



BI ANNUAL REPORT

FOR THE PERIOD ENDED
DECEMBER 31, 2023

Signed:

A handwritten signature in black ink, appearing to read "Arinaitwe Rwakajara".

Arinaitwe Rwakajara (MP)
CHAIRMAN, BOARD OF TRUSTEES

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

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PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

List of Acronyms

FY	:	Financial Year
GoU	:	Government of Uganda
MPs	:	Members of Parliament
BoT	:	Board of Trustees
OAG	:	Office of the Auditor General
PC	:	Parliamentary Commission
PPS	:	Parliamentary Pension Scheme
PPA	:	Parliamentary Pension Act 2007
ToRs	:	Terms of Reference
UGX	:	Uganda Shillings
WHT	:	With Holding Tax
IAS	:	International Accounting Standards

1.0 SCHEME BACKGROUND

The Parliamentary Pension Scheme was established by the Parliamentary Pensions Act (PPA), 2007 as a Contributory Hybrid Cash Balance Retirement Benefit Plan for Members of Parliament (MPs) and staff of the Parliamentary Commission (PC). The Act came into force on July 1st, 2001. There were amendments to the Act in 2010 and 2015.

The members contribute 18% 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 determined by the Board.

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

1.1 Board of Trustees

The PP Act contains provisions for the functions, appointment and removal of the Board of Trustees. The 8-member Board are responsible for the overall Management and investment of the Scheme funds.

1.2 Members of the Board of Trustees

NO.	NAME	DESIGNATION	DATE OF APPOINTMENT
1	Hon. Arinaitwe Rwakajara	Chairman	14 th July 2021
2	Hon. Akampulira Prosy	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	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

1.3 Management

The Board has in place a functional management structure with Eleven qualified staff under the supervision of Chief Operations Manager.

In accordance with Section 32 of the Parliamentary Pensions Regulations 2012, the Board appointed Britam Asset Managers and Gen Africa as the Scheme Investment Managers and Stanbic Bank Uganda Ltd as the Custodian for the Scheme.

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

1.4 Registered office

Development House
Plot 9-11 Parliament Avenue
P. O. Box 7178
Ground Floor, Room G10,
Tel; +256-414-377860
Kampala, Uganda
pension@parliament.go.ug

1.5 Bankers

Centenary Bank (U) Limited	Standard Chartered Bank	Diamond Trust Bank	Stanbic Bank (U) Limited
Corporate Branch	Speke Road	Kampala Road	Crested Towers
Mapera House	P. O. Box 7111	P. O. Box 3072	Hannington Road
P. O. Box 5421	Kampala, Uganda	Kampala, Uganda	P. O. Box 7131
Kampala, Uganda			Kampala, Uganda

1.6 Custodian

Stanbic Bank (U) Limited
Crested Towers
Hannington Road
P. O. Box 7131
Kampala, Uganda

1.7 Asset managers

Gen Africa
AHA Towers
Lourdel Road
P. O. Box 75200
Kampala, Uganda

UAP Old Mutual
Financial Services
Nakawa Business Park
Plot 3-5 New Portbell
Road Kampala, Uganda

1.8 Legal services

Office of the General Counsel
Parliamentary Commission
P.O. Box 7178
Kampala, Uganda

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MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

1.9 Actuary

M/s East African Actuarial services
1113 Kayahwe Rd,
Off Galana Rd, Kilimani.
P. O. Box 10472 – 00100,
Nairobi, GPO Kenya.
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PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

2.0 MANAGEMENT ACCOUNTS

The Management of the Parliamentary Pension Scheme ("the Scheme") present the Management Accounts to the Board of Trustees, which disclose the state of financial affairs of the Scheme for the period ended 31st December 2023. Interest to members for the half year has been provisionally made at 8% as per the PPA.

2.1 SCHEME OBJECTIVES

The objectives of the Scheme are:

- Increase stakeholders satisfaction
- Increase benefits to members
- Increase investment income
- Improve Governance and compliance
- Improve processes
- Strengthen Risk management
- Improve Research
- Increase employee capacity and satisfaction
- Improve uptake of technology

2.2 MEMBERSHIP

The Membership as at 31st December 2023 of the Scheme is as summarized in Table 1 Below:

Table 1: Membership of the Scheme as at 31st December 2023

Category	Number	Female	Male
Members (MPs)	553	183	370
Members (Staff)	647	286	361
Pensioners (MPs)	149	52	97
Pensioners (Staff)	42	16	26
Deferred (Staff)	2	0	2
Beneficiaries	82	44	38
Totals	1475	581	894

PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

The membership changes during the year ended 31st December 2023 is as summarized in Table 2 below: -

Table 2: Membership changes during the Period ending 31st December 2023

Description	MPs	Staff	Pensioners	Total
Members 01 st July 2023	552	588	258	1,398
Net Changes	1	61	15	77
Members as at 31st December 2023	553	649	273	1,475

2.3 FINANCIAL REVIEW

The Scheme as at 31st December 2023 had net assets worth UgX. 451,235,834,631 as shown in the statement of Net assets in Table 3 below:

Table 3: Net Assets as at the period ended 31st December 2023

	Dec-23	Jun-23	Dec-22	Jun-22
	UgX	UgX	UgX	UgX
	'000	'000	'000	'000
Contributions	26,645,236	48,291,883	23,008,762	44,709,532
Members payments	(20,990,154)	(9,135,370)	(3,679,912)	(8,105,072)
Net Additions from Members	5,655,082	39,156,513	19,328,850	36,604,460
Net Returns on Investments	20,643,637	37,262,028	30,719,868	12,753,869
Net Administration surplus	(323,113)	(286,585)	(157,350)	(225,116)
Net Increase in fund	25,975,606	76,131,956	49,891,368	49,133,213
Net assets at start of the year	425,260,228	349,128,272	331,654,443	299,995,059
Net assets at end of the year	451,235,834	425,260,228	381,545,811	349,128,272

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

2.3.1. Growth in the Fund

The Fund has registered an average increase in growth in the total assets over a 12 months' period ended 31st December 2023 of positive 19.29% compared to 15.04% as at 31st December 2022 as shown in the table 4 below: The increase is attributed to increase in the Members contribution and investment income.

