



Makerere
University
Retirement
Benefits
Scheme

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME (MURBS)

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

The accompanying summary financial statements, which comprise the statement of net assets available for benefits as at 30 June 2016, and the statements of changes in net assets available for benefits and cash flows for the year then ended are derived from the audited financial statements of Makerere University Retirement Benefits Scheme ("the Scheme") for the year ended 30 June 2016.

We expressed an unqualified opinion on these financial statements in our report dated **28/09/2016**. These financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the financial provisions of the Scheme Trust Deed and Rules, and the Uganda Retirement Benefits Regulatory Authority Act, 2011. Reading the summary financial statements, therefore,

is not a substitute for reading the audited financial statements of the Scheme.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of a summary of the audited financial statements in accordance with International Financial Reporting Standards, the Trust Deed, and the Uganda Retirement Benefits Regulatory Authority Act, 2011.

Auditors' responsibility

Our responsibility is to express an opinion on summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810, "Engagements to report on summary financial statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Makerere University Retirement

Benefits Scheme (MURBS) for the year ended 30 June 2016 are consistent, in all material respects, with those financial statements in accordance with International Financial Reporting Standards and comply with the requirements of the Trust Deed and Rules and the Uganda Retirement Benefits Regulatory Authority Act, 2011.

KPMG

Certified Public Accountants
3rd Floor Rwenzori Courts
Plot 2 & 4A Nakasero Road
P.O. Box 3509
Kampala, Uganda

Date: 4 October 2016

AUDITED FINANCIAL STATEMENTS AS AT 30 JUNE 2016

SCHEME INFORMATION

The Scheme was incorporated under the Trustees Incorporation Act and established in April 2010 and is governed by a Trust Deed ("the Deed") dated 10 September 2009 (and amended effective 17 April 2015). The Scheme is a defined contribution plan and provides, under the rules of the Scheme, retirement benefits for the staff of Makerere University ("the sponsor"). The Scheme is licensed by the Uganda Retirement Benefits Regulatory Authority.

The Scheme has a membership of 3,301 and fund amounting to US\$ 78 billion as at 30 June 2016.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 30 JUNE 2016

	2016 Ushs '000	2015 Ushs '000
Contributions received and receivable	11,072,037	7,765,978
Benefits paid and payable	(2,085,656)	(1,967,957)
Net benefits to members	8,986,381	5,798,021
Return on investments		
Investment income	7,898,560	5,861,520
Loss on the sale of equities	(450)	-
Foreign exchange loss	(15,985)	(2,411)
Fair value changes on quoted shares	(4,127,112)	1,966,268
Other income	43,750	138,692
Investment management expenses	(295,968)	(396,596)
Net returns on investment	3,502,795	7,567,473
	12,489,176	13,365,494
Administrative expenses	(709,027)	(748,912)
Decrease in provision for impairment losses on Contributions receivable	(624,063)	1,635,033
Other expenses	(9,163)	(49,018)
Increase in net assets before tax	11,146,923	14,202,597
Income tax charge	(398,484)	(12,501,477)
Increase in net assets after tax during the year	10,748,439	1,701,120
Fund Account		
At 1 July	67,457,483	65,723,484
Increase in the fund for the year	10,748,439	1,701,120
Other reserve	-	32,879
At 30 June	78,205,922	67,457,483
Apportioned as:		
Members' account	78,205,922	66,716,413
Reserve account	-	741,070
	78,205,922	67,457,483

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS AT 30 JUNE 2016

	2016 Ushs '000	2015 Ushs '000
Assets		
Property and equipment	28,261	20,442
Investments	73,163,669	62,795,418
Receivables	5,697,234	6,886,500
Cash and cash equivalent	415,721	441,067
Tax recoverable	34,404	-
Total assets	79,339,289	70,143,427

Liabilities

Deferred tax liability	327,494	1,568,520
Corporation tax payable	-	268,652
Payables	805,873	814,517
Unpaid benefits	-	34,255
Total liabilities	1,133,367	2,685,944
Net assets available for benefits	78,205,922	67,457,483

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	2016 Ushs '000	2015 Ushs '000
Operating activities		
Increase in net assets before tax	11,146,923	14,202,597
Depreciation and amortization	13,147	12,357
Unrealized foreign exchange loss	-	2,411
Movement in impairment loss on receivables	624,063	(1,635,033)
Operating profit before changes in working capital	11,784,133	12,582,332
Adjustments for changes in working capital		
Decrease/(Increase) in receivables	565,204	(1,125,200)
(Decrease)/Increase in payables	(42,899)	122,373
Increase in other reserve balance	-	32,879
Tax paid during the year	(466,991)	-
Withholding tax paid	(1,475,576)	(1,375,822)
Cash flows generated from/(used in) operating activities	10,363,871	10,236,562
Investing activities		
Net investment in fixed deposits	946,452	547,840
Net investment in treasury bills	(5,473,233)	(3,771,409)
Net investment in treasury bonds	(5,343,048)	(1,287,449)
Net investment in corporate bonds	61,573	(123,998)
Net investment in quoted equities	(559,995)	(5,422,620)
Purchase of property and equipment	(20,966)	(21,311)
Cash flows used in investing activities	(10,389,217)	(10,078,947)
Net (decrease)/increase in cash and cash equivalents	(25,346)	157,615
Cash and cash equivalents		
At 1 July	441,067	283,452
Net (decrease)/ increase in cash and cash equivalents	(25,346)	157,615
At 30 June	415,721	441,067

NOTICE OF ANNUAL GENERAL MEETING

The 6th Annual General Meeting of Members of the Makerere University Retirement Benefits Scheme in respect of the financial year ended 30 June 2016 will be held on 27th October 2016 at 2:00 p.m. in the Main Hall, Makerere University.

Hajati Fatumah Nakatudde
Chairperson, Board of Trustees

John Mulindwa Kitayimbwa
Secretary, Board of Trustees