



PPS
Parliamentary
Pension Scheme

ANNUAL REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

License No: RBS.0059



"Your Future, Our Concern"

PARLIAMENTARY PENSION SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS

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Abbreviations /Acronyms

ALSI	All Share Index
BoT	Board of Trustees
EMDEs	Emerging Markets and Developing Economies
IAS	International Accounting Standards
IPS	Investment Policy Statement
ITA	Income Tax Act
LSI	Local Share Index
PPA	Parliamentary Pensions Act
PPDA	Public Procurement and Disposal Act
PPS	Parliamentary Pension Scheme
RLS	Rwanda Local Share Index
TSI	Tanzania Local Share Index
URBRA	Uganda Retirement Benefits Regulatory Authority
USA	United States of America

SCHEME INFORMATION

Registered Office

Development House

Plot 09-11 Parliament Avenue
P.O. Box 7178
Kampala, Uganda

Asset managers

Gen Africa

Aha Towers
Lourdel Road
P.O. Box 75200
Kampala, Uganda

Bankers:

Centenary Bank (U) Limited

Corporate Branch
Mapera House
P.O. Box 5421
Kampala, Uganda

Old Mutual Financial Services

Nakawa Business Park
Plot 3-5 New Portbell Road
P.O. Box 70891
Kampala, Uganda

Standard Chartered Bank

Speke Road
P.O. Box 7111
Kampala, Uganda

Legal services

Office of the General Counsel

Parliamentary Commission
P.O. Box 7178
Kampala, Uganda

Diamond Trust Bank

Kampala Road
P.O. Box 3072
Kampala, Uganda

Auditor

Auditor General

P.O. Box 7083, KAMPALA.

Custodian

Stanbic Bank (U) Limited

Crested Towers
Hannington Road
P.O. Box 7131
Kampala, Uganda

Actuarial Services

Actuarial Services (EA) Ltd,

Plot 1113 Kayahwe Rd,
P.O. Box 10472
Nairobi, Kenya.

ABOUT THE FUND



Vision:

A Society of dignified retired members of the Scheme.



Mission:

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



Values:

The Core values of Parliamentary Pension Scheme are:

- Trust
- Innovativeness
- Teamwork
- Integrity
- Accountability



Strategic Themes:

- Service Excellence
- Build Members' Trust
- Grow the Fund



Strategic objectives:

- To engage and satisfy the stakeholders
- Improve the benefits provided to the members
- Grow the portfolio
- To strengthen governance and improve compliance, internally and externally
- Create responsive IT systems processes
- Strengthen the risk management culture and practices
- To generate knowledge about the industry, adapt, create innovative and evidenced based solutions and decisions.
- Build employee's competence and satisfaction
- Increase the rate of technology adoption

OTHER SERVICES

Member Education



Member sensitization seminars on retirement planning, financial literacy tools and solutions and healthy living.

Loans



The Scheme provides loans to its members in active service as one of its investment vehicles.

The loans are repaid through monthly deductions from the members' emoluments.

Medical Treatment



When there are no other viable sources of funds to cover critical medical expenses, the Board may approve a proportion of the Members' credit to pay the medical bill in respect of a Member or Pensioner.

Mortgage



The Scheme may guarantee a loan to an active member for purposes of purchasing or construction of his/her residential house. The Scheme issues a guarantee for the down payment to the mortgage provider up to 20% of the mortgage. The exposure guaranteed for the loan is 50% of the members' Scheme credit.

Access to Midterm Benefits



The Scheme pays out midterm benefit of up to 20% to qualifying Members.

Medical Insurance Cover



Members contributing 2% of their basic salary to cater for Health Insurance at retirement.

Voluntary savings

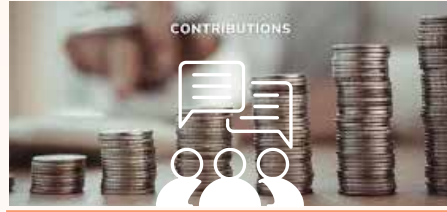


Members can voluntarily save more with the Scheme.

PPS At A GLANCE



Members of the Scheme
1,474



Members' Contributions
UgX.
53.54 Bn



Total Revenue
UgX.
66.088 Bn



Net Asset Value
UgX.
492.403 Bn



Benefits paid
UgX.
30.66 Bn



Funding Level
102.6%

CHAIRMAN'S STATEMENT

On behalf of the Board of Trustees and Management of Parliamentary Pension Scheme, I welcome you all to the 13th Annual General Meeting. It is my pleasure to present the Annual report and Financial Statements for Parliamentary Pension Scheme for the year ended 30th June 2024.

Review of the Business Environment

Operating Environment

During the financial year 2023/2024, the economy grew by 6% compared to 5.3% in FY 2022/2023. The year's growth of 6% was impressive compared to Sub-Saharan Africa's average growth rate of 3.8% and the global average of 2.9% for calendar year 2024¹.

The improved performance of the economy in the FY 2023/2024 was on account of higher growth in all sectors of the economy. Services, agriculture, and industry which were estimated to grow at 6.6%, 5.1 %, and 5.8 %, respectively.

Growth in the services sector was mainly driven by strong recovery in retail and wholesale trade, tourism as well as communication and real estate activities. Growth in industry was mainly driven by manufacturing, construction and mining, while increased production of food and cash crops, as well as livestock supported growth in the agriculture sector. Agriculture's performance was estimated to have expanded at 5.1 % in FY 2023/2024 compared to 4.5 % in FY2022/23. This was attributed to streamlined implementation of the Parish Development Model (PDM) and fairly good weather conditions¹.

Other factors which supported strong economic growth included, low inflation and relatively stable exchange rate which allowed good investment planning and supported export competitiveness¹.

The annual inflation within the EAC partner states was on a descending trend. In Uganda, Rwanda and Kenya's annual headline inflation trended downwards in June 2024. On the other hand, Tanzania's inflation rate remained unchanged for the month of June².

The currencies of most East African Community (EAC) Partner States' recorded losses against the USD, except for the Ugandan and Kenyan Shillings, which strengthened. The Burundian Franc and Rwandan Franc depreciated with Tanzanian Shilling having the highest depreciation².

The East African Economies grew by 5.0%, 8.2% and 5.4% for Kenya, Rwanda and Tanzania respectively³.

In Kenya, the Nairobi All Share Index (NASI) improved performance from negative 14.04% in June 2023 to positive 2% in June 2024. The Local Share Index (NSE 20) further improved from negative 2.42% in June 2023 to positive 5.21%

in June 2024³. The 91-day Treasury bills posted an average yield of 15.97%. The average inflation was 4.6% by June 2024. The Kenyan shilling slightly appreciated by 1.8 % against the US dollar².

There was a good performance of stocks at the Uganda Securities Exchange. The All-Share Index (ALSI) improved from negative 11.53% in June 2023 to positive 1.17% in June 2024. The Local Share Index [LSI] declined from positive 0.03% in June 2023 to negative 4.73% in June 2024³. The 91-day Treasury bills registered an average interest rate of 10.65% during the year. During the Financial year 2023/2024, the shilling appreciated by 1.2% to the US dollar².

In Tanzania, the All-Share Index [ASLI] improved from negative 4% in 2023 to positive 12.61% in June 2024, while the local share Index [TSI] improved from 4.15% in 2023 to 8.90% in June 2024³. The 91-day Treasury bills registered an average interest rate of 6.75% during the year. The average inflation was 3.09%. The Tanzanian shilling depreciated by 0.9% to the US dollar².

In Rwanda, the ALSI performance improved from negative 2.71% in June 2023 to positive 1.75% in June 2024, while the local share Index [RLS] performed slightly well from positive 5.11% in June 2023 to positive 5.56% in June 2024³. The 91-day Treasury bills registered an average interest rate of 8.48% during the year. The average inflation was 1.12%. The Rwandan Franc depreciated by 0.6% to the US dollar².

Outlook

Global growth was projected by IMF to hold steady at 2.6% this year, despite flaring geopolitical tensions and high interest rates. Global trade growth was expected to recover, supported by a pickup in goods trade and Services-trade growth given that tourism had nearly recovered to pre-pandemic levels. However, the trade outlook remains lackluster compared to recent decades, partly reflecting a rise of trade-restrictive measures and elevated trade policy uncertainty⁴.

Growth in China edged up in early 2024, supported by a positive contribution from net exports that offset declining domestic demand due to the reducing population. Following slow economic growth last year, there had been weak consumer confidence, domestic consumption had also remained subdued, with retail sales growth below pre-pandemic averages. Growth was projected to decline further in 2025 to 4.1% and 4% in 2026⁴.

In the East Asia and Pacific [EAP], countries that lifted pandemic-related restrictions saw a rebound in tourist flows. Growth in the East Asia and Pacific (EAP) region was projected to slow from 5.1% in 2023 to 4.8% in 2024, mainly reflecting a deceleration of activity in China. Over the next two years, growth in EAP was projected to continue moderating to 4.2% in 2025 and 4.1% in 2026⁴.

Growth in Sub-Saharan Africa (SSA) weakened to 3% in 2023. However, growth in Sub-Saharan Africa picked up to 3.5% in 2024. Growth in the region's three largest economies namely, Angola, Nigeria, South Africa remained weak,

holding back growth in the region. Growth was projected to average to about 4% in 2025-26, as inflation retreats and private consumption and investment improve⁴.

In South Africa, growth weakened to 0.6 % in 2023. Economic activity remained subdued in early 2024 as the economy continued to struggle with a broad-based deterioration in public service delivery and a high crime rate. Household consumption remained constrained by high unemployment, while investment languished amid weak business confidence. Activity has been further dampened by necessary fiscal restraint, as public debt levels remain high, while lower global prices for the country's key commodity exports have reduced tax revenues from the mining sector. Growth in South Africa is projected to rise but remain subdued, reaching 1.2% in 2024 and 1.3% in 2025, as persistent structural constraints continue to limit near- and longer term economic prospects⁴.

In East Africa region, growth for 2025 was projected at 5.6%, 6.8%, and 6.0% for Kenya, Rwanda and Tanzania respectively⁵. The growth will be supported by increased oil and gas and tourism activities, private investment growth and growth in exports.

Uganda's economic outlook was positive and optimistic. The economy had remained resilient and had fully recovered from a number of internal and external shocks. In 2024-2025, the economy was projected to grow between 6.4% and 7%¹. The growth would be driven by strategies such as increased oil and gas activities, increase in regional trade in the EAC and COMESA, and new trading partners in the Middle East and Asia, increase in tourism activities and Agro-industrialization¹.

Performance review

In the year ended June 2024, the Board approved a new strategic plan 2024-2028. The Scheme started implementation of the new strategic plan in the Financial year 2023/2024. The Board invested members' funds in the most efficient and prudent way.

The Board constantly provided guidance to Management through Board resolutions and the Parliamentary Commission offered support to the Scheme through subvention grants, logistical and technical support.








The net investment return before tax increased by 36% from UgX. 49.90 billion to UgX. 67.66 billion. The increase was attributed to the good performance of fixed income investments. The nominal investment income before tax increased from UgX. 55.03 billion to UgX.66.088 billion. The assets under management steadily increased from UgX. 425.260 billion to UgX. 492.403 billion, representing a 15.79% growth rate. The Fund posted a return on average investable Assets of 10.75% before tax but after fair value adjustments and a return of 8.62% after tax and after fair value adjustments.

The benefits paid out amounted to UgX. 30.66 billion compared to UgX. 9.13 billion paid out last year.

The Board shall continue to ensure superior service delivery to the Members, prudent investment of Scheme funds and prompt payment of members' benefits.

Achievements

During the year, the Scheme registered the following achievements:

	Promptly paid out retirement benefits to Members
	Paid out Death benefits amounting to UgX. 697m.
	Disbursed Loans totaling to UgX. 13.89bn to 149 members.
	Enhanced capacity of the Board of Trustees and staff through training.
	Registered good attendance of Members at the Annual General Meeting.
	Paid out Mid-term benefits of UgX. 19.5 billion
	Operationalized the Strategic Plan 2024/2028.
	Set up of Off-site backup solution.
	Registered with Data Protection Office.
	Administered Certificates of Existence to pensioners.