Table 4: Growth in the Fund since December 2021

	Dec-23 UgX	Dec-22 UgX	Dec-21 UgX
Net assets at end of the year	451,235,834	378,277,911	328,386,543
Add liabilities	3,685,577	1,176,177	1,462,624
Total Assets	<u>454,921,411</u>	<u>379,454,088</u>	<u>329,849,167</u>

Over a six-month period ending 31st December 2023, the fund registered an average growth of 5.55% compared to 8.11% for the period ended 31st December 2021 as shown in table 5 below. The reduction in performance was due to the mid-term benefits payout.

Table 5: Growth in the Fund since June 2022

	Dec-23 UgX	Jun-23 UgX	Dec-22 UgX	Jun-22 UgX
Net assets at end of the year	451,235,834	425,260,228	378,277,911	349,128,272
Add liabilities	3,685,577	5,736,548	1,176,177	1,868,242
Total Assets	<u>454,921,411</u>	<u>430,996,776</u>	<u>379,454,088</u>	<u>350,996,514</u>

2.3.2 Growth in investment Income

The total investment income for the period ended 31st December 2023 was UgX. 30,984,200,981 which was 20.14%% growth from 25,790,512,097 in the period ended 31st December 2022. The growth was attributed to increase in investment in government securities and Unit Trusts.

2.3.2.1 Other Comprehensive Income

Comprehensive income increased from negative Ugx. 252,438,623 to negative UgX. 9,780,482,305 attributed to the poor performance of the bond and equity markets.

2.4 INTEREST TO MEMBERS

The interest due to the members at the 8% guaranteed interest rate was UgX. 14,407,044,734. This interest was accrued and posted on the member's statements on a monthly basis.

2.5 LOAN TO MEMBERS

The Scheme disbursed UgX. 7,974,990,249 to 83 Members. The interest earned was UgX. 1,985,891,612 compared to UgX. 1,557,335,655 by 31st December 2022. The interest earned increased by 27.5% compared to 55.3% in December 2022. The reduction in the income was due to reduction in demand for loan due to the short repayment period for the Members of Parliament and access to midterm access benefits.

2.6 FUNDING LEVEL

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 102.6%.

2.7 INVESTMENT REPORT AND STRATEGY

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 was used to guide the Board on Investments during the FY 2022/2023. 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.

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

3.0 STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED DECEMBER 31, 2023

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Income from dealing with members			
Member Contributions	7.1.1	9,988,373,880	7,669,587,663
Government Contributions	7.1.2	16,656,862,432	15,339,175,325
Total Contributions		26,645,236,312	23,008,762,988
Outgoing from dealings with members			
Benefits to Members	7.2	(20,990,154,627)	(3,679,912,007)
Net additions / (withdrawals) from the dealings with members		5,655,081,685	19,328,850,981
Returns on Investments			
Investment Income	7.3	30,984,200,981	25,790,512,097
Fund expenses	7.4	(1,759,260,600)	(1,494,841,456)
Net investment income before tax		29,224,940,381	24,295,670,641
Other comprehensive incomes			
Change in the value of the Equities	7.7.1.5	(1,765,053,296)	(732,343,784)
Changes in the value of Bonds	7.7.1.3	(7,940,481,738)	479,630,806
Foreign exchange gain/(loss)	7.7.1.9	(94,604,410)	(51,167,182)
Profit/Loss on sale of Investments	7.7.1.8	19,657,139	51,441,537
Gain (loss) in the value in the investments		(9,780,482,305)	(252,438,623)
Change available for members before Tax and guaranteed Interest		25,099,539,761	43,372,082,999
Other incomes	7.5.1	1,752,034,970	1,711,578,075
Management expenses	7.6	(2,075,148,562)	(1,868,928,932)
Net Administrative Surplus / (deficit)	7.12	(323,113,592)	(157,350,857)
Increase in Net Asset before tax		24,776,426,169	43,214,732,142
Income Tax Charge (Credit)	7.25	(53,889,685)	(14,213,728,908)

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

Increase in Net Asset after tax during the period		24,722,536,484	29,001,003,234
Guaranteed Interests to Members	7.15	(14,407,044,734)	(11,485,916,761)
Net Increase (Decrease) in Net Assets		<u>10,315,491,750</u>	<u>17,515,086,473</u>

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

4.0 STATEMENT OF NET ASSETS AS AT DECEMBER 31 2023

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Non-Current Assets			
Property Plant and Equipment	7.21	522,415,975	416,190,723
Computer Software	7.21.4	354,247,067	570,916,391
Medium/ Long term Investments	7.7.1	343,364,951,689	302,726,267,121
Sub total		344,241,614,731	303,713,374,235
Current Assets			
Short term Investments	7.8.1	103,067,991,410	70,537,735,898
Receivables	7.9	1,003,488,819	239,496,072
Withholding Tax Receivables	7.28.1	82,316,763	47,029,116
Deferred Tax Asset	7.29	2,964,290,280	0
Cash and Bank balances	7.10	3,561,709,637	4,916,453,259
Subtotal		110,679,796,909	75,740,714,344
Current Liabilities			
Creditors and Accruals	7.11	3,245,805,407	1,031,942,990
Deferred Tax liability		0	29,001,095
Tax Liability	7.28.1	438,809,684	114,271,501
General Reserve Account	7.17	961,917	961,917
Subtotal		3,685,577,008	1,176,177,503
Other Liabilities			
Long term liability		0	0
Total Net Current Assets		106,994,219,900	74,564,536,841
Net Total Assets	7.16	451,235,834,631	378,277,911,076

