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1.0 STRATEGIC PRINCIPLES OF THE SCHEME

Vision:

A Society of dignified retired citizens.

Mission:

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

Values:

The Core values of Parliamentary Pension Scheme are:

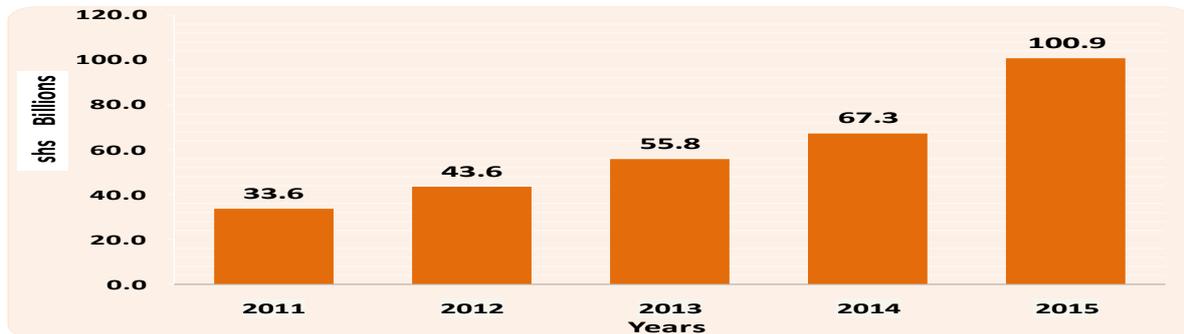
- Diligence
- Transparency and Accountability
- Integrity
- Courtesy and Fairness
- Teamwork.

Strategic Objectives:

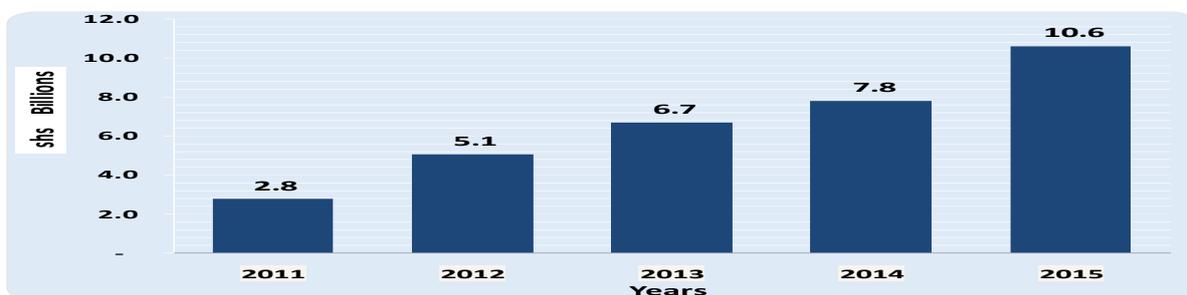
- To realize a net replacement ratio of 65% for members after 15 years of continuous service.
- To ensure 100% asset coverage for Scheme liabilities by 30th June 2015.
- To prudently invest the Scheme Funds to realize an average after tax return of 11.5% per annum.
- To ensure 95% compliance with corporate governance best practices by 30th June 2016.
- To strengthen management capacity to offer quality services in line with expectations of stakeholders by 30th June 2015.

2.0 FINANCIAL HIGHLIGHTS

Scheme Assets



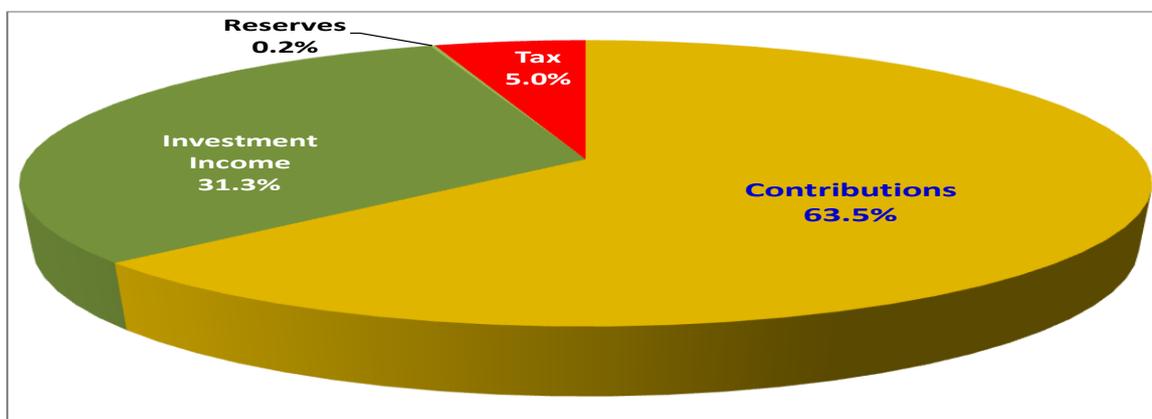
Investment Income



Funding Level



Composition of Members Fund as at 30th June 2015



3.0 MEMBERS OF THE BOARD



Hon. Mary Paula Turyahikayo
CHAIRPERSON



Hon. Aston Kajara



Hon. Rose Akol Okullu



Hon. Roland Mugume



Hon. Sarah Nansubuga
Nyombi.



Mr. Makata Aloysius



Mr. Karyaijah Ngabirano J.



Jane L. Kibirige (Mrs.)
Chief Executive Officer

4.0 MANAGEMENT AND SERVICE PROVIDERS

Management:

Name

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

Role

Chief Executive Officer
Chief Operations Manager
Finance Manager

Service Providers:

Fund Manager

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

Custodian

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

Auditor

Auditor General (with DATIVA &
Associates),
P O Box 7083, KAMPALA.