Challenges

Members' slow response and/ or failure to update their files.

Appreciation

On behalf of the Board, I express my heartfelt gratitude to the Members for their untiring efforts and support to the Scheme. The Board in a special way was grateful to the Parliamentary Commission for the timely remittance of Members' contributions and all invaluable support and services extended to the Scheme.

In a special way, we extend our appreciation to the Commission for the support they have given in the management of the Loan product and to the Clerk to Parliament for his unwavering service to the Scheme. He was and continues to be very instrumental in ensuring smooth operations of the Scheme.

The Board of Trustees has with the support of the Committees efficiently executed their oversight role that ensured proper running of the Scheme operations. I take this opportunity to thank them and the co-opted members of the respective Board Committees for their commitment to serve the Scheme.

On behalf of the Board, I would like to recognize the service providers, Uganda Retirement Regulatory Benefits Authority and business partners for their contribution to the success and growth of the Fund and the Retirement Benefits Industry at large.

I take this opportunity to thank Management and Staff of the Parliamentary Pension Scheme for their dedicated service and commitment to the Scheme business.



.....
ARINAITWE RWAKAJARA (WORKERS MP)
CHAIRPERSON, BOARD OF TRUSTEES

CHIEF EXECUTIVE OFFICER

Introduction

I would like to welcome you to the 13th Annual General meeting. It's my pleasure to report to you on the performance and environment in which the Scheme has been operating.

The Scheme received all Members' contributions for the year and diligently undertook investments guided by the Investment Policy Statement and direction from the Board for FY 2023-2024. The staff capacity was enhanced through training and skill acquisition, enabling the staff to handle Scheme business efficiently.

During the FY 2023/2024, Multinational enterprises increasingly focused on financing green projects announced in 2023 to support climate change by reducing gas emissions. The global environment for investment remained challenging in 2023/2024. Weakening growth prospects, economic fracturing trends, trade and geopolitical tensions, industrial policies and supply chain diversification reshaped the Foreign Direct Investment patterns, causing some multinational enterprises to adopt a cautious approach to overseas expansion⁶.

Growth in advanced economies slowed to 1.5% in 2023/2024, with notable divergences. Growth in the United States strengthened to 2.5% owing primarily to robust consumption, government spending, and significantly reduced imports of goods and services. Industry trends showed lower investment in the infrastructure and digital economy sectors, but strong growth in the global value chain-intensive sectors of manufacturing and critical minerals⁶.

During the period, the Kenyan shilling appreciated against the dollar and there was a recovery in the prices of stocks at the Nairobi Securities Exchange. However, there was poor performance on the bond market due to an increase in the interest rates on bonds. The total returns were affected by the unrealized losses due to the negative market changes in the bond market. The nominal income were higher compared to the previous year by 20.10%. The Scheme is solid and a going concern.

Financial highlights and review

The Scheme assets grew by 15.79% in 2024 compared to 21.84% in 2023. The slight decrease in growth was attributed to negative movement of bond market and payouts of midterm benefits. The contributions increased from UgX. 48.3 billion in 2023 to 53.54 billion in 2024 due to an increase in Membership.

During the financial year, the Board collected 2% of Member contributions for Post-Retirement Medical Fund [PRMF] amounting to UgX.2.231 billion. The Post Retirement Medical Fund increased from UgX. 541 million to UgX. 2.937 billion by June 2024.

The graphs below show the 5-year performance trends of the Scheme

Scheme Assets

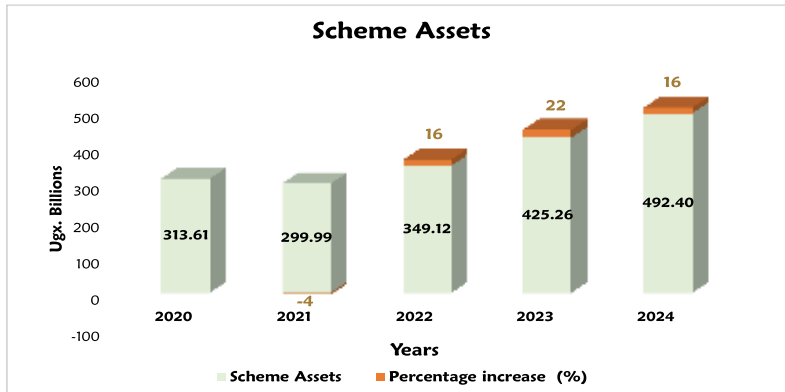


Figure 1: 5- Year trend for the Scheme Assets

Investment Income

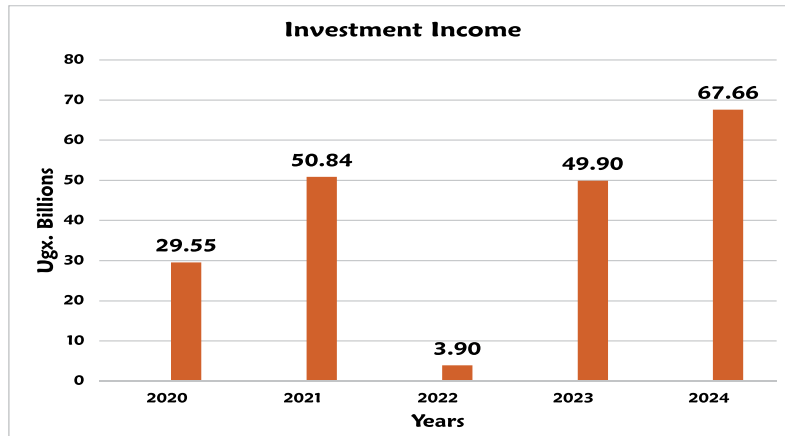


Figure 2: 5- Year trend for Investment Income

Funding Level

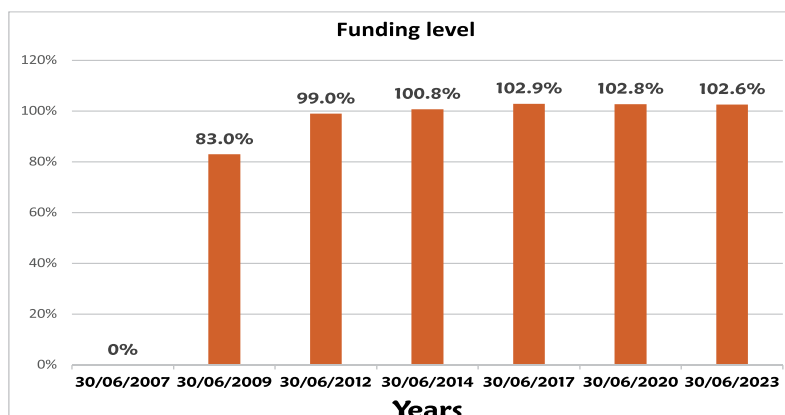


Figure 3: Funding Level since 2007

SUSTAINABILITY

Strategy

The Board is committed to integrate environment, social and governance [ESG] factors in the Scheme's operations and decisions making processes.

We recognise that as a high interest entity, we have an obligation to demonstrate our purpose beyond providing annual returns. This has necessitated us to undertake a comprehensive review of our sustainability actions and reporting.

In the financial year 2024/2025, the Scheme plans to do the following:

- Review the Governance and policy document to support ESG activities and operations.
- ESG core team formation: Establishing a dedicated team to manage ESG efforts.
- Measurement metrics: Developing metrics to assess ESG risks, impacts, and performance.
- Sustainability reporting: Creating an annual sustainability report to document our ESG activities and progress.
- Development of an ESG framework.

The Scheme developed a policy of Corporate Social Responsibility which will further guide sustainability activities for the future.

RISK MANAGEMENT AND CONTROL

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 Scheme's activities expose it to a variety of risks such as credit risk, market risk, interest rate risk, currency risk, non-financial risk, business risk and exchange rate risk. The overall risk management programme focuses on the identification and management of these risks in order to minimise adverse effects.

The Board has accordingly set up appropriate governance structures, policies, functions and systems to ensure effective management of Risk.

The Internal Audit function through the Committee of Audit and Risk provides assurance on the operations, systems, investment decisions and internal controls put in place to ensure their effectiveness in risk mitigation. On annual basis the Scheme profiles the risk environment and monitors effectiveness of mitigation strategies in accordance with the Risk Management framework.

In addition to the Internal Audit function, other risk management measures include creation of the Loan protection fund, insurance of loans, Health & Safety mitigation and enforcement of credit limits. The Investment Policy Statement provides guidance on investment classes, the strategic and tactical ranges in which investments should be done.

The Board ensures engagement of competent staff who ably ensure compliance to relevant laws, regulations and policies to effectively avoid unnecessary risks.

ACKNOWLEDGEMENT

I take this opportunity to thank the Board of Trustees for the guidance they have rendered to Management and staff. I thank the Members for the excellent amiable relationship they have accorded to the Scheme during the year. I also thank the staff, for their diligent service to the Scheme. Much appreciation goes to the Regulator for the continued support and guidance given to the Scheme to ensure compliance and safe guard of the Members' funds.

The Scheme also acknowledges contributions from other key players in the pension industry such as the Investment Managers, Custodians, Auditors, Insurers and other Business Partners.

The audited Financial Statements for the year ended 30th June 2024, are herewith presented to Members on Pages **24 to 62**.

A handwritten signature in blue ink, appearing to read 'Nightingale', is positioned above a dotted line.

.....
NIGHTINGALE MIREMBE SENOGA
CHIEF EXECUTIVE OFFICER

CORPORATE GOVERNANCE

BOARD OF TRUSTEES



Hon. Arinaitwe Rwakajara
CHAIRMAN



**Hon. Asha Aisha Kabanda
Nalule**



Hon. Akampulira Prossy



Hon. Dr. Francis Epetait



Mr. Nangoli Bernard



Hon. Musasizi Henry



Mr. Kirunda Solomon



Hon. Adolf Kasaija Mwesige
SECRETARY

BOARD OF TRUSTEES' STATEMENT

Board Size, Composition and Appointment

The Scheme is governed on behalf and in the interest of Members by Eight [8] Trustees appointed in accordance with Section 18 of the Parliamentary Pensions Act. The Board of Trustees and their respective constituencies are listed in Table 1 below:

Table 1: Board of Trustees

NO.	NAME	DESIGNATION	DATE OF APPOINTMENT
1.	Hon. Arinaitwe Rwakajara	Chairman	14 th July 2021
2.	Hon. Akampulira Prossy Mbabazi	Member	21 st July 2021
3.	Hon. Musasizi Henry	Member	9 th July 2021
4.	Hon. Dr. Francis Epetait	Member	27 th August 2021
5.	Hon. Asha A.K. Nalule	Member	1 st July 2021
6.	Mr. Kirunda Solomon Wilson	Member	30 th June 2022
7.	Mr. Nangoli Bernard	Member	24 th June 2022
8.	Hon. Mwesige Adolf Kasaija	Ex Officio/Board Secretary	12 th August 2021

Statement of Corporate Governance

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 have been made and incorporated in the Act.

The mandate 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.

Role of the Board

The Board offers strategic guidance, leadership 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.

Skills, Training and Experience

The Board appreciates the importance of training and skills acquisition in the efficient management of the Scheme. During the year ended June 2024, the Board undertook trainings to enhance knowledge and skills in Pension Management.

Board Meetings

The Board meets on a quarterly basis as guided by the approved Annual Board Calendar. The meetings have an agenda informed by priority decisions and discussions necessary to drive the Scheme forward. Board business is based on areas of operations of the Scheme namely Benefits Administration, Investments and Financial Performance, Human Resource and Assurance on internal controls. During the year, the Board held 9 meetings to review investments performance, develop Strategic documents for effective management of the Scheme and payment of Member benefits among others.

Board Evaluation, Training and induction

During the Financial 2023/2024, there was no new members of Board of Trustees appointed. The Board, co-opted one Member on the Investment and Custody Committee during the period.

Conflict of Interest

The Board of Trustees are under a fiduciary duty to act in honesty and in the best interest of the Scheme. Any business transacted with the Scheme must be at arm's length and fully disclosed to the Board. During the year, there were no conflicts of Interest recorded.