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

5.0 STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2023

		Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
	Notes		
Cash-flows from operating activities			
Contributions during the year	7.1.1/2	26,645,236,312	23,008,762,988
Taxes paid	7.26	(1,079,950,254)	(698,812,819)
Gain (Loss) in the Value of Investments		(9,780,482,305)	(252,438,623)
Other incomes		1,752,034,970	1,711,578,075
Expenses paid		(21,578,758,382)	(6,011,739,405)
Increase (Decrease) in Payables		2,213,862,417	(429,719,099)
Increase (Decrease) in Receivables		(763,992,747)	966,884,091
Net cash from operating activities		(2,592,049,989)	18,294,515,208
Cash-flows from investing activities			
Investment income (net)		27,690,536,541	22,992,260,677
Increase (Decrease) in investment		(26,949,150,197)	(39,244,518,691)
Purchase of assets		(14,902,000)	(79,110,740)
Net cash used in investing activities		726,484,344	(16,331,368,754)
Net Increase / (decrease) in cash and cash equivalents		(1,865,565,645)	1,963,146,454
Movement in cash and cash equivalents			
Cash balance at start of the Period		5,427,275,282	2,953,306,805
Net Increase / (decrease) during the year		(1,865,565,645)	1,963,146,454
Cash balance at December 31		3,561,709,637	4,916,453,259

**PARLIAMENTARY PENSION SCHEME
FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 2023**

6.0 STATEMENT OF CHANGES IN MEMBERS' FUND AS AT DECEMBER 31, 2023

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Accumulated fund at the start of the year		422,926,126,114	347,346,333,539
Actuarial Surplus at the start of the year 1 st July 2023	7.13	(8,553,842,000)	(8,553,842,000)
Actuarial valuation surplus as at 30th June 2023	7.13	(2,302,421,000)	-
Unvested reserve	7.14	(37,591,448)	(37,591,448)
Net change available for members	3.0	10,638,605,342	17,672,437,330
Guaranteed interest to members	7.15	14,407,044,734	11,485,916,761
Unvested reserve	7.14	37,591,448	37,591,448
Accumulated Actuarial Reserve	7.13	10,856,263,000	8,553,842,000
Members Accumulated fund as at June 30.	7.16	447,971,776,190	376,504,687,630

7.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023

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 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.

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 18% 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 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.

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MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

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.

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.

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

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

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.

Valuation of the unlisted equities

The Scheme as at 31st December 2023 did not have unlisted equities.

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 recognised in other comprehensive income. Held to Maturity are revalued at Amortized cost.

(j) Impairment on loans

Anticipated defaults on loans are 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 31st December 2023 the balance on the loan protection (default) fund account was UgX. 340,116,393. Further 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, 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	25.0%

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MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

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.

(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 31st December 2022 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 contributes to staff gratuity based on the employee basic salary.

(o) Comparatives

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

URBRA under section 16A of the Investment of Scheme funds changed methodologies for investment reporting. "For the purposes of investment reporting, bonds shall be valued bonds at amortization using clean pricing, the deposits and bills at amortization and the equities at fair value." During the year ended 31st December 2023, the Board has valued the bonds using Mark to Market given the short-term tenure of Parliament of 5 years which dictates huge pay outs at the expiry of each term. Valuation of bonds at amortization assumes holding to maturity approach which may not be prudent for Parliamentary Pension Scheme in consideration of the liquidity needs every 5 years.

(p) Expenses

Expenses are accounted for on an accrual basis.

(q) Revaluation of Assets

A revaluation Account created is periodically reduced by the depreciation value during the period as at 30th June 2023, revaluation account was fully utilized.

(r) Income tax

The computation of the tax has been done based annual computation method where Withholding tax on fixed deposits is not treated as a final tax. 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 as a final tax.

(t) 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.

PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023****7.1 CONTRIBUTION INCOME****7.1.1 Member's Contribution**

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Staff Contributions	3,311,230,680	2,117,040,663
MPs Contributions	6,677,143,200	5,552,547,000
Total Members' Contributions	9,988,373,880	7,669,587,663

7.1.2 Government Contribution

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Govt's Contributions for Staff	5,528,290,432	4,234,081,325
Govt's Contributions for MPs	11,128,572,000	11,105,094,000
Total Government's Contributions	16,656,862,432	15,339,175,325

7.2 Benefit to Members

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Staff Retirement Lump-sum	550,540,970	435,651,712
Staff - Withdrawal benefit	-	365,639,921
Mid-term Benefits	17,238,636,838	0
MPs - Withdrawal benefit	0	64,887,419
Pensions	3,200,976,819	2,813,732,955
Total Benefits to Members	20,990,154,627	3,679,912,007

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.3 Investment Income

	Dec-22 [6 months] UGX	Dec-21 [6 months] UGX
Interest on Treasury Bills	172,430,164	162,320,460
Interest on Fixed Deposits	436,249,665	265,784,595
Interest from Government Bonds	24,634,386,623	20,520,060,507
Interest from Unit trusts	2,724,429,832 -	2,519,052,348
Dividend Income	1,030,813,085 -	765,958,532
Interest Income from Loans	1,985,891,612 -	1,557,335,655
Total Investment Income	30,984,200,981	25,790,512,097

7.4 Fund Expenses

	Note	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
AGM & Board Elections		30,000,000	-
Board and Committee meeting Costs		73,819,500	34,419,500
Fund Management Fees		405,697,448	419,830,229
Board of Trustees Costs	7.4.1	1,084,957,920 -	791,177,843
URBRA Compliance costs		1,250,000	1,060,000
Benefits Administrations Costs		120,656,732	207,703,884
Recruitment costs		-	4,500,000
Administration costs		42,879,000	36,150,000
Total Fund Expenses		1,759,260,600	1,494,841,456

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.4.1 Board of Trustees costs

	Note	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Board of Trustees Capacity Building		860,729,322	631,477,843
Honorarium		224,228,598	159,700,000
Total Board of Trustees costs	7.4	1,084,957,920	791,177,843

7.5 Other Incomes

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Grant revenue	1,651,999,482	1,602,439,498
Other sundry incomes	12,218,862	12,334,105
Investment income on operational funds	87,816,626	96,804,472
Total other Incomes	1,752,034,970	1,711,578,075

7.6 Management Expenses

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Personnel costs	1,365,129,782	1,253,743,573
Staff Capacity Building	361,178,349	327,874,433
Traveling expenses	10,254,348	4,443,403
Office Administration, supplies/others	65,770,096	22,144,560
Bad debts written off	39,447,000	0
Bank Charges	10,335,789	6,630,125
Depreciation	223,033,198	254,092,838
Total	2,075,148,562	1,868,928,932