Actuarial Services

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

Bankers

Barclays Bank of Uganda Ltd.,
Kampala Road,
P O Box 2971, KAMPALA.

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

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

Legal Services

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

Registered Office

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

5.0 CHAIRPERSON'S STATEMENT

I am delighted to report that your fund registered good performance in the financial year ended 30th June 2015.

The assets of the Scheme grew phenomenally from Sh. 67.33 billion to Sh. 100.87 billion at the reporting date. This was attributed to investment and the improvement on the member contribution due to the support by the Government. The Board of Trustees would like to sincerely thank the Commission for having facilitated the review of the basis of contribution computation for Members of Parliament.

The Investment Income before tax increased from Sh.7.78 billion to Sh.10.56 billion during this financial year representing 35.8% growth in revenue.

Given its sound investment strategies, the Board of Trustees realized a 12.84% before tax return on average investable fund. This translates to 11.25% after tax.

The benefits to members during the period amounted to Sh. 1.27 billion compared to Sh. 3.19 billion previously.

The Board remains focused on delivery of superior performance for the benefit of members. Accordingly, significant investment was made during the year to establish a robust performance management system within the Scheme.

We have continued to pursue such strategies that are responsive to our members' expectations. This was evident in the proposed amendments to the Parliamentary Pensions Act.

Operating Environment

The above result was realized in an environment of slow global economic growth of 3.1% with growth in emerging economies subdued on account of weaker growth in major oil exporting countries.

Sub-Saharan Africa expected to realize growth of 3.8% down from 5% in 2014 following the reduction in oil and commodity prices and the effect of the Ebola epidemic.

East African economies saw mixed growth due to rise in inflation, falling commodity prices and weakening currencies. The economic growth for Uganda was 5.3%, Kenya 5.3%, Tanzania 7.2% and Rwanda 6.5%.

In Kenya, inflation was 7.03% at the close of the Financial Year while the shilling lost 13.1% to the US dollar. The Nairobi Securities Exchange realized 8.1% growth with the 91-day Treasury bills posting an average yield of 8.5%.

In Uganda, inflation at the end of the Financial Year was 4.8%, while the shilling lost 26.6% to the US dollar. The Uganda Security Exchange index registered 17.6% ahead of the regional markets.

The 91-day Treasury Bills registered an average interest rate of 11.82% during the year under review.



Members in a previous Annual General Meeting

Outlook

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

The Sub-Saharan Africa's growth is projected at 3.7% and is expected to pick up to 4.4% in 2016.

Prospects of growth remain good for the East African countries. With growth continuing in infrastructure and reforms by individual governments, the trend is likely to be maintained. Kenya has projected growth at 5.8%; Tanzania at 7% and Rwanda at 7.5%.

Locally, the Government remains committed to deliver macroeconomic stability to support inclusive and sustainable economic growth. The economy is projected to grow by 6% with annual core inflation targeted at 7.9%.

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

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



A member participating in Scheme governance

Appreciation

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

We sincerely appreciate the continued support of the Government and Parliamentary Commission the in strengthening the benefits structure and operational capacity of the Scheme.

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

Our gratitude is also extended to the service providers and business partners for their contribution to the Scheme's success over this period.

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



MARY PAULA TURYAHIKAYO (MP)
CHAIRPERSON

6.0 THE BOARD OF TRUSTEE'S REPORT

The Board of Trustees, Parliamentary Pension Scheme, presents its Annual Report together with independent Auditor's Report and Financial Statements for the year ended 30th June 2015 in accordance with Section 25 of Parliamentary Pensions Act and Section 66 of Uganda Retirement Benefits Regulatory Authority Act.

6.1 The Scheme

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

The Members contribute 15% of the basic salary and the Sponsor contributes 30% or a rate determined to guarantee solvency of the Scheme. Members get interest on their scheme credit at a rate specified by the Board and was 11% for the reporting period.

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

6.2 Scheme Governance

The Scheme is governed in the interest of Members and Sponsor by a Board of Trustee's (herein called The Board) appointed in accordance with Section 18 of the Parliamentary Pensions Act.

The Members of the Board of Trustees are:

Name	Representing	Role
Hon. Mary P. Turyahikayo	Backbench Members	Chairperson
Hon. Rose Akol Okullu	Parliamentary Commission	Member
Hon. Aston Kajara	Minister of Finance	Member
Hon. Roland Mugume	Backbench Members	Member
Hon. Sarah N. Nyombi	Retired MPs	Member
Mr. Makata Aloysius	Retired Staff of Parliamentary Commission	Member
Mr. Karyaijah Justus	Staff of Parliamentary Commission	Member
Mrs. Jane L. Kibirige	Chief Executive Officer	Secretary

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

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

Committees of the Board of Trustees

The Board has created three Committees to ensure effective governance of the Scheme namely, Governance and Administration Committee, Investment, Risk and Custody Committee and Audit Committee.

The Committees have specific mandates that are documented in the respective Terms of Reference to ensure accountability. Each Committee has co-opted an independent professional.

The membership of the Committees and summary of their mandate are detailed hereunder:

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

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

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

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

Hon. Mugume Roland - Chairman
Hon. Akol Rose Okullu - Member
Hon. Dombo Emmanuel - Co-opted Member

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

- **Audit Committee (AC)**

- Mr. Makata Aloysius - Chairman
- Mr. Karyaijah Ngabirano - Member
- Hon. Oduman A. C Okello - Co-opted Member

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

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

- Board of Trustees - 6 meetings.
- Governance and Administration Committee - 3 meetings.
- Investment Risk and Custody Committee - 2 meetings.
- Audit Committee - 4 meetings.



Members of the Board during a capacity building function

6.3 Management

The Scheme is internally administered by a team of qualified staff under the supervision of the Chief Executive Officer who is also Clerk to Parliament in accordance with Section 18 (4) of Parliamentary Pensions Act.

