241,773,845
NALECO SACCO	39,447,000	39,447,000
Other Debtors	39,699,495	46,058,391
Contributions Receivables	3,587,185	0
Total	621,981,370	513,297,985

13.10 CASH AND CASH EQUIVALENTS

	30-Jun-16 UGX	30-Jun-15 UGX
Barclays Bank Ltd (Trading)	0	5,043,313
Centenary Bank	6,520,561,300	162,227,881
Kenya Commercial Bank (UGX)	493,906,878	258,544,844
Kenya Commercial Bank (Kesh)	1,812	177,303,240
Barclays Bank Ltd (Operations)	0	8,267,705
Standard Chartered Bank (Operations)	181,796,213	730,380,037
Cash Book	6,500	100,000
Total	7,196,272,703	1,341,867,020

13.11 CREDITORS AND ACCRUALS

	30-Jun-16 UGX	30-Jun-15 UGX
Benefits Payable	2,556,682,866	511,230,647
Pensions Payable	140,879,976	39,884,334
Parliamentary Commission	23,910,787	10,713
WHT Payable on Income	932,040	9,520,668
Shares Payable	18,240,158	265,607,550
Staff Gratuity	255,219,404	121,575,369
Sundry Creditors	117,905,892	164,376,556
Total	3,113,768,123	1,112,205,837

13.12 MOVEMENT IN THE ADMINISTRATIVE RESERVE ACCOUNT

	30-Jun-16 UGX	30-Jun-15 UGX
Administrative Reserve at the start of the year	618,237,644	1,141,264,935
Administrative Surplus/(Deficit) during the year	(489,822,218)	(474,954,911)
Staff Gratuity fund	(0)	(48,072,360)
Administrative reserve as at June 30	128,355,446	618,237,664

13.13 MOVEMENT IN THE ACCUMULATED FUND

	30-Jun-16 UGX	30-Jun-15 UGX
Accumulated fund at the start of the year	100,242,025,701	66,174,814,961
Net change available for members	(4,678,150,464)	28,473,419,478
Guaranteed interest to members	(8,015,116,756)	5,550,875,671
Unvested reserve (Note 13.14)	427,979,907	42,915,591
Members Accumulated fund as at June 30	104,006,971,900	100,242,025,701

13.14 MOVEMENT IN UNVESTED RESERVE ACCOUNT

	30-Jun-16 UGX	30-Jun-15 UGX
Unvested Reserve at the start of the year	56,123,430	13,207,839
Net change during the year	427,979,907	42,915,591
Unvested Reserve as at June 30	484,103,337	56,123,430

13.15 INTEREST TO MEMBERS

The Parliamentary Pensions Act provides a Guaranteed Interest Rate of 8%. This resulted to a guaranteed interest of UGX 8,015,116,756 for the year 2015/16. This rate serves as an interim rate pending declaration of the final rate by the Board. The amount reported for the year is derived by computing 8% interest on individual members' balances on a monthly basis and this is accumulated over the year for all members.

	30-Jun-16 UGX	30-Jun-15 UGX
Guaranteed Interest (8%)	8,015,116,756	5,550,875,671
Total Interest to members	8,015,116,756	5,550,875,671

Declared Interest

During the Annual General Meeting held on 29th April 2016, the Board of Trustees declared an additional interest of 3% for 2014/15 which is UGX **2,085,500,817**. This is above the 8% guaranteed interest provided for by the Act.

13.16 TOTAL NET ASSETS

	Notes	30-Jun-16 UGX	30-Jun-15 UGX
Members accumulated fund	13.13	104,006,971,900	100,242,025,701
Administrative reserves	13.12	128,355,447	618,237,664
Deferred Income	13.18	4,835,011	7,370,575
Total net assets as at June 30		104,140,162,358	100,867,633,940

13.17 GENERAL RESERVE ACCOUNT

	30-Jun-16 UGX	30-Jun-15 UGX
General reserves account at the start of the year	177,502,155	199,670,175
Movement of the general reserve during the year	(109,941,918)	(22,168,020)
General reserve as at June 30	67,560,237	177,502,155