7.7 INVESTMENTS

PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023****7.7.1 Long-term Investments**

	Note	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Government Treasury Bonds	7.7.1.1	315,242,955,845	263,442,270,243
Loan Portfolio	7.7.1.2	16,056,424,878	15,924,039,231
Shares& Equities	7.7.1.4	12,065,570,966	23,359,957,647
Total		343,364,951,689	302,726,267,121

7.7.1.1 Government Treasury Bonds (Government of Uganda)

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Two-Year Government Treasury Bond	1,499,923,820	1,488,340,305
Three-Year Government Treasury Bond	16,544,000	1,596,660,404
Five-Year Government Treasury Bond	4,097,172,696	4,088,255,711
Ten-Year Government Treasury Bond	95,115,035,566	89,872,991,516
Fifteen-Year Government Treasury Bond	137,118,301,531	109,418,430,589
Twenty -Year Government Treasury Bond	77,395,978,232	56,977,591,718
Total	315,242,955,845	263,442,270,243

7.7.1.2 Long term Outstanding Loan Portfolio

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Loans (More than one year)	16,056,424,878	15,924,039,231
Total	16,056,424,878	15,924,039,231

7.7.1.3 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 31st December 2023, the fund increased its investment in

PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

Government Bonds which had high yields. There was the general increase in interest rates on government securities which resulted into unrealized revaluation losses. The net reduction in value of the bonds was UgX. 7,940,481,738 as reported in the statement of changes.

7.7.1.4 INVESTMENT IN SHARES

The Scheme invested in equities as follows as at 31st December 2023

	No. of shares	Dec-23 [6 months] Value UGX	Dec-22 [6 months] Value UGX
Equities at the Uganda securities Exchange (USE)			
Bank Of Baroda (U) Ltd	27,502,950	412,544,250	389,625,125
DFCU (U) Ltd	4,198,728	944,713,800	2,279,909,304
MTN Uganda	6,838,500	1,166,306,175	1,230,930,000
Stanbic Bank (U) Ltd	80,471,662	2,575,093,184	2,508,044,490
Umeme	4,880,592	1,952,236,800	1,342,162,800
Total Market Value of Equities at the Uganda securities Exchange (USE)	123,892,432	7,050,894,209	7,750,671,719
Equities at the Nairobi securities Exchange (NSE)			
Atlas	98,000	0	0
Bamburi			115,229,635
Absa Bank Kenya	235,390	65,222,665	87,213,756
Cooperative Bank of Kenya	92,663	25,563,260	527,640,450
Diamond Trust Bank	207,080	225,755,322	311,888,983
East African Breweries Ltd	76,451	210,908,007	385,897,175
Equity Group Holding	1,766,749	1,438,682,524	3,038,472,556
Jubilee Holdings Ltd			27,940,670
Kenya Commercial Bank	1,549,977	821,437,290	3,709,241,512

PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

NIC Bank (K)	480,057	452,486,175	569,022,471
SafariCom Ltd	5,190,018	1,745,776,768	6,799,580,040
Stanlib Fahari I-Reit	189,200	28,844,746	37,158,680
Equities at the Nairobi Securities Exchange (NSE)	9,885,585	5,014,676,757	15,609,285,928
Total	133,778,017	12,065,570,966	23,359,957,647

7.7.1.5 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 for the Ugandan listed equities and the Nairobi Securities Exchange for the Kenyan listed equities. In the period ended 31st December 2023. There was a general fall in market prices that resulted into a cumulative unrealized loss of UgX 1,765,053,296.

7.7.1.6 Valuation of Equities (Shares)

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

7.7.1.7 Bonus Shares

The Scheme received no bonus shares as at 31st December 2023.

7.7.1.8 Profit / Loss on sale of Investment

During the period, the Scheme sold equity shares as shown in Table 4 below:

Table 4: Shares sold as at 31st December 2023

Company	Number of Shares sold	Number of Shares held
Bamburi Cement Limited	121,440	0
East African Breweries Limited	32	76,451
Jubilee Holdings Limited	4,667	0
KCB Group Limited	1,000,000	1,549,977
Safaricom Limited	2,500,000	5,190,018
Stanbic Bank Uganda	38,959,028	80,471,662
Cooperative Bank of Kenya Limited	330,639	92,663
Total	42,915,806	87,380,771

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

The Scheme sold part of its shareholdings on one counter at the Uganda Securities Exchange as summarized in Table 4 above. The proceeds from the sale resulted into a net gain of UgX 19,657,139. The net gain has been reported in the statement of Changes in net assets.

7.7.1.9 Foreign Exchange gain/Loss

During the period, the Scheme registered a net unrealized loss of UgX. 94,604,410. 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.

7.7.1.20 Compliance with URBRA regulations.

The Scheme was granted permission to defer compliance in regards to valuation of bonds by using Market to Market until June 2026.

7.8 SHORT TERM INVESTMENT

7.8.1 Short term Investment

	Note	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Fixed Deposits Investments	7.8.1.2	10,377,971,870	13,044,455,125
Unit Trusts	7.8.1.3	71,390,172,995	37,734,734,987
Treasury Bills Investments	7.8.1.4	0	4,683,814,743
Loan Portfolio	7.8.1.6	9,606,704,716	6,449,111,014
Treasury Bonds due in 12 months	7.8.1.5	11,693,141,829	8,625,620,019
Total		103,067,991,410	70,537,735,888

7.8.1.2 Fixed Deposits (Commercial Banks)

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Fixed deposits (maturing within 0-12 month)	9,877,190,827	12,889,823,749
Interest receivable on all Fixed Deposits	500,781,043	154,631,376
Total	10,377,971,870	13,044,455,125

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.8.1.3 Unit Trust

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Unit Trusts	62,514,457,198	33,888,884,597
Interest receivable on all Unit Trusts	8,875,715,797	3,845,850,390
Total	71,390,172,995	37,734,734,987