Board Committees

The Board constituted four 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 and a summary of their mandates are detailed hereunder: -

- **Finance and Administration Committee (FAC)**

Hon. Nalule Asha A. Kabanda	- Chairperson
Mr. Kirunda Solomon	- Member
Hon. Maxwell Akora	- Co-opted Member
Mr. Patrick Wanyama Ngolobe	- Co-opted Member
Hon. Mugume Roland	- Co-opted Member

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

- **Investment and Custody Committee (ICC)**

Hon. Akampurira Prossy Mbabazi	- Chairperson
Mr. Nangoli Bernard	- Member
Hon. Alice Alaso Asianut	- Co-opted Member
Mr. Ssemakula Grace	- Co-opted Member

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

- **Benefits Administration Committee (BAC)**

Mr. Solomon Kirunda	- Chairperson
Hon. Akampurira Prossy Mbabazi	- Member
Hon. Nalule Asha A. Kabanda	- Member
Hon. Winfred Kiiza	- Co-opted Member

The Benefits Administration Committee assists the Board of Trustees in ensuring that members' benefits are accurately computed and paid in time.

- **Audit and Risk Committee (A&RC)**

Hon. Dr. Francis Epetai	- Chairperson
Hon. Musasizi Henry	- Member
Mr. Fred Bawunha	- Co-opted Member
Mr. Ouma Moses	- Co-opted Member

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

Committee Meetings

During the reporting period, the Committees held a number of meetings as follows:

Finance and Administration Committee	- 5 meetings
Investment and Custody Committee	- 5 meetings
Audit and Risk Committee	- 5 meetings
Benefits Administration Committee	- 4 meetings
Loans Committee	- 2 meetings

Management

The Scheme is internally administered by a team of Twelve (12) qualified staff under the supervision of the Chief Operations Manager.

The Board has continued to strengthen the professional capacity of staff through training in order to improve service delivery. The Scheme's Management is comprised of:

Name	Designation
Ms. Nightingale Mirembe Ssenoga	Chief Operations Manager
Ms. Elsie Kizito	Finance Manager
Mr. Edward Basheka	Benefits Administration Manager
Mr. Cuthbert Ogwang	Ag. Internal Audit Manager

SCHEME MEMBERSHIP

At the end of the financial year, the Scheme had a membership of 1,474 comprised of 1,190 active members (women 465 and 725 men), 2 deferred members, 199 pensioners and 83 beneficiaries as summarized in Table 2 below:

Table 2: Membership of the Scheme as at 30 June 2024

	Active Members		Deferred Members		Pensioners		Beneficiaries	
	MPs	Staff	MPs	Staff	Staff	MPs	Staff	MPs
1st July 2023	552	586	0	2	40	151	12	55
New Entrants	5	67	0	0	9	2	3	15
Deceased	(1)	(2)	0	0	(1)	(2)	0	0
Leavers	(2)	(4)	0	0	0	0	(2)	0
Retired	(2)	(9)	0	0	0	0	0	0
As at 30th June 2024	552	638	0	2	48	151	13	70
Membership as at 30 June 2024	1,192				282			

Note: *Deferred Members are Members who joined another Government Institution on permanent and pensionable service.*

Financial Review

The Scheme had net assets worth Ugx. **492,403,464,260** as shown in the statement of Net assets in Table 3 below:

Table 3: Net Assets as at the period ended 30th June 2024

	Jun-24	Jun-23
	“000” UGX	“000” UGX
Contributions	53,542,930	48,291,883
Members payments	(30,663,237)	(9,135,370)
Net Additions from Members	22,879,693	39,156,513
Net Returns on Investments	44,436,466	37,262,028
Net Administration deficit	(172,923)	(286,585)
Net Increase in fund	67,143,236	76,131,956
Net assets at start of the year	425,260,228	349,128,272
Net assets at end of the year	492,403,464	425,260,228
	15.79%	21.81%

The Table 3 (a) below shows the explanations for the variances in the performance as at June 2024.

Table 3(a): Explanations for the variances in the performance as at June 2024

	Jun-24	Jun-23	Cause of the Variance
	UShs “000”	UShs “000”	
Contributions	53,542,930	48,291,883	Increase in the Number of Members.
Benefits to Members	(30,663,237)	(9,135,370)	Increase in benefits due to access to midterm benefits paid during the year.
Net additions from members	22,879,693	39,156,513	
Net Returns on Investments	44,436,466	37,262,028	Better performance of investments during the year
Net Administration deficit	(172,923)	(286,585)	Better budget utilization during the year.
Net Increase in fund	67,143,236	76,131,956	
Net assets at start of the year	425,260,228	349,128,272	
	492,403,464	425,260,228	

CUSTODY AND INVESTMENT ARRANGEMENTS

In compliance with the Uganda Retirement Benefits Regulatory Authority Act (2011), the Board of Trustees appointed Stanbic Bank to provide custody services to the Scheme. Old mutual Investment Group and GenAfrica Asset Managers were responsible for the management of the Scheme’s investment assets.

LOANS TO MEMBERS

The Scheme disbursed loans worth UgX. 13.887 billion to 149 members and the return on the loan portfolio was UgX. 3.759 billion contributing 5.69% of the total investment income.

INTEREST TO MEMBERS

During the 12th Annual General Meeting held on 23rd February 2024, the Board of Trustees declared additional interest rate of 1% for the financial year 2022/2023 equivalent to UgX. 2,880,251,163 was posted to the members’ statements. The provisional interest for the current year 2023/2024 of UgX. 29,281,062,847 has been provided for and posted to the members’ statements.

FUNDING STATUS

The Board of Trustees conducts periodic actuarial valuation of Scheme assets in accordance with Section 71 of Uganda Retirement Benefits Regulatory Act. The Actuarial Valuation done as at 30th June 2023 indicated that the Scheme was financially sound with a funding level of 102.7%.

INVESTMENT REPORT AND STRATEGY

Investment Policy

The Board has adopted a moderate risk approach to drive the investment strategy of the Scheme. The Investment Policy Statement (IPS) for the period 2021 – 2025 has been used to guide the Board on Investments during the FY 2023/2024.

The policy carefully balances the intent of maximizing the long-term returns while minimizing short-term volatility and other risks.

The implementation of the IPS is delegated to the Investment Managers whose performance is closely monitored by Management and overseen by the Investment and Custody Committee of the Board.

Strategic Asset Allocation

The strategic allocation of investable funds to different asset classes allowed for short-term deviations, management of emerging market conditions and exploitation of exceptional opportunities. The tactical ranges that were used are detailed hereunder.

Asset Class	Minimum	Strategic Weight	Maximum
	(%)		(%)
Term or Fixed Deposit	0.00	2.00	10.00
Cash and Demand Deposits	0.00	0.00	5.00
Uganda Treasury Bonds	40.00	60.00	80.00
Treasury Bills	5.00	15.00	
Uganda Corporate Bonds	0.00	2.00	5.00
Listed Equities (Domestic and Regional)	0.00	5.00	15.00
Collective Investment Schemes	5.00	10.00	20.00
Any Other Asset Classes -Loans to Members *	0.00	5.00	5.00
Private Equity	0.00	1.00	2.00

* Loans asset class is administered internally by the Scheme Management.

Investment Environment

The majority of the Investments were held in Uganda at 98.6% while 1.4% was in Kenya.

During FY 2023/2024, the Uganda's economy fully recovered from various internal and external shocks that impacted performance in the past four years. The economy was projected to grow by 6%. This year's growth of 6% was high compared to Sub-Saharan Africa's average of 3.8%, and the global average of 2.9% projected for the year 2024. The commercial bank lending interest rate was 17.7% during the last quarter of the financial year 2023/ 2024¹. Interest rates on Treasury Bills for the 182- and 364-day tenors were 13.05% and 13.63%, respectively². The Central Bank Rate (CBR) remained unchanged at 10.25% during the period ended June 2024⁷. The Ugandan Shilling appreciated by 1.2% against the US Dollar by the end of financial year 2024 closing at 3,747/USD².

In the Financial year, 2023/2024, the Kenyan economy was growing though there were a number of challenges which spilt over from the previous year. There was a currency deprecation in the first half of the financial year due to high debt burden on the Euro bond due to the uncertainty surrounding its repayment and other government obligations. This raised a lot of uncertainty from the foreign investors resulting in the fall in equities prices. There was also high inflation and scarcity of US dollars in the Kenyan economy. In the last half of the year, after securing refinancing of the Euro bond, there was recovery in the economy leading to raise in confidence thus attracted foreign investors leading to recovery in the equity market and appreciation of the Kenya shilling. Interest rate on government securities increased marginally with the 91 Treasury bill at 15.97% while 182 bill at 16.76%. The Kenya central bank rate was at 13%⁸. The improved performance in the Stock and Equity markets increased the Scheme's return on investments during the reporting period.

Strategy

During the year ended June 2024, there were no investments in corporate bonds as none were issued. The Member loans were maintained in the Investment portfolio at an average of 4.80% of total investment assets. The Scheme increased its investments in long term Treasury bonds to benefit from the high interest rate and low withholding tax rate on bonds of 10 years and above. More investments were made in Unit Trusts to take advantage of the tax relief. The strategy on regional equities was a conservative one. There has been a gradual reduction in the regional equities and increase in local equities. The Scheme sold 25% of the shares and funds were invested in long term and high yield bonds and unit Trusts. The Scheme focused on holding few counters that would give high yielding returns and those that would easily rebound back in case of adverse changes in the market conditions. The Scheme was granted administrative approval by URBRA to increase the loan portfolio from 5% to 7% for a period, which ended on 31st December 2023.

The breakdown of net assets as at the end of the reporting period was as follows:

Table 4: Net asset breakdown

	Amount (UgX.Bn)	Proportions (%)	Amount (UgX.Bn)
	Jun-24	Jun-24	Jun-23
Equities	15.18	3.09	16.54
Government Bonds	347.78	70.69	322.83
Treasury Bills	5.34	1.09	4.95
Loans	23.47	4.77	24.35
Fixed Deposit	3.65	0.74	9.03
Unit Trusts	91.57	18.61	46.39
Net current assets / Liabilities	5.413	1.01	1.170
Total	492.403	100.00	425.260

Investment Performance

The gross investment income earned during the year increased from 55.03 billion to 66.088 billion in June 2024, representing 20.10% growth. This was due to increased volume in fixed income and Unit Trust investments during the year.

The net investment return increase from 49.90 billion in the previous year to UgX.67.66 billion, representing 36% increase. The net investment return after tax was UgX. 57.99 billion compared to UgX. 41.79 billion in FY 2022/2023.

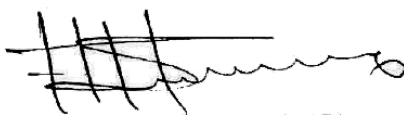
The income realized from different asset classes is summarized in Table 5 below:

Table 5: Income from different asset classes

Asset Class	Amount	Proportions (%)	Amount
	(UGX.bn)		(UGX.bn)
	Jun-24		Jun-23
Equities	2.062	3.12	1.614
Government Bonds	52.077	78.80	44.422
Treasury Bills	0.399	0.60	0.494
Loans	3.762	5.69	3.223
Unit Trusts	7.073	10.70	4.751
Fixed Deposit	0.715	1.08	0.521
Total	66.088	100.00	55.03

The return on investable assets before tax but after fair value adjustments is 10.75% compared to 13.11% in 2023. The return after tax and after fair value adjustments is 8.62% in 2024 compared to 10.98% the previous year.

Signed on behalf of the Board of Trustees by: -



CHAIRPERSON, BOARD OF TRUSTEES

Date: 11th November, 2024



MEMBER, BOARD OF TRUSTEES

Date: 11th November, 2024



MEMBER, BOARD OF TRUSTEES

Date: 11th November, 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The PPS Act, URBRA Act and regulations oblige the Trustees to make available to Scheme members and other parties, audited financial statements for each year which show a true and fair view of the financial transactions of the Scheme during the reporting period and of the amount and disposition at the end of the Scheme year of the assets and liabilities.