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

6.4 Scheme Membership

At the end of the Financial Year, the Scheme had 743 active members comprising of 279 women and 464 men.

Movement in Scheme Membership

	Active Members		Deferred Members		Pensioners	
	MPs	Staff	MPs	Staff	Staff	MPs
At 1 st July 2014	381	310	1	1	11	51
New Entrants	3	58	0	1	3	0
Deceased	0	1	0	0	0	0
Leavers	2	3	0	0	0	0
Retired	0	3	1	0	0	0
At 30th June 2015	<u>382</u>	<u>361</u>	<u>0</u>	<u>2</u>	<u>14</u>	<u>51</u>

The average age of contributing female and male Members of Parliament was 47 years and 51 years respectively. For staff of Parliamentary Commission, the average age was 40 years and 42 years for female and male members respectively.

6.5 Financial Highlights

The audited Financial Statements for the year ended 30th June 2015, are herewith presented to Members on Pages 21 to 40.

The total Scheme assets grew by 49.81% from 67.33 billion to Sh. 100.87 billion. The Scheme fund was invested as detailed in the Investment Report on Page 14.

Members' contributions during the year increased by 235.14% from Sh. 7.77 billion to Ug. Shs. 26.04 billion following the revision of basis of computation by sponsor. The Investment Income before tax increased by 35.91% from Sh. 7.77 billion to Sh. 10.56 billion due to sound investment policies.

The before tax return on investable fund for the year was 12.84% (11.25% after tax) compared to 13.1% (11.4%) previously.

The Board of Trustees has decided to credit Members' account with interest of 11% per annum and a bonus has been considered for Pensioners.

6.6 Custody Arrangements

Uganda Retirement Benefits Regulatory Authority Act requires the Board of Trustees to safeguard the assets of the Scheme by appointing a Custodian.

Accordingly, the Board appointed KCB (U) Ltd to keep custody of all Scheme assets. The Custodian is responsible for safekeeping and administration of assets.

6.7 Funding Status

The Board of Trustees conducts periodic actuarial valuation in accordance with Section 71 of Uganda Retirement Benefits Regulatory Act.

The last actuarial valuation was done as at 30th June 2014 and the Scheme was found to be financially sound. The funding level was 101% representing a surplus of Sh. 550 million.

The Board has set aside the Sh. 550 million as investment reserve. This will enable the Board smoothen the interest to members overtime.

Signed on behalf of the Board of Trustees by:



CHAIRPERSON



TRUSTEE

7.0 INVESTMENT REPORT

7.1 Investment Policy

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

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

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

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

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

7.2 Strategic Asset Allocation

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

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

7.3 Investment Environment

The Fund was mainly invested in Uganda with part being invested in Kenya. The environment generally experienced some volatility given the exposure of regional economies.

The Ugandan economy grew by 5.3% in the year under review compared to 4.5% previously. Inflation was contained closing the year at 4.8%.

The interest rates were on the rise with the benchmark 91-day Treasury Bills closing at 14.07%. The securities market had a mixed performance with the USE All Shares Index gaining 17.6%. The shilling depreciated by 26.6% against the US dollar closing at 3,303.

The Kenyan economy experienced significant challenges with the growth rate of 5.3% compared to 5.8% previously. Inflation was on an upward trend closing at 7.03%.

Interest rates were generally stable during the year closing at 8.27%. The Nairobi Security Exchange had a lackluster performance with the All Share Index posting 8.1% during the reporting period. The Kenyan shilling lost 13.1% against the US dollar closing at 99.3.

7.4 Strategy

In line with the revised policy, the Scheme's holdings in equities and bonds were increased.

The Board equally commenced the alignment of the cash flow profile of the assets with the anticipated payment obligations.

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

Asset Class	Amount (Sh. bn)	Proportions (%)
Equities	25.62	25.92
Government Bonds	27.17	27.49
Treasury Bills	22.94	23.21
Corporate Bonds	1.52	1.53
Fixed Deposit	20.66	20.90
Others	0.93	0.95
Total	<u>98.84</u>	<u>100</u>



7.5 Risk Management and Controls

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

The Board has accordingly set up appropriate governance structures, policies and systems to ensure effective achievement of Scheme objectives within acceptable risk levels.

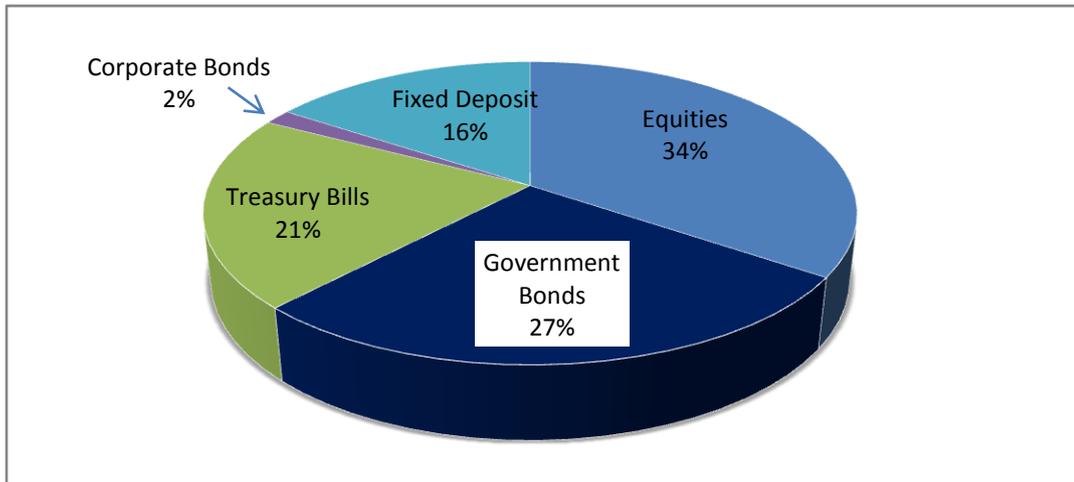
The Audit and Investment, Risk and Custody Committees of the Board are involved in providing assurance that operational and investment decisions and internal controls are effective and efficient.