7.8.1.4 Treasury Bills (Bank of Uganda)

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
364-Day Treasury Bills	-	4,553,957,400
Interest Receivable on all Treasury Bills	-	129,857,343
Total	0	4,683,814,743

7.8.1.5 Government Treasury Bonds Interest receivable in 12 months

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Two -Year Government Treasury Bond	65,384,000	64,926,131
Three-Year Government Treasury Bond	1,614,488,507	20,690,090
Five-Year Government Treasury Bond	125,162,500	123,845,001
Ten-Year Government Treasury Bond	3,396,965,231	3,308,614,090
Fifteen-Year Government Treasury Bond	4,346,335,862	3,948,543,058
Twenty -Year Government Treasury Bond	2,144,805,729	1,159,001,649
Total	11,693,141,829	8,625,620,019

7.8.1.6 Short term Outstanding Loan Portfolio

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Loans recoverable within Six months	9,318,570,672	6,196,580,903
Interest Receivables on outstanding Loans	288,134,044	252,530,111
Total	9,606,704,716	6,449,111,014

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.9 RECEIVABLES

		Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
	Notes		
Dividend Income Receivable		0	94,359,013
NALECO SACCO		0	39,447,000
Other Debtors		45,850,528	105,690,059
Contributions Receivables	8.9.1	957,638,291	0
Total		1,003,488,819	239,496,072

7.9.1 Contributions Receivables

		Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
	Notes		
Contributions due for 30 days	7.9	957,638,291	
Contributions due for 60 days		0	
Total		957,638,291	0

7.10 CASH AND CASH EQUIVALENTS

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Centenary Bank	1,947,743,405	1,618,000,019
Standard Chartered Bank (Operations)	193,609,521	278,190,793
Diamond Trust	340,116,393	1,101,629,609
Stanbic Bank (Loans)	1,028,109,585	650,453,198
Stanbic Bank (UGX)UAP(BTM)	867,454	643,563,482
Stanbic Bank (UGX)GA	94,504	624,327,193
Stanbic Bank (KES)UAP(BTM)	51,132,765	0
Stanbic Bank (KES)GA	10	6,665

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

Cash book	36,000	282,300
Total	3,561,709,637	4,916,453,259

7.11 CREDITORS AND ACCRUALS

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Benefits Payable		1,455,740,737	163,611,680
Pensions Payable		226,346,224	65,731,102
Parliamentary Commission		17,837,697	9,836,467
Staff PRMF		64,309,327	0
Staff Gratuity		658,543,624	484,686,022
Sundry Creditors		823,027,798	308,077,719
Total		3,245,805,407	1,031,942,990

7.11.1 Benefits Payable

		Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
MPs Death in Service Benefits due for over a year.		570,310,527	0
MPs Death in Service Benefits due in 60 days.		91,723,898	26,651,287
Staff Death in Service Benefits due for over a year.		673,141,435	0
Staff Death in Service Benefits due in 60 days.			34,299,579
Staff Withdrawal Benefits due for over a year		120,564,877	102,660,814
Total	7.11	1,455,740,737	163,611,680

7.12 MOVEMENT IN THE ADMINISTRATIVE RESERVE ACCOUNT

PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] 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		(323,113,592)	(157,350,857)
Administrative reserve as at December 31.		219,245,445	671,593,837

7.13 Movement in the Actuarial Revaluation Reserve Account

For the year ended 30th June 2023, the Board carried out an actuarial valuation of the Scheme assets and there was a surplus in the value of the assets.

	Note	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Actuarial Surplus at the start of the year		8,553,842,000	8,553,842,000
Actuarial valuation surplus as at 30 th June 2023		2,302,421,000	-
Accumulated Actuarial Reserve as at December 31.		10,856,263,000	8,553,842,000

7.14 MOVEMENT IN UNVESTED RESERVE ACCOUNT

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Unvested Reserve at the start of the year	37,591,448	37,591,448

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

Net change during the year	0	0
Unvested Reserve as at Dec 31.	37,591,448	37,591,448

7.15 INTEREST TO MEMBERS

The Parliamentary Pensions Act provides a Guaranteed Interest rate of 8%. This resulted to an interest provision of UgX 14,407,044,734 for the period ended 31st December 2023. The amount reported for the period is derived by computing 8% interest on individual members' balances on a monthly basis and accumulated over the period for all members.

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Guaranteed Interest (8%)	14,407,044,734	11,485,916,761
Total Guaranteed Interest members.	14,407,044,734	11,485,916,761

7.16 TOTAL NET ASSETS

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Members accumulated fund	7.0	447,971,776,190	376,504,687,630
Administrative reserves	7.12	219,245,445	671,593,837
Loan Protection (Investment) fund	7.20	1,068,189,681	0
Post-Retirement medical Fund	7.19	1,635,126,923	0
Loan Protection fund	7.18	341,496,392	1,101,629,609

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

Total net assets as at Dec 31.	451,235,834,631	378,277,911,076
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7.17 GENERAL RESERVE ACCOUNT

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
General reserves account at the start of the year		961,917	961,917
Movement in the general reserve during the period		0	0
General reserve as at Dec 31.	4.0	961,917	961,917

7.18 Loan Protection Fund

During the period, a Loan protection fund of 2% was charged on all loans disbursed. Part of it was used to purchase an Insurance Policy on default due to death or permanent disability. 80% of balance on account in September 2023 was invested with UAP umbrella Trust Fund.