It also requires the Trustees to ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme and safeguarding the assets of the Scheme.

Responsibilities

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by URBRA Act and regulations, and for such internal controls as Trustees determined necessary to enable the preparation of financial statements, whether due to fraud or error.

The Board of Trustees hereby confirm that, during the period under review, they have complied with their duties imposed by URBRA Act 2011, Regulations and the rules of the fund, including the following:

- I. Ensured that adequate accounting records are kept inclusive of proper minutes of all resolutions passed by the Board of Trustees; and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities;
- II. Ensured that proper internal control systems were employed by or on behalf of the Fund;
- III. Ensured that adequate and appropriate information was communicated to the members including their rights, benefits, duties in terms of the rule of the fund;
- IV. Obtained expert advice on matters where they lacked sufficient expertise;
- V. Ensured that the rules, operation and administration of the fund complied with the URBRA Act and all other applicable legislations; and
- VI. Ensured that Scheme funds were invested and maintained in accordance with the fund's investment policy statement and investment regulations issued by URBRA.

Approval of the Annual Financial Statements

The Board of Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS and Scheme rules. The Trustees are of the opinion that the financial statements give a true and fair view of the financial affairs of the Scheme and its operating results.

These financial statements have been reported on by **M/s AN Associates Certified Public Accountants** who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings.

The Board of Trustees believes that all their representations made to the independent auditors in the representation letter during their audit were valid and appropriate. The report of the independent auditor is presented on pages **21-23**.

These financial statements were approved by the Board of Trustees on **7th November 2024** and are to the best of the Board of Trustees' knowledge and belief, confirmed to be complete and correct and fairly represent the net assets of the fund as at 30th June 2024 as well as the results of its activities for the period then ended in accordance with IFRS.

We confirm that for the period under review, the Parliamentary Pension Scheme has submitted all regulatory and other returns and any other information as required by the provision of the URBRA Act 2011 and to the best of our knowledge all applicable registration.

Nothing has come to the attention of the Trustees to indicate that the Scheme will not be able to meet its obligations for the next twelve months from the date of this statement and the requirements of the URBRA Act.



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CHAIRPERSON, BOARD OF TRUSTEES

Date: 11th November, 2024



.....
MEMBER, BOARD OF TRUSTEES

Date: 11th November, 2024



.....
MEMBER, BOARD OF TRUSTEES

Date: 11th November, 2024

INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF THE PARLIAMENTARY PENSION SCHEME

Opinion

I have audited the financial statements of the Parliamentary Pension Scheme (PPS) for the year ended 30th June 2024. These financial statements comprise of the Statement of Changes in Net Assets, Statement of Net Assets, Statement of Cash Flow, Statement of Changes in Members Fund, together with accompanying statements, notes and accounting policies.

In my opinion, the financial statements present fairly in all material respects, the financial position of the Parliamentary Pension Scheme as at 30th June 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the Parliamentary Pensions Act, Cap 273, and the Public Finance and Management Act, Cap 171, the Uganda Retirement Benefits Regulatory Authority Act, Cap 232 (Financial Reporting and Disclosure Requirements) Regulations, 2016.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of my report. I am independent of the Scheme in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, together with the ethical requirements that are relevant to my audit of financial statements in Uganda and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

The Board of Trustees is responsible for other information. The other information comprises the scheme background, the Trustees annual report and the Statement of Trustee's responsibilities for the Financial Statements. The other information does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover other information, and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements, or my knowledge obtained in audit, or otherwise

appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

The Board of Trustees Responsibilities for the Financial Statements

The Board of Trustees is responsible for preparation and presentation of financial statements in accordance with International Financial Reporting Standards and for such internal controls as management determines necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, the Board of Trustees is responsible for assessing the Scheme's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Scheme or to cease operation or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If I conclude that a material

uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Scheme 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.

I communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

I also provide the Board of Trustees with a statement that I 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 my independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

As required by the URBRA Act, Cap 232 of the laws of Uganda, I report to you based on my audit that the scheme complied with the applicable laws and regulations. I also report to you the following:

- I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
- In my opinion, proper books of account have been kept by the Scheme so far as appears from my examination of those books; and
- The Scheme's Statement of Changes in Net Assets, Statement of Net Assets, Statement of Cash Flows and Statement of Changes in Members Fund are in agreement with the books of account.

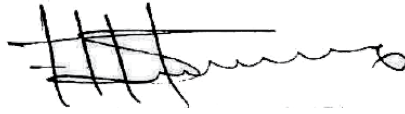


Edward Akol
AUDITOR GENERAL

13th November, 2024

5.0 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Jun-24 UGX	Jun-23 UGX
Income from dealing with members			
Member Contributions	9.1.1	20,079,041,559	16,638,332,048
Government Contributions	9.1.2	33,462,688,455	31,653,551,214
Voluntary Contribution	9.1.3	1,200,000	0
Total Contributions		53,542,930,014	48,291,883,262
Outgoing from dealings with members			
Benefits to Members	9.2	(30,663,237,856)	(9,135,370,204)
Net additions / (withdrawals) from the dealings with members		22,879,692,158	39,156,513,058
Returns on Investments			
Investment Income	9.3	66,088,188,024	55,025,922,706
Fund expenses	9.4	(4,413,868,367)	(3,836,082,859)
Net investment income before tax		61,674,319,657	51,189,839,847
Other comprehensive incomes			
Change in the value of the Equities	9.7.1.6	1,655,583,560	(4,530,631,206)
Changes in the value of Bonds	9.7.1.4	(18,757,779,867)	10,379,804,331
Foreign exchange gain/(loss)	9.7.1.10	(84,672,379)	(355,738,966)
Profit/Loss on sale of Investments	9.7.1.9	2,488,961	(235,991,468)
Gain (Loss) in the value in the investments		(17,184,379,725)	5,257,442,691
Change available for members before Tax and guaranteed Interest		67,369,632,090	95,603,795,596
Other incomes	9.5	3,457,360,859	3,479,453,929
Management expenses	9.6	(3,630,284,839)	(3,766,039,586)
Net Administrative Deficit (Surplus)	9.12	(172,923,980)	(286,585,657)
Increase in Net Asset before tax		67,196,708,110	95,317,209,939
Income Tax Charge (Credit)	9.26	(2,762,864,893)	(20,024,003,021)
Increase in Net Asset after tax during the Year		64,433,843,217	75,293,206,918
Guaranteed Interests to Members	9.15	(29,281,062,847)	(23,797,375,295)
Net Increase (Decrease) in Net Assets		35,152,780,370	51,495,831,623



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CHAIRPERSON, BOARD OF TRUSTEESDate: 11th November, 2024.....
MEMBER, BOARD OF TRUSTEESDate: 11th November, 2024.....
MEMBER, BOARD OF TRUSTEESDate: 11th November, 2024

6.0 STATEMENT OF NET ASSETS AS AT 30 JUNE 2024

	Notes	Jun-24 UGX	Jun-23 UGX
Non-Current Assets			
Property Plant and Equipment	9.21	463,297,044	434,971,661
Computer Software	9.22.4	523,671,785	497,437,066
Medium/ Long term Investments	9.7.1	364,695,305,581	345,311,156,062
Sub total		365,682,274,410	346,243,564,789
Current Assets			
Short term Investments	9.8.1	122,314,497,269	78,778,279,739
Receivables	9.9	487,397,126	523,642,024
Tax Asset	9.29.1	96,780,363	0
Withholding Tax Receivable	9.29.1	71,532,844	24,016,060
Deferred Tax Asset	9.30	5,238,217,373	0
Cash and Bank balances	9.10	3,255,366,805	5,427,275,282
Subtotal		131,463,791,779	84,753,213,105
Current Liabilities			
Creditors and Accruals	9.11	4,741,640,012	3,932,301,830
General Reserve Account	9.16	961,917	961,917
Tax Liability	9.29.1	0	135,051,514
Deferred Tax Liability	9.30	0	1,668,233,651
Subtotal		4,742,601,929	5,736,548,912
Total Net Current Assets		126,721,189,850	79,016,664,193
Net Total Assets	9.20	492,403,464,260	425,260,228,982



CHAIRPERSON, BOARD OF TRUSTEES

Date: 11th November, 2024



MEMBER, BOARD OF TRUSTEES

Date: 11th November, 2024



MEMBER, BOARD OF TRUSTEES

Date: 11th November, 2024

7.0 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Jun-24 UGX	Jun-23 UGX
Cash-flows from operating activities			
Contributions during the year	9.1.1/2/3	53,542,930,014	48,291,883,262
Taxes paid	9.27	(2,808,165,890)	(1,746,573,180)
Gain (Loss) in the Value of Investments		(17,184,379,725)	5,257,442,691
Other incomes		3,457,360,859	3,479,453,929
Expenses paid		(33,965,751,050)	(12,805,190,819)
Decrease (increase) in Payables		944,389,696	2,065,021,207
Decrease (increase) in Receivables		(7,481,148,875)	(11,336,958,704)
Net cash from operating activities		(3,494,764,972)	33,205,078,385
Cash-flows from investing activities			
Investment income (net)		59,862,352,192	49,180,899,003
Increase (Decrease) in investment		(58,162,044,370)	(80,549,014,084)
Purchase of assets		(377,451,327)	(124,215,700)
Net cash used in investing activities		1,322,856,495	(31,492,330,781)
Net Increase / (decrease) in cash and cash equivalents		(2,171,908,477)	1,712,747,604
Movement in cash and cash equivalents			
Cash balance at start of the year		5,427,275,282	3,714,527,678
Net Increase / (decrease) during the year		(2,171,908,477)	1,712,747,604
Cash balance at June 30 June 2024		3,255,366,805	5,427,275,282

8.0 STATEMENT OF CHANGES IN THE MEMBERS FUND AS AT 30 JUNE 2024

	Notes	Jun-24 UGX	Jun-23 UGX
Accumulated fund at the start of the year		422,926,126,114	347,346,333,539
Increase in Actuarial reserve as at June 2023	9.13	(2,143,373,000)	-
Actuarial Surplus at the start of the year	9.13	(8,553,842,000)	(8,553,842,000)
Unvested reserve	9.14	(37,591,448)	(37,591,448)
Net change available for members	5.0	35,325,704,350	51,782,417,280
Guaranteed interest to members	9.15	29,281,062,847	23,797,375,295
Unvested reserve	9.14	37,591,448	37,591,448
Accumulated Actuarial Reserve	9.13	10,697,215,000	8,553,842,000
Members Accumulated fund as at June 30	9.20	487,532,893,312	422,926,126,114

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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 summarise 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 and 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. Benefits due are accounted for in the period in which the Sponsor notifies the Trustees.

(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 recognised on accrual basis.

(f) Investment income

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

(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.

(g) Funding policy (continued)

The benefits of members are based on the accumulated Scheme credit. This rate is reviewed by the Board of Trustees based on investment performance.

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 realise the funding objective, the Scheme has a clear Contribution Schedule of 20% 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) Presentation currency

The financial statements are presented in the functional currency of 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 and bonds, corporate bonds and shares. The Board determines the appropriate classification of its financial instruments at the time of purchase.

Recognition

The Scheme recognises fixed deposits, treasury bills, Government bonds, shares and Corporate Bonds on the date at which they are purchased. Regular purchases of financial assets are recognised 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

Measurement:

Amortised cost measurement.

Fixed income investments (Fixed deposits, Treasury bills and Corporate Bonds) are held to maturity and are measured at amortised cost less impairment losses if any. Amortised 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 amortised based on the effective interest rate of the instrument.

(i) Financial instruments (continued)

Mark to market

Financial instruments (Government bonds and shares) are measured initially at cost, including transaction costs. Subsequently, all available-for-sale assets are measured at fair value, except 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, plus 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 derecognised when the scheme loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised 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 derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

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 impairment loss. Any impairment losses are made through the Statement of Other Comprehensive Incomes.

(i) Financial instruments (continued)

Valuation of the unlisted equities

During the year ended 30th June 2024, 189,200 shares of Stanlib Fahari I-Reit were delisted and transferred in the custody of CDSC Registrars Limited. The Scheme has used the last trading price to value the shares.