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

7.6 Investment Performance

The investment revenue, during the year increased to Sh. 10.60 billion from Sh. 7.81 billion, representing 35.72% growth. The net income after tax increased to Sh. 9.25 billion compared to Sh. 6.79 Previously.

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



The return on investable assets before tax was 12.84% compared to 13.1% previously. The marginal decline was mainly due to change in cash flow pattern during the period.

The return after tax was 11.25% compared to the target of 11.5%.

The total Scheme assets grew by 49.81% from Sh. 67.33 billion to Sh. 100.87 billion mainly due to investment income and enhanced contributions.

Signed on behalf of the Board of Trustees by:

CHAIRPERSON

TRUSTEE

8.0 STATEMENT OF BOARD OF TRUSTEES' RESPONSIBILITIES

The Board of Trustees of the Parliamentary Pension Scheme is required to prepare the financial statements which presents fairly, in all material respects, the Parliamentary Pension Scheme's revenues and expenditures incurred during the period ended June 30, 2015.

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

The Board certifies that there were no irregularities in the management of the Scheme's resources and that the financial statements for the year ended June 30, 2015 are free from material misstatements. The Board further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the Financial Statements, as well as adequate systems of internal controls. The Board further confirms that all the relevant supporting documentation was made available to the auditor.

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

This statement has been certified by the Board of Parliamentary Pension Scheme on 29th September 2015 and signed on its behalf by:



Chief Executive Officer

Date: 29th September 2015



Finance Manager

Date: 29th September 2015



Board of Trustees - Chairperson

Date: 29th September 2015

9.0 REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

THE RT. HON. SPEAKER OF PARLIAMENT

I have audited the accompanying financial statements of the Parliamentary Pension Scheme (PPS) together with the notes thereon for the year ended 30th June, 2015. The financial statements which are set out on pages 20 to 39 comprise of;

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

Management Responsibility

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

Auditor's Responsibility

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

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating

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

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

PART “A”

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of the Parliamentary Pensions Scheme as at 30th June 2015, and of its financial performance for the year then ended in accordance with the Parliamentary Pensions Act (2007) and in conformity with the accounting policies stated in the notes to the financial statements and the International Financial Reporting Standards.



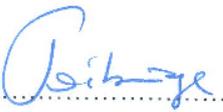
John F. S. Muwanga
AUDITOR GENERAL

29th September, 2015

10.0 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2015

	Notes	30-Jun-15 UGX	30-Jun-14 UGX
Income from dealing with members			
Member contributions	13.2.1	8,680,426,801	2,586,903,225
Government contributions	13.2.2	17,362,039,890	5,178,619,560
Total contributions		26,042,466,691	7,765,522,785
Outgoing from dealings with members			
Benefits to members	13.2.3	(1,266,932,216)	(3,191,661,655)
Net additions (withdrawals) from the dealings with members		24,775,534,475	4,573,861,130
Returns on Investments			
Investment income	13.3	8,755,204,364	5,984,837,883
Fund Expenses	13.3.1	(41,600,000)	(38,557,100)
Net investment income		8,713,604,364	5,946,280,783
Income tax	13.20.2	(1,309,603,453)	(986,824,118)
Net Investment Income after tax		7,404,000,911	4,959,456,665
Other comprehensive income			
Change in the value of the Equities	13.8.1	2,691,615,101	721,270,603
Changes in the value of bonds	13.7	(824,242,708)	1,106,762,891
Foreign exchange gain/(loss)		(26,045,367)	(9,183,685)
Profit / Loss on Sale of Shares		3,432,737	9,111,914
Gain (loss) in the value of the investments		1,844,759,763	1,827,961,723
Guaranteed Interests to Members	13.15	(5,550,875,671)	(3,911,661,768)
Net change available for members		28,473,419,478	7,449,617,750
Other incomes	13.4	1,527,242,403	1,604,102,772
Management expenses	13.5	(1,972,168,754)	(1,481,330,630)
Income Tax on interest from grants	13.20.2	(30,028,560)	(43,917,495)
Net Administrative Surplus/(deficit)	13.12	(474,954,911)	78,854,647
Net Increase (Decrease) in Net Assets		27,998,464,567	7,528,472,397

These financial statements were approved by the Board on 29th September 2015 and signed on behalf of the Board by:


Chief Executive Officer


Finance Manager

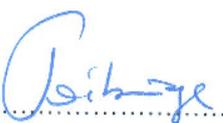

Chairperson, Board of Trustees

The Accounting policies and notes on pages 24 to 40 form an integral part of these financial statements.

11.0 STATEMENT OF NET ASSETS AS AT JUNE 30, 2015

	Notes	30-Jun-15	30-Jun-14
		UGX	UGX
Non-Current Assets			
Property Plant and Equipment	13.19	181,251,584	31,945,930
Medium/ Long term Investments	13.6.1	<u>54,278,356,680</u>	<u>42,979,719,503</u>
Sub total		<u>54,459,608,264</u>	<u>43,011,665,433</u>
Current Assets			
Short term Investments	13.8.2	44,319,381,897	21,733,204,398
Receivables	13.9	513,297,985	300,516,166
Tax Assets	13.23	1,523,186,766	1,356,540,801
Cash and Bank balances	13.10	<u>1,341,867,020</u>	<u>1,844,035,063</u>
Subtotal		<u>47,697,733,668</u>	<u>25,234,296,428</u>
Current Liabilities			
Creditors and Accruals	13.11	1,112,205,837	720,240,011
General reserve Account	13.17	<u>177,502,155</u>	<u>199,670,175</u>
Subtotal		<u>1,289,707,992</u>	<u>919,910,186</u>
Total Net Current Assets		<u>46,408,025,676</u>	<u>24,314,386,242</u>
Net Total Assets	13.16	<u><u>100,867,633,940</u></u>	<u><u>67,326,051,675</u></u>

These financial statements were approved by the Board on 29th September 2015 on behalf of the Board by:



Chief Executive Officer



Finance Manager



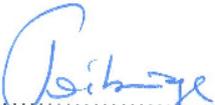
**Chairperson, Board
of Trustees**

The Accounting policies and notes on pages 24 to 40 form an integral part of these financial statements.