13.18 DEFERRED INCOME

	30-Jun-16 UGX	30-Jun-15 UGX
Deferred Income opening balance	7,370,575	9,971,779
Donated Income recognized during the year	(2,535,564)	(2,601,204)
Deferred Income as at June 30	4,835,011	7,370,575

13.19 PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED JUNE 30, 2016

	Furniture & Fittings 12.50%	Computer Equipment 33.30%	DONATED		Office Equipment 20%	Motor Vehicle 25%	Total
			Computer Equipment 33.30%	Furniture & Fittings 12.50%			
Cost	UGX	UGX	UGX	UGX	UGX	UGX	UGX
As at July 01, 2015	57,946,000	28,307,909	19,076,400	20,810,480	41,991,150	111,056,880	279,188,819
Additions	12,230,000	35,133,120	0	0	16,701,290	0	64,064,410
Disposals	0	0	(6,704,280)	(525,100)	(4,835,000)	0	(12,064,380)
Balance at June 30, 2016	70,176,000	63,441,029	12,372,120	20,285,380	53,857,440	111,056,880	331,188,849
Depreciation							
As at July 01, 2015	3,636,991	16,285,521	19,076,400	13,439,905 (339,106)	26,988,938	18,509,480	97,937,235
Disposals	0	0	(6,704,280)		(2,764,140)	0	(9,807,526)
Charge for the year	8,357,211	13,072,315	0	2,535,564	8,001,742	27,764,220	59,731,052
Balance at June 30, 2016	11,994,202	29,357,836	12,372,120	15,636,363	32,226,540	46,273,700	147,860,761
Net Book Value							
Balance at June 30, 2015	54,309,009	12,022,388	-	7,370,575	15,002,212	92,547,400	181,251,584
Assets Held for sale							2,256,854
Balance at June 30, 2016	58,181,798	34,083,193		4,649,017	21,630,900	64,783,180	185,584,942

13.20 TAX COMPUTATION FOR THE YEAR 2016

	Notes	Portfolio UGX	Operations UGX	Total UGX
Investment Income	13.3	15,257,348,968	22,747,945	15,280,096,913
Less: Income where WHT is final tax	13.20.1	(12,214,518,950)	0	(12,214,518,950)
Income subject to Income tax		3,042,830,018	22,747,945	3,065,577,963
Less: Fund Expenses	13.3.1	(800,877,554)	0	(800,877,554)
Less: Operating Expenses	13.5	(1,932,887,363)	0	(1,932,887,363)
Add: Depreciation		59,731,052	0	59,731,052
Less: Wear and Tear(W&T)		(83,808,351)	0	(83,808,351)
Taxable Income after W & T		284,987,802	22,747,945	307,735,747

13.20.1 Income where WHT is final

	Notes	2016 UGX	2015 UGX
Interest on Treasury Bills	13.3	3,014,973,526	2,186,828,127
Interest from Government Bonds	13.3	8,088,964,055	3,709,084,114
Dividend Income	13.3	1,110,581,369	589,577,043
Total Investment Income		12,214,518,950	6,485,489,284

The withholding tax (WHT) deducted at source on the above investments is the final tax charged on the incomes.

13.20.2 Tax Expenses

	Notes	Portfolio UGX	Operations UGX	Total UGX
Taxable Income	13.20	<u>284,987,802</u>	<u>22,747,945</u>	<u>307,735,747</u>
Tax Charge @ 30%		85,496,341	6,824,384	92,320,724
Add: Tax deducted at source (WHT)		2,316,653,331	0	2,316,653,331
Tax charge for the year		2,402,149,672	6,824,384	2,408,974,055

13.21 TAX PAYMENT

No provisional tax was paid. The only tax paid was the WHT deducted at source.