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Loan Protection Fund at the start of the year	1,249,949,981	952,994,437
2% Loan Protection fee accumulated during the period	159,499,804	193,840,000
80% transfer from Loan Protection Fund during the Year	(1,036,551,588)	0
Insurance Policy Purchased	(40,547,771)	(58,049,770)
Bank Charges	(187,450)	(472,080)
Interest Earned on Account Balance	9,333,416	13,317,022
Loan Protection Fund balance on account as at Dec 31.	341,496,392	1,101,629,609

PARLIAMENTARY PENSION SCHEME**MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

7.19 Post-Retirement medical fund

	Dec-23 [6 months] UGX
Post-Retirement medical fund at the start of the year	541,793,850
2% members contributions accumulated during the period	1,051,551,543
Bank Charges	-
Interest Earned	41,781,530
Loan Retirement Medical Fund as at Dec 31.	1,635,126,923

7.20 Loan Protection Investment Fund

	Dec-23 [6 months] UGX
Loan Protection Investment Fund at the start of the year	0
80% transfer of funds from Loan Protection Fund during the period	1,036,551,588
Interest Earned	31,638,093
Loan Protection Investment Fund as at Dec 31.	1,068,189,681

PARLIAMENTARY PENSION SCHEME
FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 2023

7.21 PROPERTY, PLANT AND EQUIPMENT FOR THE PERIOD ENDED DEC 31, 2023

	Furniture & Fittings 12.50%	Computer Equipment 33.30%	Office Equipment 20%	Motor Vehicle 25%	Total
Cost:	UGX	UGX	UGX	UGX	UGX
As at July 01, 2023	131,847,706	165,631,570	188,230,465	297,656,100	783,365,841
Fully depreciated assets	(51,406,000)	(23,737,731)	(13,413,400)	0	(88,557,131)
Additions	14,902,000	0	0	0	14,902,000
					0
As at Dec 31, 2023	<u>95,343,706</u>	<u>141,893,839</u>	<u>174,817,065</u>	<u>297,656,100</u>	<u>709,710,710</u>
Depreciation:					
As at July 01, 2023	96,695,602	83,976,406	126,988,973	99,218,710	406,879,691
Depreciation of fully depreciated assets	(51,406,000)	(23,737,731)	(13,413,400)	-	(88,557,131)
Charge for the period	<u>5,393,283</u>	<u>19,781,793</u>	<u>17,461,110</u>	<u>37,207,012</u>	<u>79,843,198</u>
As at Dec 31, 2023	<u>50,682,885</u>	<u>80,020,468</u>	<u>131,036,683</u>	<u>136,425,722</u>	<u>398,165,758</u>
As at Dec 31, 2023	<u>44,660,821</u>	<u>61,873,371</u>	<u>43,780,382</u>	<u>161,230,378</u>	<u>311,544,952</u>
WIP As at Dec 31, 2023					<u>210,871,023</u>
As at Dec 31, 2022	<u>29,768,420</u>	<u>71,029,264</u>	<u>79,748,636</u>	<u>235,644,403</u>	<u>416,190,723</u>

**PARLIAMENTARY PENSION SCHEME
FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 2023**

7.21 Property and equipment (continued)

The purchased assets during the year ended 31st December 2023 comprise of the following:

No.	Asset class	Asset	Note	Amount Ugx
1	Furniture fittings and	Wooden Wall Shelves	7.21	9,912,000
2		Book shelves (2)	7.21	4,990,000
		Total		14,902,000

The WIP comprises of the following assets as in the PPE schedule as at December 2023:

No.	Asset class	Asset	Note	Amount Ugx
1	Computer equipment	Server	7.21	33,587,654
2		Fire wall Computer	7.21	18,172,000
3		Quarter rack	7.21	6,726,000
4		Television	7.21	2,500,000
5		Laptops (6)	7.21	47,318,000
6		Printers (2)	7.21	5,782,000
7		All in one Computers	7.21	39,235,000
		Monitor (1)	7.21	3,009,000
	Computer equipment – Sub total			156,329,654
1	Office Equipment	Smart Board	7.21	44,670,080
2		Scanner		9,871,289
	Office Equipment – sub total			54,541,369
	Total			210,871,023

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.21.1 Computer Software for the period ended December 31, 2023

Other Software (Document Management System & website)

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Cost:		
	33.30%	33.30%
As at July 01, 2023	126,336,700	126,336,700
Additions	0	0
cost for Fully depreciated Oracle software		
As at Dec 31, 2023	126,336,700	126,336,700
 Amortization:		
As at July 01, 2023	126,336,700	84,140,249
Charge for fully depreciated software for the year		
Charge for the year	0	21,035,060
As at Dec 31, 2023	126,336,700	105,175,309
 As at Dec 31, 2023	0	21,161,391

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.21.2 Computer Software for the period ended December 31, 2022

Fund Master

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Cost:		
	33.30%	33.30%
As at July 01, 2023	860,000,000	0
Transfer from WIP	0	860,000,000
As at Dec 31, 2023	<u>860,000,000</u>	<u>860,000,000</u>
Amortization:		
As at July 01, 2023	453,435,000	167,055,000
Charge for the year	<u>143,190,000</u>	<u>143,190,000</u>
As at Dec 31, 2023	<u>596,625,000</u>	<u>310,245,000</u>
As at Dec 31, 2023	<u>263,375,000</u>	<u>549,755,000</u>

7.21.3 Work in progress Account [WIP]

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Opening Balance	90,872,067	860,000,000
Additions	-	(860,000,000)
Work in Progress Account as at 31. Dec	<u>90,872,067</u>	<u>-</u>

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.21.4 Total summary of the Computer Software

	Dec-23 UGX	Dec-22 UGX
Other Software (WIP)	-	21,161,391
Fund Master Software	263,375,000	549,755,000
Work in progress Account [WIP]	90,872,067	0
Total Computer Software as at Dec 31.	354,247,067	570,916,391

7.22 Tax Computation for the period ended December 2023

	Notes	Total Dec-23 [6 months] UGX	Total Dec-22 [6 months] UGX
Investment Income	7.23.1	0	25,899,650,674
Increase (Decrease) in Net Asset before tax	3.0	24,776,426,169	0
Add back			
Exchange gain on sale of investments	3.0	19,657,139	51,441,537
Other Incomes	7.5.1	100,035,488	0
Less: Income where WHT is final tax	7.23.1	-	(21,448,339,499)
Income subject to income tax		0	4,502,752,712
Less: Fund Expenses	7.4	-	(1,494,841,456)
Less: Operating Expenses	7.6	-	(1,868,928,932)
Add back disallowables:			
Fund Expenses	7.24	0	1,237,926,621
Unrealized forex loss	3.0	94,604,410	0