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

		30-Jun-15 UGX	30-Jun-14 UGX
Cash-flows from operating activities	Notes		
Contributions during the year		26,042,466,691	7,765,522,785
Taxes paid	13.21	0	(875,151,952)
Gain (Loss) in the Value of Investments		1,844,759,763	1,827,651,538
Unvested Benefits		35,089,591	13,207,839
Other incomes		1,843,578,664	1,574,187,671
Expenses paid		(3,235,611,735)	(4,670,070,727)
Decrease (increase) in Receivables		(199,745,131)	129,587,714
Increase (decrease) in Payables		<u>321,725,446</u>	<u>(811,000,330)</u>
Net cash from operating activities		<u>26,652,263,289</u>	<u>4,953,934,538</u>
Cash-flows from investing activities			
Investment income (net)		6,929,988,921	4,814,614,206
Decrease (increase) in investment		(33,897,851,364)	(10,434,674,969)
Purchase of assets		<u>(186,568,889)</u>	<u>(3,250,000)</u>
Net cash used in investing activities		<u>(27,154,431,332)</u>	<u>(5,623,310,763)</u>
Net Increase (decrease) in cash and cash equivalents		<u>(502,168,043)</u>	<u>(669,376,225)</u>
Movement in cash and cash equivalents			
Cash balance at start of year		1,844,035,063	2,513,411,288
Net Increase (decrease) during the year		<u>(502,168,043)</u>	<u>(669,376,225)</u>
Cash balance at end of year	13.10	<u>1,341,867,020</u>	<u>1,844,035,063</u>

These financial statements were approved by the Board on 29th September 2015 on behalf of the Board by:



Chief Executive Officer



Finance Manager



**Chairperson, Board
of Trustees**

The Accounting policies and notes on pages 24 to 40 form an integral part of these financial statements.

13.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

13.1 ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

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

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

(b) Contributions Receivable

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

(c) Benefits Payable

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

(d) Cash and Cash Equivalents

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

(e) Revenue Recognition

Revenue is recognized on accrual basis.

(f) Investment Income

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

(g) Funding Policy

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

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

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

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

(h) The Presentation Currency

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

(i) Financial Instruments

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

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

Recognition

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

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

Measurement:

Amortized Cost Measurement

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

Mark to Market

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

Fair Value Measurement Principles

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

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

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

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

De-recognition

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

Impairment

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

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

Re-classifications

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

(j) Government Grants

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

(k) Property, Plant and Equipment

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

The Depreciation Rates:-

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

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

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

(l) Foreign Currency Transactions

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

(m) Employment Benefits

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

(n) Donated Assets

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

(o) Comparatives

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

13.2 CONTRIBUTION INCOME

13.2.1 Members Contributions

	30-Jun-15	30-Jun-14
	UGX	UGX
Staff contributions	1,013,962,801	805,773,225
MPs contributions	<u>7,666,464,000</u>	<u>1,781,130,000</u>
Total Members Contributions	<u>8,680,426,801</u>	<u>2,586,903,225</u>

13.2.2 Government Contribution

	30-Jun-15	30-Jun-14
	UGX	UGX
Contributions for staff	2,029,111,886	1,616,359,560
Contributions for MPs	<u>15,332,928,004</u>	<u>3,562,260,000</u>
Total Government Contributions	<u>17,362,039,890</u>	<u>5,178,619,560</u>

13.2.3 Benefit to Members

	30-Jun-15	30-Jun-14
	UGX	UGX
Staff Retirement lump sum	127,757,643	197,317,813
Staff Withdrawal Benefit	303,210,680	160,624,770
Staff – Death in Service Benefit	39,199,548	0
MPs-Death in Service Benefit	0	72,784,944
MPs-Withdrawal Benefit	160,933,465	33,019,596
MPs-Retirement lump sum	52,111,660	2,196,534,462
Pensions	<u>583,719,220</u>	<u>531,380,070</u>
Total benefits to members	<u>1,266,932,216</u>	<u>3,191,661,655</u>

13.3 INVESTMENT INCOME

	30-Jun-15	30-Jun-14
	UGX	UGX
Interest on Treasury Bills	2,186,828,127	1,662,676,771
Interest on Fixed Deposits	1,665,263,472	1,606,403,834
Interest from Corporate Bonds	199,824,554	249,568,374
Interest from Government Bonds	3,709,084,114	2,071,125,952
Other Investment Income	404,627,054	0
Dividend Income	<u>589,577,043</u>	<u>395,062,952</u>
Total investment income	<u>8,755,204,364</u>	<u>5,984,837,883</u>

13.3.1 Fund Expenses

	30-Jun-15	30-Jun-14
	UGX	UGX
Annual General Meeting	41,600,000	37,700,000
Investment Expenses	0	857,100
Total fund expenses	41,600,000	38,557,100

13.4 OTHER INCOMES

	30-Jun-15	30-Jun-14
	UGX	UGX
Grant revenue	1,424,546,000	1,424,546,020
Interest credits on bank balances	14,405,610	17,617,541
Donation Income	2,601,204	29,915,101
Investment income on operational funds	85,689,589	132,024,110
Total other incomes	1,527,242,403	1,604,102,772