(j) Impairment on loans

Anticipated defaults on loans is provided for in the loan protection fund. In line with the Loans Policy, a 2% charge on every loan given contributes to a default fund. As at 30th June 2024 the balance on the loan protection (default) fund account was UgX. 424,802,648. The Scheme purchases an insurance policy on loan defaults due to death and permanent disabilities.

(k) Government grants

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

(l) Property and equipment

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

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 fittings	12.5%
Motor vehicles	25.0%
Office equipment	20.0%
Computer equipment	33.3%
Computer software	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. Depreciation during the period has been reported under Fund expenses.

(m) 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 are recognised in the Statement of Changes in Net Assets under other Comprehensive Incomes. Gains or losses as a result of revaluation as at 30 June 2024 have been recognized in the Statement of Changes in Net Assets under other Comprehensive Incomes.

(n) Employment benefits

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

(o) Expenses

Expenses are accounted for on an accrual basis.

(p) Revaluation of assets

A revaluation account created is periodically reduced by the depreciation value during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

(q) Income tax

The computation of the tax has been done based on annual computation method where withholding tax on fixed deposits is not treated as a final tax and used prorata to time. The income on dividends where withholding tax charged is at 5% for the companies on the NSE and 15% for companies on the USE has been treated not as a final tax.

(r) Computation of Tax

The Scheme has changed computation of tax from Income approach to Investment asset based approach on recommendation by the consultant after conducting a tax health Audit for FY 2022-2023.

(s) Comparatives

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

(t) URBRA Investment of scheme funds (amendment) regulations 2023 under section 16A methodologies for investment reporting was changed. “For the purposes of investment reporting, bonds shall be valued at amortization using clean pricing, the deposits and bills at amortization and the equities at fair value.” During the year ended 30th June 2024, the Board has valued the bonds using Mark to Market after being granted a waiver to fully comply by 2026.

(u) New and Amended standards not yet adopted for the year ended 30 June 2024

- Lack of Exchangeability (Amendments to IAS 21-Accounting for the Effects of Changes in Foreign Exchange Rates) - Issued by the IASB on 15 August 2023 to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after 1 January 2025.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) - Issued by the IASB on 30 May 2024 to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 ‘Financial Instruments’. The amendments are effective for reporting periods beginning on or after 1 January 2026.
- IFRS 18 Presentation and Disclosures in Financial Statements- Issued by the IASB on 9 April 2024 and is effective for periods beginning on or after 1 January 2027.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

The above amendments are not expected to have a material impact on the Scheme.

(v) Subsequent Events

There were no material events occurring after the reporting date which had an impact on the financial position or results of the Scheme.

9.1 Contribution income

9.1.1 Member's contribution

Notes	Jun-24 UGX	Jun-23 UGX
Staff Contributions	6,734,817,159	4,972,449,248
MPs Contributions	13,344,224,400	11,665,882,800
Total Members' contributions	20,079,041,559	16,638,332,048

9.1.2 Government contribution

	UGX	UGX
Government Contributions for Staff	11,222,314,455	9,433,301,214
Government Contributions for MPs	22,240,374,000	22,220,250,000
Total Government's contributions	33,462,688,455	31,653,551,214

9.1.3 Voluntary Contribution

	UGX	UGX
Staff	1,200,000	0
Total Voluntary contributions	1,200,000	0

9.2 Benefit to members

	UGX	UGX
Staff - Retirement Lump-sum	1,614,693,063	702,812,217
Staff - Death in service benefit	263,826,316	655,365,586
Staff - Withdrawal benefit	197,028,585	661,994,900
MPs - Retirement Lump-sum	687,746,668	-
MPs - Death in service benefit	1,525,231,375	1,102,847,002
MPs - Withdrawal benefit	394,780,894	64,887,419
Midterm Benefits	19,504,935,078	0
Pensions	6,474,995,877	5,947,463,080
Total Benefits to Members	30,663,237,856	9,135,370,204

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.3 Investment income

	Jun-24 UGX	Jun-23 UGX
Interest on Treasury Bills	399,823,405	493,612,435
Interest on Fixed Deposits	714,601,003	521,246,899
Interest from Unit Trusts	7,073,001,112	4,751,068,300
Interest from Government Bonds	52,076,503,174	44,422,550,841
Dividend Income	2,061,655,237	1,613,975,459
Interest Income from Loans	3,762,604,093	3,223,468,772
Total Investment Income	66,088,188,024	55,025,922,706

9.4 Fund expenses

	Note	Jun-24 UGX	Jun-23 UGX
Annual General Meeting and Board Election		245,905,000	223,597,100
Fund Management Fees		1,089,044,478	1,160,426,623
Board of Trustees Costs	9.4.1	1,531,177,158	1,142,952,573
Financial Audits		65,221,775	24,980,000
Board of Trustees meetings		192,170,796	229,243,200
Organization structures		69,925,500	83,165,587
Compliance costs		1,620,000	1,060,000
Depreciation		479,116,602	0
Benefits Administrations Costs		701,131,964	923,921,475
Actuarial Valuation fees		38,555,094	46,736,301
Total Fund Expenses		4,413,868,367	3,836,082,859

9.4.1 Board of Trustees costs

	Note	Jun-24 UGX	Jun-23 UGX
Board of Trustees Capacity Building		1,079,119,962	842,852,573
Honorarium		452,057,196	300,100,000
Total Board of Trustees costs		1,531,177,158	1,142,952,573

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.5 Other incomes

	Jun-24	Jun-23
	UGX	UGX
Grant revenue	3,303,998,964	3,254,438,980
Other Incomes	23,697,130	23,767,034
Investment income on operational funds	129,664,765	201,247,915
Total other Incomes	3,457,360,859	3,479,453,929

9.6 Management expenses

	Jun-24	Jun-23
	UGX	UGX
Personnel costs	2,695,008,931	2,572,845,302
Staff Capacity Building	615,640,411	495,546,027
Traveling expenses	42,147,203	21,356,616
Finance cost	39,447,000	0
Office Administration, supplies/others	214,418,383	156,300,298
Bank Charges	23,622,911	16,737,438
Depreciation	0	503,253,905
Total	3,630,284,839	3,766,039,586

9.7 Investments

9.7.1 Long term investments

	Note	Jun-24	Jun-23
		UGX	UGX
Government Treasury Bonds	9.7.1.2	336,358,479,153	311,850,657,208
Loan Portfolio	9.7.1.3	13,150,953,535	16,922,947,048
Shares& Equities	9.7.1.5	15,185,872,893	16,537,551,806
Total		364,695,305,581	345,311,156,062

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 CONTINUED)

9.7.1.2 Government treasury bonds (Government of Uganda)

	Jun-24 UGX	Jun-23 UGX
Two-Year Government Treasury Bond	1,491,652,444	1,511,196,992
Three-Year Government Treasury Bond	6,228,546,986	15,923,252
Five-Year Government Treasury Bond	4,062,440,991	4,133,601,338
Ten-Year Government Treasury Bond	77,605,324,067	96,560,040,655
Fifteen-Year Government Treasury Bond	144,880,136,398	137,240,386,456
Twenty-Year Government Treasury Bond	102,090,378,267	72,389,508,515
Total	336,358,479,153	311,850,657,208

9.7.1.3 Long term outstanding loan portfolio

	Jun-24 UGX	Jun-23 UGX
Loans (More than one year)	13,150,953,535	16,922,947,048
Total	13,150,953,535	16,922,947,048

9.7.1.4 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 period ended 30th June 2024, the fund increased its investment in government bonds which had high yields. During the year there was an increase in interest rates by the Central Bank, it increased the value of the existing bonds. The net reduction (unrealized loss) in value of the bonds was Ugx. 18,757,779,867 as reported in the Statement of Changes in Net Assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.7.1.5 Investment in shares

The Scheme invested in equities as follows;

	No. of shares No	Jun-24 Value UGX	Jun-23 Value UGX
Equities at the Uganda securities Exchange (USE)			
Bank Of Baroda (U) Ltd	27,502,950	550,059,000	437,021,875
DFCU (U) Ltd	4,198,728	944,713,800	1,108,464,192
Stanbic Bank (U) Ltd	80,471,662	2,977,451,494	3,105,197,940
MTN	12,104,080	2,057,693,600	1,162,545,000
Umeme	3,880,592	1,785,072,320	2,147,460,480
Total Market Value of Equities at the Uganda securities Exchange (USE)	128,158,012	8,314,990,214	7,960,689,487
Equities at the Nairobi securities Exchange			
Atlas Development and Support Services	98,000	0	0
Bamburi	0	0	79,984,166
Barclays Bank Kenya	235,390	94,634,648	72,595,840
Cooperative Bank of Kenya	92,663	33,794,358	134,974,545
Diamond Trust Bank	207,080	276,519,163	269,801,923
East African Breweries Ltd	76,451	322,177,646	309,840,607
Equity Group Holding	1,766,749	2,143,560,235	1,766,233,090
Jubilee Holdings	0	0	21,955,945
Kenya Commercial Bank	1,549,977	1,390,943,214	1,952,745,325
NIC Bank (K)	0	0	487,444,925
Safaricom Ltd	5,190,018	2,578,392,871	3,451,418,390
Stanlib Fahari I-Reit	189,200	30,860,544	29,867,563
Equities at the Nairobi Securities Exchange(NSE)	9,405,528	6,870,882,679	8,576,862,319
Total	137,563,540	15,185,872,893	16,537,551,806

Note: There was no active trading for Atlas Shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.7.1.6 Changes in the value of equities (shares)

The change in the value of equities (shares) arises as a result of the increase or decrease in the market price of the shares in the active market. The market prices are obtained as published by the Uganda Securities Exchange and the Nairobi Securities Exchange. In the financial year ended 30 June 2024, market prices for equities increased resulting into a cumulative unrealized gain of UgX. 1,655,583,560.

9.7.1.7 Valuation of equities (shares)

The Scheme has used the Bank of Uganda's average exchange rate in the valuation of shares for the regional equities.

9.7.1.8 Bonus shares

The Scheme received 929,220 bonus shares from MTN Uganda worth UgX. 157,967,400 as at 30th June 2024.

9.7.1.9 PROFIT / LOSS ON SALE OF INVESTMENT

During the year, the Scheme sold equity shares as shown in Table 5 below:

Table 6: Shares sold as at 30th June 2024

Company	Number of shares sold
East African Breweries Ltd	32
KCB Group Ltd Ord	1,000,000
Safaricom Ltd	2,500,000
The Co-operative Bank of Kenya Ltd	330,639
UMEME LIMITED	1,000,000
Bamburi Cement Ltd	121,440
Jubilee Holdings Ltd	4,667
NIC Bank Ltd	480,057
Stanbic Bank Uganda	38,959,028

The sale of shares was done to invest the funds in other asset classes so as to improve the performance of the portfolio. The proceeds from the sale of equity holdings resulted into a net gain of Ugx. 2,488,961. The net gain has been reported in the Statement of Changes in Net Assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.7.1.10 Foreign exchange gain/(loss)

During the year, the Scheme registered a net unrealized loss of UgX. 84,672,379. This arose from the revaluation of Kenyan dividends and the currency translation of Kenya Shillings. The net unrealized loss has been reported in the Statement of Changes in Net Assets.