13.22 TAX PAYABLE

	Notes	30-Jun-16 UGX	30-Jun-15 UGX
Tax Charge Payable	13.20.2	92,320,724	111,527,571
Less: Provisional Tax Paid		0	0
Less: WHT Certificates claimed during the year		(143,089,764)	(124,979,019)
Net tax deposit/(payable)		(50,769,040)	(13,451,448)

13.23 TAX ASSET ACCOUNT

	Notes	30-Jun-16 UGX	30-Jun-15 UGX
Opening Balance		1,523,186,766	1,356,540,801
Tax deposit for the year	13.22	50,769,040	13,451,448
Add: WHT during the year		446,557,076	278,173,536
Less: WHT Claimed during the Year		(143,089,764)	(124,979,019)
Tax Asset at year end		1,877,423,118	1,523,186,766

14.0 ABRIDGED ACTUARIAL VALUATION REPORT

Purpose

The actuarial valuation was done in order to determine the funding status of the Scheme as at 30th June 2014.

Valuation Basis:

The valuation was based on the following assumptions:-

- Long-term investment return of 10% p.a.
- Pension increase of 4% p.a. and a guaranteed period of 15 years.
- Staffs of Parliamentary Commission retire at 60 years old.
- On retirement 100% of members take lump sum of 25%.
- Rates of mortality after retirement was based on the PA (90) ultimate mortality tables.

Valuation Results	(Sh. 000)
Value of Assets	66,384,457
Total value of Liabilities	(65,834,199)
Surplus	550,258

Funding Level **100.8%**

The actuarial valuation was undertaken by **Mr. T.W. Doubell of ARGEN Actuarial Solutions.**

The next actuarial valuation to assess the solvency of the scheme shall be done based on the financial Statements for the year ending June 30 2017.

15.0 FIVE YEAR FINANCIAL STATISTICS (SHS. BILLION)

The financial statistics show the performance and growth of the Scheme over a period of 5 years.

Table 5: Summary of 5 year financial statistics

	2012	2013	2014	2015	2016
Contributions	7.09	7.58	7.77	26.04	31.69
Benefits to Members	1.27	1.22	3.19	1.27	38.49
Return on Investment (B/T)	5.06	6.68	7.77	10.56	12.54
Interest to Members	2.41	3.90	4.9	7.64	8.02
Total Fund & Reserve	43.56	55.81	67.33	100.87	104.14

NET ASSETS

Bank Balance	4.79	2.51	1.84	1.34	7.20
Fixed Deposit	33.72	16.04	8.87	20.66	5.62
Treasury Bills	4.36	13.22	12.86	22.94	8.94
Corporate Bonds	1.5	2.22	2.26	1.52	1.1
Government Bonds	-	15.98	24.96	27.86	53.87
Quoted Shares	-	6.89	15.76	25.62	27.92
Net Current Assets (Liabilities)	(0.81)	(1.05)	0.78	0.93	(0.51)
Total Assets	43.56	55.81	67.33	100.87	104.14

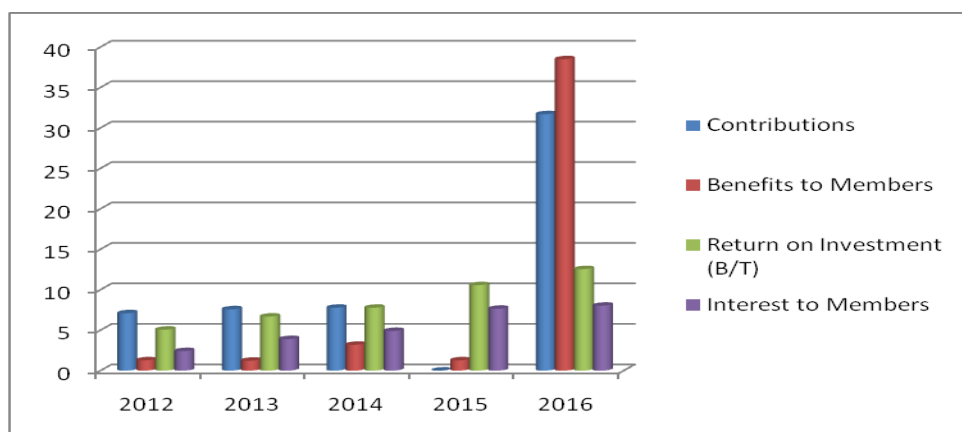


Figure 5: Summary of 5 Year financial statistics