13.5 Management Expenses

	30-Jun-15	30-Jun-14
	UGX	UGX
Board of Trustees costs	91,725,476	139,900,367
Board of Trustees Capacity Building	248,904,067	201,677,549
Board of Trustees meetings	88,109,347	50,216,100
Personnel costs	904,786,336	578,669,745
Staff Capacity Building	76,170,754	86,073,186
Membership costs	30,273,900	31,937,600
URBRA Compliance	6,000,000	0
Benefit Administration (Actuarial)	49,880,000	0
Investment and Finance Charges	266,101,928	255,027,669
Travelling expenses	2,642,000	5,279,750
Consultancy services	6,795,000	0
Organization structures, planning, policies	72,863,632	20,695,439
Office Administration, supplies/others	60,054,579	45,690,234
Audit fees	30,598,500	24,684,333
Depreciation	37,263,235	41,478,658
Total	1,972,168,754	1,481,330,630

13.6 INVESTMENTS

13.6.1 Long-term Investments

	Note	30-Jun-15 UGX	30-Jun-14 UGX
Corporate Bonds	13.6.2	1,482,087,500	2,258,804,673
Government Bonds	13.6.3	27,174,221,387	24,956,535,230
Shares	13.8	25,622,047,793	15,764,379,600
Sub-total		54,278,356,680	42,979,719,503

13.6.2 Corporate Bonds

	30-Jun-15 UGX	30-Jun-14 UGX
Housing Finance Bank – maturing in 2017	600,000,000	1,098,682,952
African Development Bank – maturing in 2023	882,087,500	1,053,891,422
Stanbic Bank bond matured in 2014	0	106,230,299
Total	1,482,087,500	2,258,804,673

13.6.3 Government Bonds (Government of Uganda)

	30-Jun-15 UGX	30-Jun-14 UGX
Two-Year Government Bond	12,272,335,003	11,288,352,400
Three-Year Government Bond	8,525,255,656	8,812,531,027
Five-Year Government Bond	6,007,291,059	4,746,313,745
Ten-Year Government Bond	276,297,385	0
Fifteen-Year Government Bond	93,042,284	109,338,058
Total	27,174,221,387	24,956,535,230

13.7 Changes in the Value of Bonds

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

In the financial year ended 30th June 2015, there was general increase in interest rates that resulted to a decrease in the market prices of the bonds and this resulted in a cumulative loss of UGX. 824,242,708 as reported in the Statement of Changes in Net Assets under the other comprehensive incomes.

13.8 Investment in Shares

Bonus shares: During the year, the Board of Directors of DFCU announced a bonus issue in the ratio of one (1) new ordinary share for one (1) ordinary share held as at 16th May 2014 amounting to 1,344,104 bonus shares.

	No. of shares	Bonus Shares	Total No. of Shares	2015	2014
	No	No	No.	UGX	UGX
Bank of Baroda (U) Ltd	22,673,063	0	22,673,063	2,947,498,190	2,301,869,670
DFCU (U) Ltd	2,009,178	1,344,104	3,353,282	3,024,660,364	2,377,140,720
Stanbic Bank (U) Ltd	126,049,626		126,049,626	4,159,637,658	3,263,046,270
Umeme	4,165,592		4,165,592	1,957,828,240	1,582,924,960
ARM Cement Ltd	346,700		346,700	865,352,707	586,995,286
Atlas Development and Bamburi	98,000		98,000	35,875,405	0
Barclays Bank Kenya	210,400		210,400	1,078,312,172	704,180,726
BAT Kenya	1,535,700		1,535,700	794,721,256	371,123,807
Centum Investments	6,400		6,400	157,825,158	0
CFC Stanbic of Kenya	215,700		215,700	470,185,787	0
Cooperative Bank of Diamond Trust Bank	136,800		136,800	519,001,963	523,596,008
East African Breweries	912,917		912,917	660,797,828	308,946,263
Equity Group Holding	13,700		13,700	103,040,287	0
Flame Tree Group	49,200		49,200	497,756,268	0
I & M Holdings Ltd	395,800		395,800	625,673,053	324,283,441
Jubilee Holdings Ltd	230,600		230,600	65,231,337	0
Kenya Commercial Bank	44,200		44,200	172,102,105	0
KenGen Company	7,300		7,300	136,532,872	0
KenolKobil Ltd	634,400		634,400	1,161,191,679	585,752,132
Nairobi Stock Exchange	549,500		549,500	169,156,029	102,693,022
Standard Chartered Bank	1,720,500		1,720,500	483,826,261	205,354,911
	1,167,600		1,167,600	713,030,663	248,606,631
	30,000		30,000	198,679,191	194,072,797
	767,711		767,711	1,366,877,506	1,030,394,985
	75,900		75,900	50,139,539	0
	4,637,300		4,637,300	2,538,686,924	701,848,600
	67,400		67,400	668,427,351	351,549,371
Total	168,751,187	1,344,104	170,095,291	25,622,047,793	15,764,379,600

13.8.1 Changes in the value of Equities (Shares)

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

In the Financial Year ended 30th June 2015 there was general increase in the market price of the shares that resulted into a cumulative gain of UGX 2,691,615,101. This amount includes a gain in the value of shares as a result of the Bonus shares from DFCU amounting to UGX 1,344,104.