9.8.1 Short term investments

	Note	Jun-24 UGX	Jun-23 UGX
Fixed Deposits Investments	9.8.1.1	3,651,819,928	8,661,957,858
Treasury Bills Investments	9.8.1.3	5,341,928,392	4,948,847,348
Unit Trusts	9.8.1.2	91,572,495,739	46,758,026,561
Loan Portfolio	9.8.1.5	10,327,640,163	7,431,624,869
Treasury Bonds due in 12 months	9.8.1.4	11,420,613,047	10,977,823,103
Total		122,314,497,269	78,778,279,739

9.8.1.1 Fixed deposits (Commercial banks)

	Jun-24 UGX	Jun-23 UGX
Fixed deposits (maturing within 12 months)	3,565,435,236	8,525,500,900
Interest receivable on Fixed Deposits	86,384,692	136,456,958
Total	3,651,819,928	8,661,957,858

9.8.1.2 Unit trusts

	Jun-24 UGX	Jun-23 UGX
Unit Trusts (maturing within 12 months)	78,160,248,644	40,680,160,217
Interest receivable on Unit Trusts	13,412,247,095	6,077,866,344
Total	91,572,495,739	46,758,026,561

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.8.1.3 Treasury bills (Bank of Uganda)

	Jun-24 UGX	Jun-23 UGX
364-Day Treasury Bills	5,160,013,800	4,553,957,400
Interest Receivable on Treasury Bills	181,914,592	394,889,948
Total	5,341,928,392	4,948,847,348

9.8.1.4 Government treasury bonds interest receivable in 12 months

	Jun-24 UGX	Jun-23 UGX
Two-Year Government Treasury Bond	65,384,000	64,469,538
Three-Year Government Treasury Bond	256,411,000	1,613,503,892
Five-Year Government Treasury Bond	125,162,500	122,527,500
Ten-Year Government Treasury Bond	2,622,784,988	3,317,152,473
Fifteen-Year Government Treasury Bond	4,615,973,215	4,143,200,693
Twenty -Year Government Treasury Bond	3,734,897,344	1,716,969,007
Total	11,420,613,047	10,977,823,103

9.8.1.5 Short term outstanding loan portfolio

	Jun-24 UGX	Jun-23 UGX
Loans recoverable	10,058,426,834	7,165,682,240
Interest Receivable	269,213,329	265,942,629
Total	10,327,640,163	7,431,624,869

9.9 Receivables

	Notes	Jun-24 UGX	Jun-23 UGX
Dividend Income Receivable		405,468,352	444,094,421
NALECO SACCO		0	39,447,000
Other Debtors		81,928,774	39,311,118
Contributions Receivables	9.9.1	0	789,485
Total		487,397,126	523,642,024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.9.1 Contributions receivable

	Notes	Jun-24 UGX	Jun-23 UGX
Contributions due for 30 days	9.9	0	789,485
Total		0	789,485

9.10 Cash and cash equivalents

	Jun-24 UGX	Jun-23 UGX
Centenary Bank	1,338,872,613	2,249,478,600
Standard Chartered Bank	742,364,171	1,566,873,644
Diamond Trust Bank	424,802,648	1,249,949,981
Stanbic (Loans)	536,894,753	331,559,142
Stanbic Bank (UGX)UAP	100,871,020	2,046,973
Stanbic Bank (UGX)GA	106,979,696	58,609
Stanbic Bank (KES)UAP	3,791,892	26,692,330
Stanbic Bank (KES)GA	12	3
Cash book	790,000	616,000
Total	3,255,366,805	5,427,275,282

9.11 Creditors and accruals

	Notes	Jun-24 UGX	Jun-23 UGX
Benefits Payable	9.11.1	3,016,879,272	1,911,774,124
Pensions Payable		250,935,157	285,186,585
Loan Refunds		4,697,955	511,365
Staff Gratuity		772,899,779	591,037,716
Sundry Creditors		696,227,849	1,143,792,040
Total		4,741,640,012	3,932,301,830

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.11.1 Benefits payable

	Notes	Jun-24 UGX	Jun-23 UGX
MPs Death in Service Benefits due for over a year.		623,999,087	1,102,847,002
MPs Death in Service Benefits due in 180 days.		1,457,716,646	2,258,681
Staff Death in service Benefits due in 60 days.		717,626,991	655,365,586
Staff Death in service Benefits due over a year.		0	30,737,973
Staff Withdrawal Benefits due less than a year.		0	17,904,068
Staff Withdrawal Benefits due for over a year.		217,536,548	102,660,814
Total	9.11	3,016,879,272	1,911,774,124

9.12 Movement in the administrative reserve account

	Notes	Jun-24 UGX	Jun-23 UGX
Administrative Reserve at the start of the year		542,359,037	824,048,875
Movement in the Revaluation Reserve		0	4,895,819
Administrative Surplus /(Deficit) during the year		(172,923,980)	(286,585,657)
Administrative reserve as at June 30	9.20	369,435,057	542,359,037

9.13 Movement in the actuarial revaluation reserve account

For the year ended 30th June 2023, the Board carried out an actuarial review of the Scheme assets and by 30th June 2023, there was a surplus of Ugx. 10,697,215,000

	Note	Jun-24 UGX	Jun-23 UGX
Actuarial Surplus at the start of the year		8,553,842,000	8,553,842,000
Increase in Actuarial Valuation as 30th June 2023		2,143,373,000	-
Accumulated Actuarial Reserve as at June 30	8.0	10,697,215,000	8,553,842,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.14 Movement in unvested reserve account

Unvested reserve at the start of the year	37,591,448	37,591,448
Accumulated unvested reserve as at 30 June	37,591,448	37,591,448

9.15 Interest to members

The PPA provides a guaranteed interest rate of 8% and a provision of Ugx. 29,281,062,847 for the year ended 30 June 2024 was made. The amount reported is derived by computing 8% interest on individual members' balances on a monthly basis and accumulated over the period for all members.

Guaranteed Interest 8%	29,281,062,847	23,797,375,295
Total Guaranteed Interest members	29,281,062,847	23,797,375,295

9.15.1 Declared interest

During the 12th Annual General Meeting held on 23rd February 2024, the Board of Trustees declared additional interest of 1% for the financial year 2022/2023 amounting to UgX. 2,880,251,163. The declared interest was posted on the Members' individual accounts.

9.16 General reserve account

General reserves account at the start of the year	961,917	961,917
General reserve as at 30 June	961,917	961,917

9.17 Loan protection fund

During the year, a loan protection fund of 2% was charged on all loans disbursed. Part of it was used to purchase an insurance policy for default due to death or permanent disability.

Loan protection fund at the start of the year	1,249,949,981	952,994,437
2% loan protection fee accumulated for the year	277,759,804	380,090,688
Transfer to Unit Trust Investments	(1,036,551,588)	0
Insurance policy purchased	(70,587,984)	(112,580,000)
Bank charges	(406,525)	(698,630)
Investment made during the year	1,036,551,588	0
Interest earned on investment in unit trusts	97,032,083	0
Interest earned on account balance	10,254,137	30,143,486
Loan protection fund as at 30 June	1,564,001,496	1,249,949,981

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.18 Post Retirement Medical Fund

Section 11 of the PPA (amendment) 2022 established a Parliamentary Post-Retirement Medical Fund, to provide medical care upon retirement. The Board is mandated to receive an amount not exceeding two (2%) per cent of the total Members' contributions in respect of Post-Retirement Medical Insurance.

	Jun-24	Jun-23
	UGX	UGX
Post-Retirement Medical Fund at the start of the year	541,793,850	0
2% Member contribution during the Year	2,230,992,989	541,793,850
Interest earned	164,347,556	-
Post-Retirement Medical Fund as at June 30	2,937,134,395	541,793,850

9.19 Expected Credit Loss

The provision for credit losses (PCL) is an estimation of potential losses that the Scheme may experience due to credit risk. The Scheme has used a general method of computing the expected credit loss because the loans issued to Members are not secured and for the minimum risk involved due to direct deduction managed by the Sponsor. The computed expected credit loss for the year is UgX. 234,758,302 and the loan protection fees collected is UgX. 277,759,804. The Scheme has made no provision for the excepted credit loss since loan protection fees collected in the period are higher than the computed expected credit loss.

9.20 Members Fund and Reserves

	Notes	Jun-24	Jun-23
		UGX	UGX
Members accumulated fund	8.0	487,532,893,312	422,926,126,114
Administrative reserves	9.12	369,435,057	542,359,037
Loan Protection fund	9.17	1,564,001,496	1,249,949,981
Post-Retirement Medical Fund	9.18	2,937,134,395	541,793,850
Total net assets as at June 30		492,403,464,260	425,260,228,982

9.21 Property and equipment

Cost:

As at July 01, 2023

Additions from WIP

Fully depreciated assets as at June 2024

Additions during the Year

As at June 30, 2024

Depreciation:

As at July 01, 2023

Fully depreciated assets as at June 2024

Charge for the year

As at June 30, 2024

Net Book value:

As at June 30, 2023

WIP as June 30, 2023

As at June 30, 2024

WIP as June 30, 2024

Net Property, Plant & Equipment

Furniture & Fittings 12.50% UGX	Computer Equipment 33.30% UGX	Office Equipment 20% UGX	Motor Vehicle 25% UGX	Total UGX
131,847,706	165,631,570	188,230,465	297,656,100	783,365,841
	51,759,654			51,759,654
(51,406,000)	(23,737,731)	(13,413,400)	-	(88,557,131)
27,402,000	140,014,079	22,920,490	0	190,336,569
107,843,706	333,667,572	197,737,555	297,656,100	936,904,933
96,695,747	83,976,405	126,988,972	99,218,710	406,879,834
(51,406,000)	(23,737,731)	(13,413,400)	-	(88,557,131)
11,146,223	61,845,812	30,306,126	74,414,025	177,712,186
56,435,970	122,084,486	143,881,698	173,632,735	496,034,889
35,151,959	81,655,165	61,241,493	198,437,390	376,486,007
				58,485,654
51,407,736	211,583,086	53,855,857	124,023,365	440,870,044
				22,427,000
				463,297,044

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.21.1 Property and equipment (continued)

The purchased assets during the year ended 30 June 2024 comprise of the following:

No.	Asset class	Asset	Note	Amount
				[UGX]
1	Computer Equipment	5 Desk Computer	9.21	34,810,000
		2 Printers	9.21	5,782,000
		5 UPS	9.21	4,425,000
		1 Monitor	9.21	3,009,000
		6 Laptops	9.21	47,318,000
		1 Smart Board	9.21	44,670,080
		Computer Equipment Sub total		140,014,080
2	Furniture & Fittings	4 Office chairs	9.21	5,700,000
		2 Book shelves	9.21	4,990,000
		1 Wooden wall shelf	9.21	9,912,000
		3-Seater PVC Bench	9.21	2,900,000
		1 Meeting Table	9.21	2,000,000
		1 Office desk	9.21	1,900,000
		Furniture & Fitting Sub total		27,402,000
3	Office Equipment	1 TV set	9.21	2,500,000
		1 Scanner	9.21	9,871,290
		1 Camera	9.21	10,549,200
		Office Equipment		22,920,490
		Total		190,336,570

The assets in WIP as at June 2024:

No.	Asset class	Asset	Note	Amount
				[UGX]
1	Office Equipment	2 Air Conditioners	9.21	8,857,000
		Computer Equipment Sub total		8,857,000
2	Computer Equipment	4 Printers	9.21	13,216,000
		6 mouses	9.21	354,000
		Computer Equipment Sub total		13,570,000
		Total		22,427,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

The additions from the WIP transferred to the PPE schedule as at June 2024:

No.	Asset class	Asset	Note	Amount
				Ugx
1	Computer equipment	Server	9.21	33,587,654
2		Fire wall	9.21	18,172,000
	Total			51,759,654

9.22 Computer software

9.22.1 Oracle software, Document Management System (DMS), website and Offsite Back up

	Jun-24	Jun-23
	33.30%	33.30%
	UGX	UGX
Cost:		
As at July 01, 2023	0	126,336,700
Additions (Off site Backup) from WIP	90,872,066	0
Additions Website	-	-
As at June 30, 2024	90,872,066	126,336,700
Amortization:		
As at July 01, 2023	0	84,140,249
Charge for the year for oracle software		42,196,451
Charge for the year for Offsite Backup Software	10,086,799	
As at June 30, 2024	10,086,799	126,336,700
As at June 30, 2024	80,785,267	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.22.2 Fund Mater Software

	Jun-24	Jun-23
	33.30%	33.30%
Cost:	UGX	UGX
As at July 01, 2023	860,000,000	860,000,000
Additions during the year	44,483,038	
As at June 30, 2024	904,483,038	860,000,000
Amortization:		
As at July 01, 2023	453,435,000	167,055,000
Charge for the year	291,317,617	286,380,000
As at June 30, 2024	744,752,617	453,435,000
Net Book value:		
As at June 30, 2023	406,565,000	0
As at June 30, 2024	159,730,421	406,565,000

