



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

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

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

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

1.9 Actuary

M/s East African Actuarial services

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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.

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

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 Medium/ Long term Investments	7.21.4	354,247,067	570,916,391
	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

	Notes	Dec-23 [6 months] UGX	Dec-22 [6 months] UGX
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 30 th 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.

PARLIAMENTARY PENSION SCHEME

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.

PARLIAMENTARY PENSION SCHEME

MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2023

(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