13.8.2 Short Term Investments

	Note	30-Jun-15 UGX	30-Jun-14 UGX
Fixed Deposits Investments	13.8.3	20,655,915,533	8,868,751,490
Treasury Bills Investments	13.8.4	22,938,785,739	12,864,452,908
Corporate Bond due in 12 months	13.8.5	40,078,594	0
Treasury Bonds due in 12 months	13.8.6	684,602,031	0
Total		44,319,381,897	21,733,204,398

13.8.3 Fixed Deposits (Commercial Banks)

	30-Jun-15 UGX	30-Jun-14 UGX
Fixed deposits (maturing within 0 – 1 month)	14,080,000,000	8,821,600,000
Fixed deposits (maturing within 1 – 2 months)	4,600,000,000	0
Fixed deposits (maturing within 2 – 3 months)	1,800,000,000	0
Interest receivable on all Fixed Deposits	175,915,533	47,151,490
Total	20,655,915,533	8,868,751,490

13.8.4 Treasury Bills (Bank of Uganda)

	30-Jun-15 UGX	30-Jun-14 UGX
91- Day Treasury Bills	1,029,656,406	0
182-Day Treasury Bills	4,045,828,429	0
364-Day Treasury Bills	16,850,806,186	12,294,790,909
Interest Receivable on all Treasury Bills	1,012,494,718	569,661,999
Total	22,938,785,739	12,864,452,908

13.8.5 Corporate Bonds Interest receivable in 12 months

	30-Jun-15 UGX	30-Jun-14 UGX
Housing Finance Bank Bond	315,781	0
African Development Bank Bond	39,762,813	0
Total	40,078,594	0

13.8.6 Treasury Bonds interest receivable in 12 months

The Net assets have been financed by:-

	30-Jun-15 UGX	30-Jun-14 UGX
Two-Year Government Bond	409,756,220	0
Three-Year Government Bond	106,832,323	0
Five-Year Government Bond	151,855,793	0
Ten-Year Government Bond	12,830,767	0
Fifteen-Year Government Bond	3,326,928	0
Total	684,602,031	0

13.9 RECEIVABLES

	30-Jun-15 UGX	30-Jun-14 UGX
HFB Bond Principle Receivable	186,018,749	0
Dividend Income Receivable	241,773,845	228,737,157
NALECO SACCO	39,447,000	39,447,000
Other Debtors	46,058,391	11,836,983
Contributions Receivables	0	20,495,026
Total	513,297,985	300,516,166

13.10 CASH AND CASH EQUIVALENTS

	30-Jun-15 UGX	30-Jun-14 UGX
Barclays Bank Ltd (Trading)	5,043,313	5,054,313
Centenary Bank	162,227,881	286,664,370
Standard Chartered Bank (UGX)	0	87,877,947
Standard Chartered Bank (Kesh)	0	15,042
Kenya Commercial Bank (UGX)	258,544,844	0
Kenya Commercial Bank (Kesh)	177,303,240	0
Barclays Bank Ltd (Operations)	8,267,705	1,464,413,191
Standard Chartered Bank (Operations)	730,380,037	0
Cash Book	100,000	200
Stanbic Bank Ltd	0	10,000
Total	1,341,867,020	1,844,035,063

13.11 CREDITORS AND ACCRUALS

	30-Jun-15 UGX	30-Jun-14 UGX
Benefits Payable	511,230,647	366,732,374
Pensions Payable	39,884,334	31,021,456
Parliamentary Commission	10,713	10,713
WHT Payable on Income	9,520,668	0
Shares Payable	265,607,550	0
Staff Gratuity	121,575,369	0
Sundry Creditors	164,376,556	322,475,468
Total	1,112,205,837	720,240,011

13.12 MOVEMENT IN THE ADMINISTRATIVE RESERVE ACCOUNT

	30-Jun-15 UGX	30-Jun-14 UGX
Administrative Reserve at the start of the year	1,141,264,935	1,014,337,928
Administrative Surplus/(Deficit) during the year	(474,954,911)	78,854,647
Staff Gratuity fund	(48,072,360)	48,072,360
Administrative reserve as at June 30	618,237,664	1,141,264,935

13.13 MOVEMENT IN THE ACCUMULATED FUND

	30-Jun-15 UGX	30-Jun-14 UGX
Accumulated fund at the start of the year	66,174,814,961	54,800,327,604
Net change available for members	28,473,419,478	7,449,617,750
Guaranteed interest to members	5,550,875,671	3,911,661,768
Unvested reserve (Note 13.14)	42,915,591	13,207,839
Members Accumulated fund as at June 30	100,242,025,701	66,174,814,961

13.14 MOVEMENT IN UNVESTED RESERVE ACCOUNT

	30-Jun-15 UGX	30-Jun-14 UGX
Unvested Reserve at the start of the year	13,207,839	0
Net change during the year	42,915,591	13,207,839
Unvested Reserve as at June 30	56,123,430	13,207,839

13.15 INTEREST TO MEMBERS

The Parliamentary Pensions Act provides a Guaranteed Interest Rate of 8%. This resulted to a guaranteed interest of UGX 5,550,875,671 for the year 2014/15. This rate serves as an interim rate pending declaration of the final rate by the Board. The amount reported for the year is derived by computing 8% interest on individual members' balances on a monthly basis and this is accumulated over the year for all members.

During the Annual General Meeting held on 27th March 2015, the Board of Trustees declared an additional interest of 2% for 2013/14 which is UGX 988,581,300. This is above the 8% guaranteed interest provided by the Act.