9.22.3 Work in progress

	Jun-24	Jun-23
	UGX	UGX
Opening Balance	90,872,066	90,872,066
Additions during the year:	-	
Digital workspace	283,156,097	-
Transfer of Offsite Back up Software	(90,872,066)	-
Work in Progress as at June 30.	283,156,097	90,872,066

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.22.4 Total computer software

	Jun-24 UGX	Jun-23 UGX
Offsite Backup Software	80,785,267	-
Work in Progress	283,156,097	90,872,066
		-
Fund Mater Software	159,730,421	406,565,000
Work in Progress as at June 30	523,671,785	497,437,066

9.23 Tax computation

	Notes	Jun-24 UGX Investment Asset Approach	Jun-23 UGX Income Approach
Investment Income	9.25	0	55,250,937,655
Increase (Decrease) in Net Asset before tax	5.0	67,196,708,110	
Add back			
Less: Income where WHT is final tax	9.25	-	(46,530,138,735)
Income subject to income tax		0	0
Less: Fund Expenses	9.4	-	(3,836,082,859)
Less: Operating Expenses	9.6	-	(3,766,039,586)
Add back disallowable:			
Fund Expenses	9.25	789,644,264	3,230,596,171
Unrealized forex loss	5.0	84,672,379	
Benefits to Members	9.2	30,663,237,856	
Operational Expenses	9.6	0	3,262,785,681
Change in the value of investments	5.0	17,102,196,307	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

Tax computation (Continued)

Depreciation	9.4/9.6	479,116,602	503,253,905
Loss (Profit) on sale of Investments	5.0	(2,488,961)	(235,991,468)
less:		0	
Member's contributions	5.0	(53,542,930,014)	0
Interest on Treasury Bills	9.3	(399,823,405)	0
Interest from Government Bonds	9.3	(52,076,503,174)	0
Wear and Tear		(529,635,914)	(388,139,332)
Taxable Income after W&T	9.26	10,097,255,559	7,491,181,432

9.24. Total investment income and Investment Assets

	Note	Jun-24 UGX Investment Asset Approach	Jun-23 UGX Total Income Approach
Interest on Treasury Bills	9.3	0	493,612,435
Interest from Government Bonds	9.3	0	44,422,550,841
Dividend income	9.3	0	1,613,975,459
Total Investment Income where WHT is Final		0	46,530,138,735

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.24.1 Income where WHT is not final

	Note	Investment Asset Approach Jun-24 UGX	Total Income Approach Jun-23 UGX
Other sundry Incomes	9.5	-	23,767,034
Interest Income from Operations	9.5	-	201,247,915
Interest from Unit Trusts	9.3	-	4,751,068,300
Interest on Fixed Deposits	9.3	-	521,246,899
Interest Income from Loans	9.3	-	3,223,468,772
Total Investment Income where WHT is not Final		0	8,720,798,920
Total Investment Income	9.26	0	55,250,937,655
Investment assets where WHT is final			
Government Treasury Bonds	9.32	347,779,092,200	0
Treasury Bills Investments	9.32	5,341,928,392	0
Total Investment assets where WHT is final		353,121,020,592	0
Investment assets where WHT is not final			
Loan Portfolio	9.32	23,478,593,698	0
Shares& Equities	9.32	15,185,872,893	0
Fixed Deposits Investments	9.32	3,651,819,928	0
Unit Trusts	9.32	91,572,495,739	0
Total Investment assets where WHT is not final		133,888,782,258	0
Total Investment assets of the Scheme		487,009,802,850	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.25 Fund expenses

Section 122 of the ITA states that all expenses where withholding tax is final shall not be allowed for the purposes of computing tax liability/asset for the year. The Scheme has apportioned the fund management fees based on the income approach as at 30 June 2024.

		Investment Asset Approach	Total Income Approach
	Notes	Jun-24 UGX	Jun-23 UGX
Total fund Expenses	9.4	0	3,836,082,859
Total Investment Income	9.24.1	0	55,250,937,655
Income where WHT is final	9.24	0	46,530,138,735
Investment Income where WHT is not final	9.24.1	0	8,720,798,920
Total Fund Management costs	9.4	1,089,044,478	0
Total investment assets of the Scheme	9.24.1	487,009,802,850	0
Total Investment assets where WHT is Final	9.24.1	353,121,020,592	0
Total Investment assets where WHT is not Final	9.24.1	133,888,782,258	0
*Proportion of total investment where WHT is final		73%	84%
*Proportion of total Investment where WHT is not final		27%	16%
Disallowed Expenses:			
Fund Management expenses	9.23	789,644,264	3,230,596,171

Note: Percentage rounded off to whole numbers,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.26 Tax expense

	Notes	Portfolio Jun-24 UGX	Totals Jun-23 UGX
Taxable Income	9.23	10,097,255,559	7,491,181,432
Tax Charge	30%	3,029,176,668	2,247,354,430
Deferred Tax Charge	9.30	(6,906,451,023)	11,914,995,052
Add: Tax deducted at source (WHT)		6,640,139,248	5,861,653,539
Tax Expense charge for the year	5.0	2,762,864,893	20,024,003,021

9.27 Tax payment

During the year ended 30 June 2024, the Scheme paid provisional tax of Ugx. 2,808,165,890.

9.28 Tax payable

	Notes	Jun-24 UGX	Jun-23 UGX
Tax Charge Payable	9.26	3,029,176,668	2,247,354,430
Opening Tax Liability		135,051,514	0
Additional Tax liability		147,532,918	0
Provisional Tax Paid		(2,808,165,890)	(1,746,573,180)
Final Tax Paid during the ear		(282,584,432)	-
Dividend warrants		(195,697,922)	-
WHT certificates		(122,093,218)	(74,615,838)
Tax Credit (Payable)	9.29	(96,780,362)	426,165,412

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.29 Tax Liability (asset)

	Notes	Jun-24 UGX	Jun-23 UGX
Opening Balance		(111,035,454)	303,586,747
Tax Credit (payable) for the year	9.28	96,780,362	(426,165,412)
Additional liability		(147,532,918)	
WHT written off		0	(16,629,836)
Payment		282,584,432	-
Add: Withholding Tax during the year		114,092,552	102,788,885
Add: Withholding Tax on dividends during the year		251,215,372	
WHT Claimed		(122,093,218)	(74,615,838)
Dividend warrants		(195,697,922)	-
Tax Asset at year end		168,313,207	(111,035,454)

9.29.1 Cumulative split of Tax asset (Liability) and Withholding Tax receivables

	Notes	Jun-24 UGX	Jun-23 UGX
Tax Asset		96,780,363	(135,051,514)
WHT Receivable		71,532,844	24,016,060
Tax Asset at year end		168,313,207	(111,035,454)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.30 Deferred tax

Deferred tax is calculated in accordance with IAS 12 on all temporary differences under the liability method using a principal tax rate of 30%. The temporary differences arise between tax bases of assets and liabilities and their carrying amounts in the financial statements. The reconciliation of the deferred tax is as highlighted below:

		Jun-24 UGX	Jun-23 UGX
Accelerated Tax Depreciation			
Carrying value as at 30 June		681,385,732	786,051,007
Written down Value as at 30 June		(955,241,622)	(718,706,328)
Difference		(273,855,890)	67,344,679
Total Deferred Tax for the Year on assets 30%		(82,156,767)	20,203,404
Changes in fair value			
Changes in fair value during the Year		(17,102,196,307)	5,849,173,125
Deferred Tax Charge for the period 30%		(5,130,658,892)	1,754,751,938
Foreign Exchange losses			
Foreign Exchange losses during the Year		(84,672,379)	(355,738,966)
Deferred Tax Charge for the period 30%		(25,401,714)	(106,721,690)
Deferred Tax Charge for the period			
	At 1 July 2023 UGX	Credit/ Charge for the Period UGX	30th June 2024 UGX
Accelerated Tax Depreciation	20,203,404	(102,360,171)	(82,156,767)
Changes in fair Value	1,754,751,938	(6,885,410,830)	(5,130,658,892)
Foreign Exchange losses	(106,721,691)	81,319,977	(25,401,714)
Net Deferred Tax (asset) / Liability	1,668,233,650	(6,906,451,023)	(5,238,217,373)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.31 Investment allocation

	Notes	Jun-24 UGX	Jun-23 UGX
Government Treasury Bond	9.8.1.4/9.7.1.2	347,779,092,200	322,828,480,311
Fixed Deposits Investments	9.8.1.1	3,651,819,928	8,661,957,858
Treasury Bills Investments	9.8.1.3	5,341,928,392	4,948,847,348
Unit Trusts	9.8.1.2	91,572,495,739	46,758,026,561
Loans	9.8.1.5/9.7.1.3	23,478,593,698	24,354,571,917
Shares& Equities	9.7.1.5	15,185,872,893	16,537,551,806
Total Investments (Short & Long term)		487,009,802,850	424,089,435,801
Allocation per fund Manager		Jun-24 UGX	Jun-23 UGX
Gen Africa		237,338,821,477	207,677,086,825
Old Mutual		220,556,189,622	191,567,509,765
Parliamentary Pension Scheme		29,114,791,751	24,844,839,211
		487,009,802,850	424,089,435,801

9.31.1 Details of allocation GenAfrica

	Jun-24 UGX	Jun-23 UGX
Government Treasury Bond	184,347,324,742	163,902,052,720
Fixed Deposits Investments	451,010,861	1,801,582,169
Treasury Bills	5,341,928,392	4,948,847,348
Unit Trusts	38,524,829,090	27,734,914,335
Shares& Equities	8,673,728,392	9,289,690,253
Total	237,338,821,477	207,677,086,825

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.31.1 Investment allocation (continued)

Old Mutual

	Jun-24	Jun-23
	UGX	UGX
Government Treasury Bond	163,431,767,458	158,926,427,591
Fixed Deposits Investments	1,635,329,080	6,740,384,182
Unit Trusts	48,976,948,583	18,652,836,439
Shares& Equities	6,512,144,501	7,247,861,553
Total	220,556,189,622	191,567,509,765

Parliamentary Pension Scheme

	Jun-24	Jun-23
	UGX	UGX
Loans	23,478,593,698	24,354,571,917
Unit trusts	4,070,718,066	0
Fixed Deposits Investments	1,565,479,987	490,267,294
Total	29,114,791,751	24,844,839,211

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.31.2 Investment reconciliation (Member fund)

	Value as at 01/07/2023	Purchases at cost	Capitalized/ in- terest discounts	Sales/Proceeds/ Redemptions / Impairment loss	Changes in the Fair value	Value at 30.06.24
	Ugx	Ugx	Ugx	Ugx	Ugx	Ugx
Fixed Deposits	8,661,957,858	28,394,824,263	86,384,692	(33,491,346,885)	0	3,651,819,928
Treasury Bills	4,948,847,348	5,160,013,800	181,914,592	(4,948,847,348)	0	5,341,928,392
Shares	16,537,551,806	812,787,345	0	(3,820,049,818)	1,655,583,560	15,185,872,893
Loans	24,354,571,917	13,887,990,249	269,213,329	(15,033,181,797)	-	23,478,593,698
Unit Trusts	46,758,026,561	84,461,942,827	13,150,867,456	(52,798,341,106)	-	91,572,495,738
Treasury Bonds	322,828,480,311	59,507,278,448	11,420,613,047	(27,219,499,738)	(18,757,779,867)	347,779,092,201
Total	424,089,435,801	192,224,836,932	25,108,993,116	(137,311,266,692)	(17,102,196,307)	487,009,802,850

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9.32 Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments as at 30 June 2024.

9.33 Financial risk management

The Trustees are charged with the overall responsibility of oversight of the Scheme's risk management framework. The Trustees are responsible for developing and monitoring the risk management policies, identifying, analyzing, and mitigating the risks faced by the Scheme.

(a) Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations on its financial liabilities. The Scheme undertakes regular Cash flow projections to identify and provide for financial obligations that may fall due. Immediate liquidity needs are settled from monthly contributions from the Sponsor.