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

Benefits to Members	3.0	20,990,154,627	0
Fund management fees	7.24	297,105,204	0
Operational Expenses	7.6	0	1,614,836,094
Change in the value of investments	3.0	9,705,535,034	0
Depreciation	7.6	223,033,198	254,092,838
less:			
Member's contributions	3.0	(26,645,236,312)	0
Interest on Treasury Bills		(172,430,164)	0
Interest from Government Bonds	7.3	(24,634,386,623)	0
Wear and Tear	7.3	(112,000,000)	(446,787,915)
Taxable Income after W&T	25	4,642,497,251	3,799,049,962

7.23. TOTAL INVESTMENT INCOME AND INVESTMENT ASSETS

	Note	Investment Asset	Total Investment Income
		Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Interest on Treasury Bills	7.3	0	162,320,460
Interest from Government Bonds	7.3	0	20,520,060,507
Dividends	7.3	0	765,958,532
Total Investment Income where WHT is Final		0	21,448,339,499

7.23.2 Income where WHT is not final

	Note	Dec-23	Dec-22
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PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

		[6 months] UGX	[6 months] UGX
Other sundry Incomes	7.3	-	12,334,105
Interest Income from Operations	7.5	-	96,804,472
Interest from Unit Trusts	7.3	-	2,519,052,348
Interest on Fixed Deposits	7.3	-	265,784,595
Interest Income from Loans	7.3	-	1,557,335,655
Total Investment Income where WHT is not Final		0	4,451,311,175

Total Investment Income		0	25,899,650,674
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7.23.3 Investment Assets

Investment assets where WHT is final			0
Government Treasury Bonds	7.30	326,936,097,674	0
Treasury Bills Investments		-	
Total Investment assets where WHT is final		326,936,097,674	

Investment assets where WHT is not final			
Loan Portfolio	7.30	25,663,129,594	0
Shares & Equities	7.30	12,065,570,966	0
Fixed Deposits Investments	7.30	10,377,971,870	0
Unit Trusts	7.30	71,390,172,995	0
Total Investment assets where WHT is not final		119,496,845,425	
Total Investment assets of the Scheme		446,432,943,099	

7.24 FUND EXPENSES

Section 122 of the ITA states that all expenses where Withholding tax is final shall not be allowed for purposes of computing Tax liability / asset for the period. The Scheme has apportioned the Fund Management fees as at December 31, 2023 based on the Investment asset approach.

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Total fund Expenses	7.4	0	1,494,841,456
Total Investment Income		0	25,899,650,674
Income where WHT is final		0	21,448,339,499
Investment Income where WHT is not final		0	4,451,311,175
Total Fund Management costs		405,697,448	0
Total investment assets of the Scheme		446,432,943,099	0
Total Investment assets where WHT is Final		326,936,097,674	0
Total Investment assets where WHT is Final		119,496,845,425	0
*Proportion of total investment where WHT is final		73%	83%
*Proportion of total Investment where WHT is not final		27%	17%
Disallowed Expenses:			
Fund Management expenses	7.22	297,104,285	1,237,926,621

Note: Percentage rounded off to whole numbers

7.25 TAX EXPENSE

	Notes	Total Dec-23	Total Dec-23	Total Dec-22

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

		[6 months] UGX	[6 months] UGX	[6 months] UGX
Taxable Income	7.22	4,642,497,251	4,642,497,251	3,799,049,962
Tax Charge	30%	1,392,749,175	1,392,749,751	1,139,714,989
Deferred Tax Credit	7.29	(4,632,523,931)	(4,632,523,931)	10,275,762,499
Add: Tax deducted at source (WHT)		3,293,664,440 0	3,293,664,440 0	2,798,251,420 0
Tax charge for the year		53,889,685	53,889,685	14,213,728,908

7.26 TAX PAYMENT.

The Scheme paid provisional tax of UgX. 1,079,950,254

7.27 TAX PAYABLE

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Opening Balance		135,051,514	-
Tax Charge Payable	7.25	1,392,749,175	1,139,714,989
Less: Provisional Tax Paid during the year	7.26	(1,079,950,254)	(698,812,819)
Less: WHT certificates		(9,040,751)	(35,516,771)
Tax payable(Credit)	7.28	438,809,684	405,385,399

7.28 TAX LIABILITY (ASSET) ACCOUNT

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Tax Credit Account		24,016,060	303,586,747
Tax Payable (Credit for the year)	7.27	(438,809,684)	(405,385,399)
Add: WHT during the year on FXDs		67,341,454	70,073,038
Less:			
WHT claimed		(9,040,751)	(35,516,771)
Tax Asset at year end		(356,492,921)	(67,242,385)

7.28.1 Cumulative split of Tax (Liability) Asset and WHT Receivables

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Tax liability with URA		(438,809,684)	(114,271,501)
WHT certificates Receivables		82,316,763	47,029,116
Tax Asset at year end		(356,492,921)	(67,242,385)

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.29 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:

		Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Accelerated Tax Depreciation			
Carrying value as at 31 Dec		574,919,952	987,107,114
Written down Value as at 31 Dec		(655,748,108)	(689,165,352)
Difference		(80,828,156)	297,941,762
Deferred Tax on Fixed assets	30%	(24,248,447)	89,382,529
Prior Year Adjustment		0	0
Total Deferred Tax for the Year on assets		(24,248,447)	89,382,529
Changes in fair value			
Changes in fair value during the Year		(9,705,535,034)	(252,712,978)
Deferred Tax Charge for the period	30%	(2,911,660,510)	(75,813,893)
Foreign Exchange gains/ losses			
Foreign Exchange losses during the Year		(94,604,410)	51,441,537
Deferred Tax Charge for the period	30%	(28,381,323)	15,432,461
Arising from:	At 1 July	Credit/ Charge for the Period	At 31 Dec
	2023		2023
	UGX	UGX	UGX
Accelerated Tax Depreciation	20,203,404	(44,451,851)	(24,248,447)
Changes in fair Value	1,754,751,938	(4,666,412,448)	(2,911,660,510)
Foreign Exchange gains /losses	(106,721,691)	78,340,368	(28,381,323)
Net Deferred Tax (asset) / Liability	1,668,233,651	(4,632,523,931)	(2,964,290,280)