	30-Jun-15 UGX	30-Jun-14 UGX
Guaranteed Interest (8%)	5,550,875,671	3,911,661,768
Declared Interest	0	988,581,300
Total Interest to members	5,550,875,671	4,900,243,068

13.16 TOTAL NET ASSETS

	Notes	30-Jun-15 UGX	30-Jun-14 UGX
Members accumulated fund	13.13	100,242,025,701	66,174,814,961
Administrative reserves	13.12	618,237,664	1,141,264,935
Deferred Income	13.18	7,370,575	9,971,779
Total net assets as at June 30		100,867,633,940	67,326,051,675

13.17 GENERAL RESERVE ACCOUNT

	30-Jun-15 UGX	30-Jun-14 UGX
General reserves account at the start of the year	199,670,175	210,738,400
Movement of the general reserve during the year	(22,168,020)	(11,068,225)
General reserve as at June 30	177,502,155	199,670,175

13.18 DEFERRED INCOME

	30-Jun-15 UGX	30-Jun-14 UGX
Deferred Income opening balance	9,971,779	12,572,983
Donated Income recognized during the year	(2,601,204)	(2,601,204)
Deferred Income as at June 30	7,370,575	9,971,779

13.19 PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED JUNE 30, 2015

	Furniture & Fittings	Computer Equipment	DONATED		Office Equipment	Motor Vehicle	Total
			Computer Equipment	Furniture & Fittings			
Cost	12.50%	33.30%	33.30%	12.50%	20%	25%	
	Ug Shs.	Ug Shs.	Ug Shs.	Ug Shs.	Ug Shs.	Ug Shs.	Ug Shs.
As at July 01, 2014	6,540,000	12,011,900	19,076,400	20,810,480	34,181,150	0	92,619,930
Additions	51,406,000	16,296,009	0	0	7,810,000	111,056,880	186,568,889
Balance at June 30, 2015	57,946,000	28,307,909	19,076,400	20,810,480	41,991,150	111,056,880	279,188,819
Depreciation							
As at July 01, 2014	1,561,078	9,202,648	19,076,400	10,838,701	19,995,173	0	60,674,000
Charge for the year	2,075,913	7,082,873	0	2,601,204	6,993,765	18,509,480	37,263,235
Balance at June 30, 2015	3,636,991	16,285,521	19,076,400	13,439,905	26,988,938	18,509,480	97,937,235
Net Book Value							
Balance at June 30, 2014	4,978,922	2,809,252	-	9,971,779	14,185,977	0	31,945,930
Balance at June 30, 2015	54,309,009	12,022,388	-	7,370,575	15,002,212	92,547,400	181,251,584

13.20 TAX COMPUTATION FOR THE YEAR 2015

	Notes	Portfolio UGX	Operations UGX	Total UGX
Investment Income	13.3	8,755,204,364	100,095,199	8,855,299,563
Less: Income where WHT is final tax	13.20.1	(6,485,489,284)	0	(6,485,489,284)
Income subject to Income tax		2,269,715,080	100,095,199	2,369,810,279
Less: Operating Expenses	13.5	(1,972,168,754)	0	(1,972,168,754)
Add: Depreciation		37,263,235	0	37,263,235
Less: Wear and Tear		(63,146,191)	0	(63,146,191)
Taxable Income after W & T		271,663,370	100,095,199	371,758,569

13.20.1 Income where WHT is final

	Notes	2015 UGX
Interest on Treasury Bills	13.3	2,186,828,127
Interest from Government Bonds	13.3	3,709,084,114
Dividend Income	13.3	589,577,043
Total Investment Income		6,485,489,284

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

13.20.2 Tax Expenses

	Notes	Portfolio UGX	Operations UGX	Total UGX
Taxable Income	13.20	271,663,370	100,095,199	371,758,569
Tax Charge @ 30%		81,499,011	30,028,560	111,527,571
Add: Tax deducted at source (WHT)		1,228,104,442	0	1,228,104,442
Tax charge for the year		1,309,603,453	30,028,560	1,339,632,013

13.21 TAX PAYMENT

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

13.22 TAX PAYABLE

	Notes	30-Jun-15 UGX	30-Jun-14 UGX
Tax Charge Payable	13.20.2	111,527,571	163,122,075
Less: Provisional Tax Paid		0	(875,151,952)
Less: WHT Certificates		(124,979,019)	(387,145,102)
Net tax payable/(deposit)		(13,451,448)	(1,099,174,979)

13.23 TAX ASSET ACCOUNT

	Notes	30-Jun-15 UGX	30-Jun-14 UGX
Opening Balance		1,356,540,801	364,260,891
Tax deposit for the year	13.22	13,451,448	1,099,174,979
Add: WHT during the year		278,173,536	280,250,033
Less: WHT Claimed		(124,979,019)	(387,145,102)
Tax Asset at year end		1,523,186,766	1,356,540,801

14.0 PART B OF THE AUDITOR GENERAL'S REPORT FOR THE YEAR ENDED 30TH JUNE 2015

PART B of the Auditor General's report was separately circulated to members of the Scheme.

15.0 ABRIDGED ACTUARIAL VALUATION REPORT

Purpose

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

Valuation Basis:

The valuation was based on the following assumptions:-

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

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

Funding Level **100.8%**

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

16.0 FIVE YEAR FINANCIAL STATISTICS (IN SHS. BILLION)

	2011	2012	2013	2014	2015
Contributions	6.89	7.09	7.58	7.77	26.04
Benefits to Members	8.78	1.27	1.22	3.19	1.27
Return on Investment (B/T)	2.77	5.06	6.68	7.77	10.56
Interest to Members	1.87	2.41	3.90	4.9	7.64
Total Fund & Reserve	33.63	43.56	55.81	67.33	100.87
NET ASSETS					
Bank Balance	6.95	4.79	2.51	1.84	1.34
Fixed Deposit	16.49	33.72	16.04	8.87	20.66
Treasury Bills	5.1	4.36	13.22	12.86	22.94
Corporate Bonds	1.5	1.5	2.22	2.26	1.52
Government Bonds	-	-	15.98	24.96	27.86
Quoted Shares	-	-	6.89	15.76	25.62
Net Current Assets (Liabilities)	3.59	(0.81)	(1.05)	0.78	0.93
Total Assets	33.63	43.56	55.81	67.33	100.87