Management of liquidity risk

The Scheme funds are raised mainly from contributions received from both Sponsor and members of the Scheme.

The Scheme strives to maintain a balance between continuity of funding and flexibility through the use of investment assets with a range of maturities. The Scheme continually assesses liquidity risk by identifying and monitoring changes in funding and adjust investment plans accordingly.

Management of investment risk

Key measures used by the Scheme for managing investment risk are the asset mix limits. Details of the asset mix at the reporting date were as shown in Table 6 below:

Table 7: Investment asset mix

Category of asset class	Limit	2024		2023	
	As per IPS	UGX		UGX	
Government securities	40%- 80%	347,779,092,200	71.11	322,828,480,311	76.09
Treasury bills	5%- 80%	5,341,928,392	1.09	4,948,847,348	1.17
Unit Trusts	5%-20%	91,572,495,739	18.72	36,016,517,025	8.49
Fixed deposits	0% -10%	3,651,819,928	0.75	8,661,957,858	2.04
Domestic Equites	0%- 15%	8,314,990,214	1.70	7,669,650,913	1.81
Regional Equities	0%-15%	6,870,882,679	1.41	17,172,312,410	4.05
Others (Loans)	0%-5%	23,478,593,698	4.80	24,354,571,917	5.74
Cash	0%-5%	2,087,409,986	0.43	2,609,835,657	0.62
		489,097,212,836	100	424,262,173,439	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

The Table 7 below analyzes assets and liabilities into relevant maturity groupings based on the remaining period to the contractual maturity dates:

Table 7: Assets and liabilities into relevant maturity groupings

	Up to 3 months	3-12 months	1 - 5 years	Over 5 years	Total
Government securities	-	11,420,613,047	11,782,640,421	324,575,838,732	347,779,092,200
Treasury Bills	-	5,341,928,392	-	-	5,341,928,392
Fixed deposits	3,000,000,000	651,819,928	-	-	3,651,819,928
Domestic Equities	928,372,650	1,388,718,655	1,350,159,823	4,647,739,086	8,314,990,214
Regional Equities	-	2,291,601,186	1,589,756,215	2,309,525,278	6,870,882,679
Unit Trusts	4,578,624,787	5,494,349,744	81,499,521,208	-	91,572,495,739
Loans	269,213,329	10,058,426,834	13,150,953,535	-	23,478,593,698
Cash at Bank	3,255,366,805	-	-	-	3,255,366,805
Receivables	-	487,397,126	-	-	487,397,126
Total Assets	12,031,577,571	37,814,854,912	109,373,031,202	331,533,103,096	490,752,566,781
Other Liabilities and accrued expenses	3,968,740,233	961,917	772,899,779	-	4,742,601,929
Tax liability	-	-	-	-	-
Total Liabilities	3,968,740,233	961,917	772,899,779	-	4,742,601,929
Liquidity gap	-	-	-	-	-
At 30 June 2024	8,062,837,338	37,813,892,995	108,600,131,423	331,533,103,096	486,009,964,852

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates will affect the Scheme's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within the acceptable parameters, while optimizing the return on investment.

Management of market risks

The authority of management of the market risk is vested with the Scheme's investment managers.

Interest rate risk

The Scheme's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Scheme business strategies. Interest rate monitoring is done by the investment managers and Investment and Custody Committee of the Board. The Scheme does not have any significant interest rate risk exposures.

Currency risk

The Scheme is exposed to currency risk through transactions in foreign currencies. The Scheme's transactional exposures give rise to foreign currency gains and losses that are recognized in the statement of changes in net assets available for benefits. In respect of monetary assets and liabilities in foreign currencies, the Scheme ensures that its net exposure is kept to acceptable levels. Monitoring of foreign currency fluctuations is done through the Scheme's investment managers. The Scheme's assets and liabilities are reported in the Uganda shillings

(c) Non-financial risk

In addition to the risks discussed above, the Scheme is also exposed to a number of non-financial risks. Non-financial risk encompasses operational risk and business risk.

Operational risk

This is the risk of direct or indirect impacts resulting from inadequate or failed internal processes or systems or from external events. Major sources of operational risk include implementation of strategic change, outsourcing of operations, fraud, error, regulatory compliance among others. Operational risk is managed and monitored by the Scheme's Trustees and the presence of the Internal Audit function.

Business risk

This is the risk of adverse impact resulting from poor choice of strategy, markets, products, activities, or structures. Major potential sources of business risk include revenue volatility due to factors outside our control; inflexible cost structures; uncompetitive products or pricing; and structural inefficiencies. Parliamentary Pension Scheme is continuously reinforcing its commitment to the management of these risks. The Scheme will continue to implement advanced financial and non-financial risk management processes to mitigate losses and reduce exposure.

ACTUARIAL VALUATION REPORT

Purpose

The actuarial valuation was done in order to determine the funding status of the Scheme as at 30th June 2023.

Valuation Basis

A summary of the valuation assumptions is as follows: -

Financial assumptions

- A long-term investment return of 10% p.a is used to place a present value on future benefit payment.
- Pension increase of 4% p.a. and a guaranteed period of 15 years.

Demographic assumptions

- Rates of mortality after retirement was based on the “Pensioner Annuity”, PA (90) ultimate mortality tables with mortality improvement of 1% per annum from age 60.

Valuation Results	JUNE 2023 (UGX. 000)	JUNE 2020 (UGX. 000)	JUNE 2017 (UGX. 000)	JUNE 2014 (UGX. 000)
Total Value of Assets	424,594,360	312,113,763	152,133,644	66,384,457
Total value of Liabilities	(413,336,705)	(303,559,921)	(147,811,769)	(65,834,199)
Surplus	11,257,655	8,553,842	4,321,874	550,258
Funding Level	102.6%	102.8%	102.9%	100.8%

Valuator Statement

The Valuator hereby certifies that the Scheme is in a financially sound condition as at 30th June 2023.

The actuarial valuation was undertaken by **East African Actuarial Services Limited**.

FIVE YEAR FINANCIAL STATISTICS

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

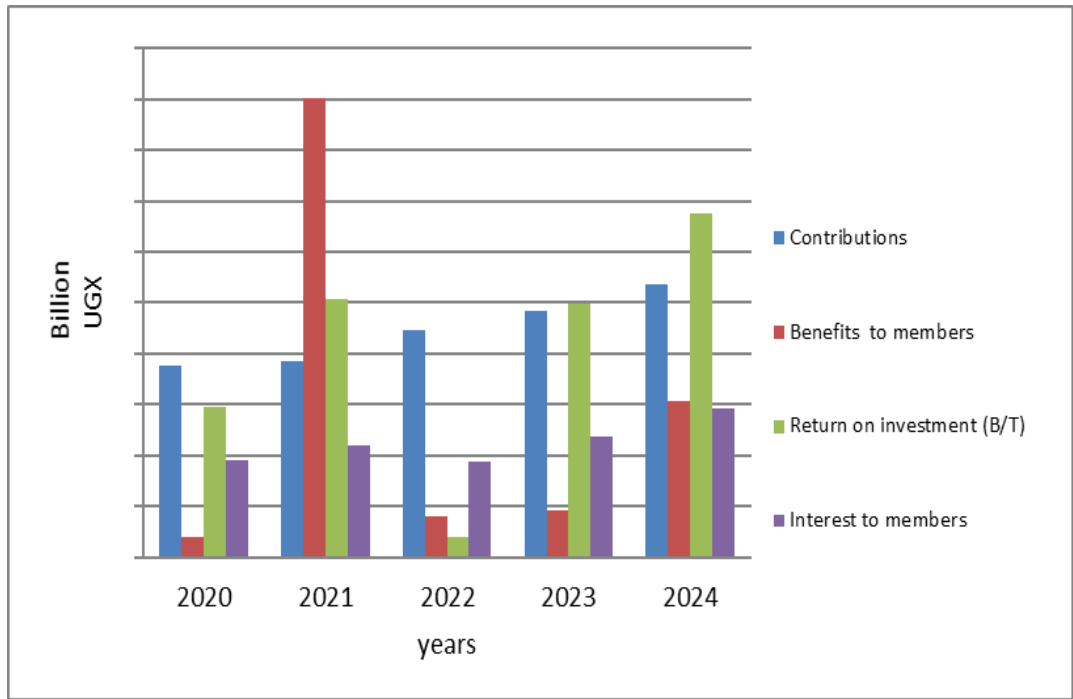
Table 9: 5-year financial statistics (in UGX Billion)

Details	2020	2021	2022	2023	2024
Contributions	37.67	38.4	44.71	48.29	53.54
Benefits to Members	4.17	90.06	8.11	9.14	30.66
Return on Investment (B/T)	29.55	50.82	3.90	49.90	67.66
Interest to Members	19.24	21.99	18.92	23.79	29.28
Total Fund & Reserve	313.61	299.99	349.12	425.26	492.40
Bank Balance	3.44	3.89	3.71	5.43	3.26
Fixed Deposit	12.02	19.65	18.29	9.03	3.65
Treasury Bills	26.94	0.803	0.000	4.95	5.34
Corporate Bonds	0.290	0.132	0.000	0.000	0.000
Government Bonds	207.87	210.69	236.27	322.83	347.78
Quoted Shares	50.36	64.53	24.84	16.54	15.18
Loans	10.78	11.490	19.270	24.35	23.48
Unit Trusts	0	0.000	36.02	46.39	91.57
Net Current (Liabilities)/assets	1.91	(11.20)	10.72	(4.26)	2.14
Net Assets	313.61	299.99	349.12	425.26	492.40

Return on Investment

Year	% Increase /Decrease	Explanations
2021	72.1%	Good performance in the equity and bond markets during the year.
2022	(92.3%)	Poor performance on the equity and bond Markets during the year.
2023	1,179%	Good performance on the bond market led to a recovery during the year.
2024	36%	Good performance on the equity market and unit trusts during the year.

Figure 4: Summary of 5-year financial statistics



ONE YEAR FINANCIAL PROJECTIONS

The projection shows the incomes and Benefits to be made by the Scheme for a period of 1-year 2024/2025.

Table 10: 1 Year Projections (in UGX Billion)

Income	Amount
	[Bn]
	UGX.
Fixed Deposit	0.851
Treasury Bills	0.806
Government Bonds	72.55
Quoted Shares	2.64
Unit Trust	7.759
Loans	5.27
Total Projected Income	89.87
Benefits	
Withdrawal	1.136
Access to Midterm	4.50
Retirements	1.098
Pensions	6.596
Death in service	1.747
Total Projected benefit	15.077

Assumptions

1. There will be stability in the inflation, interest, fuel & food prices and exchange rates.
2. There will be local demand for goods and services.
3. Recovery in the private sector.
4. Peace and security will be maintained.
5. Favorable weather conditions.
6. Increase in domestic borrowing.

ONE YEAR FINANCIAL PERFORMANCE AGAINST PROJECTIONS IN 2023/2024

One-year financial performance of the Scheme against projection for incomes and Benefits to be made by the Scheme for year ended 2023/2024 is shown in Table 11 below:

Table 11: 1 Year Performance against Projections (in UGX Billion) 2023/2024

	Projected Income	Actual Income	Variance
	2023/2024	2023/2024	2023/2024
Income			
Income on Fixed Deposits	0.666	0.715	0.049
Interest Income on Loans	4.120	3.762	(0.358)
Income From Treasury Bills	0.631	0.399	(0.232)
Interest Income from Bonds	56.772	52.077	(4.695)
Income from Dividends	2.063	2.062	(0.001)
Income from Unit Trusts	6.071	7.073	1.002
Total Projected Income.	70.323	66.088	(4.235)

Benefits	Projected Benefits	Actual Benefits	Variance
	Amount [UGX]	Amount [UGX]	Amount [UGX]
Withdrawal benefits	1.046	0.592	(0.454)
Retirement Lump sum	0.879	2.302	1.423
Death in Service benefits	1.688	1.789	0.101
Pensions	6.265	6.475	0.210
Access to Mid-term Benefits	32.00	19.51	(12.50)
Projected Benefits	41.878	30.663	(11.22)

PARLIAMENTARY PENSION SCHEME

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