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

7.30 Investments Allocations

		Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
	Notes		
Government Treasury Bond	7.7.1.1/7.8.1.5	326,936,097,674	272,067,890,262
Fixed Deposits Investments	7.8.1.2	10,377,971,870	13,044,455,125
Unit Trusts		71,390,172,995	37,734,734,987
Treasury Bills Investments	7.8.1.4	0	4,683,814,743
Loans	7.7.1.2/7.8.1.6	25,663,129,594	22,373,150,245
Shares& Equities	7.7.1.4	12,065,570,966	23,359,957,647
Total Investments (Short & Long term)		446,432,943,099	373,264,003,009

Allocation per fund Manager

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Gen Africa	216,080,530,447	193,707,198,879
UAP (Britam)	200,109,777,225	166,264,184,857
Parliamentary Pension Scheme	30,242,635,427	24,049,611,964
	446,432,943,099	384,020,995,700

**7.30.1 Detailed Allocation per Fund Manager
Gen Africa**

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Government Treasury Bond	167,980,967,402	146,097,996,877
Fixed Deposits Investments	136,059,808	55,013,708
Unit Trusts	41,488,346,020	16,902,917,025
Treasury Bills Investments	0	4,683,813,768
Shares& Equities	6,475,157,217	25,967,457,501
Total	216,080,530,447	193,707,198,879

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

UAP(Britam)

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Government Treasury Bond	158,955,130,272	125,969,893,388
Fixed Deposits Investments	8,365,722,830	11,204,428,872
Unit Trusts	27,198,510,371	20,831,817,962
Treasury Bills Investments	0	975
Shares& Equities	5,590,413,752	8,258,043,660
Total	200,109,777,225	166,264,184,857

Parliamentary Pension Scheme

	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
Loans	25,663,129,594	22,373,150,245
Unit Trusts	2,703,316,604	0
Fixed Deposits Investments	1,876,189,232	1,676,461,719
Total	30,242,635,430	24,049,611,964

7.30.2 Reconciliation of the Investments

	Value as at 01/07/2023 UGX	Purchases at cost UGX	Capitalized/Inter est discounts UGX	Sales /Proceeds/ Redemptions /Impairment loss UGX	Changes in the Fair value UGX	Value at 31.12.23 UGX
Fixed Deposits	9,032,233,645	23,201,389,927	500,781,043	(22,356,432,745)	0	10,377,971,870
Unit Trusts	46,387,750,774	35,834,296,981	8,875,715,797	(19,707,590,557)	0	71,390,172,995
Treasury Bills	4,948,847,348		271,152,652	(5,220,000,000)	0	0
Shares	16,537,551,806	60,925,335		(2,767,852,879)	(1,765,053,296)	12,065,570,966
Loans	24,354,571,917	7,974,990,249	288,134,044	(6,954,566,616)	-	25,663,129,594
Treasury Bonds	322,828,480,311	11,331,673,010	11,693,141,829	(5,756,715,738)	(7,940,481,738)	326,936,097,674
Total	424,089,435,801	78,403,275,502	21,628,925,365	(62,763,158,535)	(9,705,535,034)	446,432,943,099

7.31. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

There were no contingent liabilities or capital commitment registered as at the end of the reporting period.

7.32 CONTINGENT ASSETS

During the period ended 31st December 2023, there were no contingent assets.

7.33 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.

Exposure to liquidity risk

Key measures used by the Scheme for managing liquidity risk are the asset mix limits. Details of the asset mix at the reporting date were as follow:

	Limit	Dec-23	%	Dec-22	%
		UgX		UgX	
Government securities	40%- 80%	326,936,097,674	72.74	272,067,890,262	72.20
Treasury bills	5%-80%	-	-	4,683,814,743	1.24
Corporate Bonds	0 - 5%	-	-	-	-
Alternatives	0% - 2%	-	-	-	-
Fixed deposits	0% -10%	10,377,971,870	2.31	13,044,455,125	3.46

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

Unit Trusts	5% -20%	71,390,172,995	15.88	37,734,734,987	10.01
Domestic Equities	0% - 15%	5,884,588,034	1.31	7,750,671,719	2.06
Regional Equities	0%-15%	6,180,982,932	1.38	15,609,285,928	4.14
Loans	0% - 5%	25,663,129,594	5.71	22,373,150,245	5.94
Cash	0% - 5%	3,027,947,723	0.67	3,536,350,557	0.94
		449,460,890,822	100	376,800,353,566	100

The table below analyses assets and liabilities into relevant maturity groupings based on the remaining period to the contractual maturity dates: -

	Up to 3 months	3-12 months	1 - 5 years	Over 5 years	Total
Government securities	-	11,693,141,829	5,613,640,516	309,629,315,329	326,936,097,674
Unit trusts		15,500,000,000	55,890,172,995	-	71,390,172,995
Fixed deposits	500,781,043	9,877,190,827	-	-	10,377,971,870
Domestic Equities	-	2,353,835,214	2,824,602,256	706,150,564	5,884,588,034
Regional Equities	-	2,472,393,173	2,966,871,807	741,717,952	6,180,982,932
Loans	288,134,044	9,318,570,672	16,056,424,878	-	25,663,129,594
Cash at Bank	3,561,709,637	-	-	-	3,561,709,637
Receivables	957,638,291	45,850,528	-	-	1,003,488,819

Total Assets	5,308,263,015	51,260,982,243	83,351,712,452	311,077,183,845	450,998,141,555
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Other Liabilities and accrued expenses	1,537,887,761	1,489,145,623	658,543,624	-	3,685,577,008
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Total Liabilities	1,537,887,761	1,489,145,623	658,543,624	-	3,589,577,008
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Liquidity gap					
At 31 December 2023	3,770,375,254	49,771,836,620	82,693,168,828	311,077,183,845	447,312,564,547

(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 risk.

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

Management of market risks

Overall authority for 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

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

advanced financial and non-financial risk management processes to mitigate losses and reduce exposure.

7.34 RELATED PARTY TRANSACTION

There were no related party transactions during the period ended 31st December 2023.