

**MAKERERE UNIVERSITY
RETIREMENT BENEFITS SCHEME**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2026**

Licence number: RBS. 0005

**MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

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**MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

BENEFITS SCHEME INFORMATION

TRUSTEES

Michael Kizito (PhD)	Member nominated (Chairperson)	Appointed on 1 April 2025
CPA Franco Angida Mugyema	Member nominated (Secretary)	Re-appointed on 1 April 2025
Elizabeth P. Nansubuga (PhD)	Member nominated	Appointed on 1 April 2023
Mr. Joseph Ikarokok	Member nominated	Re-appointed on 1 April 2025
Deus Kamunyu Muhwezi (PhD)	Sponsor nominated	Appointed on 15 May 2023
Mr. George Bamugemereire	Sponsor nominated	Appointed on 5 June 2023
CPA Edna Isimbwa Rugumayo	Independent Trustee	Appointed on 1 May 2024

CO-OPTED MEMBERS

CPA David Ssenoga	-	Chairperson, Audit Committee
Saul Hannington Nsubuga (PhD)	-	Member, Audit Committee
Mr. Alan Norman Lwetabe	-	Member, Investment Committee

ADMINISTRATOR

Zamara Actuaries, Administrators and Consultants Uganda Limited
2nd Floor, Studio House
5 Bandali Rise, Bugolobi
P.O.Box 73320
Kampala Uganda

LAWYER

Arcadia Advocates
Plot 9, Olumi Close
Kitante, Kampala
P. O. Box 28987
Kampala, Uganda

FUND MANAGERS

GenAfrica Asset Managers
6th Floor, AHA Towers
Plot 7, Lourdel Road, Nakasero
P. O. Box 75200
Kampala, Uganda

AUDITOR

KPMG
Certified Public Accountants
3rd Floor Ruwenzori Courts
Plot 2 & 4A Nakasero Road
P. O. Box 3509

Old Mutual Investment Group Uganda Limited
Nakawa Business Park, Block B, Level 5
Plot 3-5, New Port Bell Road
P. O. Box 20079
Kampala, Uganda

ADDRESS

Makerere University- House 138,
Fig Tree Lane (along Pool Road)
P.O. Box 7827
Kampala, Uganda

CUSTODIAN

Stanbic Bank Uganda Limited
3rd Floor, Short tower, Crested Towers
17 Hannington Road
P. O. Box 7131
Kampala, Uganda

ENQUIRIES

Tel – +256 (0) 414 531 472
Email – info@murbs.mak.ac.ug
www.murbs.mak.ac.ug

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME REPORT OF TRUSTEES FOR THE YEAR ENDED 30 JUNE 2026

Report of the Trustees

The Trustees submit their annual report together with the audited financial statements of Makerere University Retirement Benefits Scheme (the "Scheme") for the year ended 30 June 2026.

Establishment, nature, and status of the Scheme

Makerere University Retirement Benefits Scheme (MURBS) is a Scheme for Makerere University staff. MURBS was established under irrevocable trust with effect from 1 April 2009 and is licensed with the Uganda Retirement Benefits Regulatory Authority (URBRA). The Scheme was set up by Makerere University for the purpose of providing retirement benefits to employees of Makerere University upon retirement from the University. The Scheme is governed by a Board of Trustees comprising of 7 persons effective 30 May 2023, with an elected Chairperson and Secretary from their number. The Board of Trustees is the supreme governing body of MURBS. The relationship between the University and the Board of Trustees is enshrined under the Trust deed and Scheme Rules.

The Scheme is a defined contribution plan and provides, under the Rules of the Scheme, retirement benefits for the staff of Makerere University.

Management of the Scheme

The Trustees who held office during the year and to the date of this report were:

Michael Kizito (PhD)	- Chairperson
CPA Franco Angida Mugyema	- Secretary
Elizabeth Patricia Nansubuga (PhD)	- Trustee
Mr. Joseph Ikarokok	- Trustee
Deus Kamunyu Muhwezi (PhD)	- Trustee
Mr. George Bamugemereire	- Trustee
CPA Edna Isimbwa Rugumayo	- Trustee

Meetings of the Board of Trustees

During the financial year, the board held the following meetings:-

S/ n	Reason for Meeting	Date Held	MK	FAM	EP N	DKM	GB	JI	EIR
1	Quarterly meeting for period ended 30 June 2025	7-Aug-2025	✓	✓	✓	✓	✓	✓	✓
2	Meeting to approve audited financial statements for the FY ended 30 June 2025	7-Oct-2025	✓	✓	✓	✓	✓	✓	✓
3	Quarterly meeting for the period ended 30 September 2025	28-Nov-2025	✓	✓	✓	✓	✓	✓	✓
4	Quarterly meeting for the period ended 31 December 2025	23-Feb-2026	✓	✓	✓	✓	✓	✓	✓
5	Quarterly meeting for the period ended 31 March 2026	29- May-2026	✓	✓	✓	✓	✓	✓	✓

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
REPORT OF TRUSTEES FOR THE YEAR ENDED 30 JUNE 2026 (CONTINUED)

KEY

MK	Michael Kizito (PhD)
FAM	CPA Franco Angida Mugyema
EPN	Elizabeth P. Nansubuga (PhD)
JI	Mr. Joseph Ikarokok
DKM	Deus Kamunyu Muhwezi (PhD)
GB	Mr. George Bamugemereire
EIR	CPA Edna Isimbwa Rugumayo
✓	Attended
N/A	Not Applicable
x	Non-attendance

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
REPORT OF TRUSTEES FOR THE YEAR ENDED 30 JUNE 2026 (CONTINUED)

FINANCIAL DEVELOPMENT OF THE SCHEME

The table below provides a summary of the Scheme's financial performance highlights for a period of 5 years.

	June 2026	June 2025	June 2024	June 2023	June 2022
	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Contributions received	35,928,609	36,578,549	34,365,940	35,629,028	33,464,653
Benefits paid	(24,620,553)	(21,704,124)	(25,055,911)	(19,033,822)	(10,011,180)
Net additions/ (withdrawals) from dealings with members	11,308,056	14,874,425	9,310,029	16,595,206	23,453,473
Net returns on investments	73,605,243	62,449,949	54,219,804	42,342,729	32,643,690
Admin and other expenses	(2,648,352)	(2,309,355)	(1,991,529)	(2,091,375)	(1,736,062)
Net dealings with in-house recoveries	(1,077,355)	(1,797,072)	1,387,162	1,738,034	(83,649)
Impairment/ (reversal) of contributions receivable	-	(322,704)	1,499,789	(484,610)	(6,193,842)
Income tax expense	(9,214,348)	(6,608,813)	(7,586,286)	(4,142,517)	(4,456,760)
Net increase in Fund	71,973,244	66,286,430	56,838,969	53,957,467	43,626,850
Net assets at start of year	475,529,363	409,242,933	352,403,964	299,117,244	255,490,394
Prior year adjustment on contributions	-	-	-	(670,747)	-
Net assets at end of year	547,502,607	475,529,363	409,242,933	352,403,964	299,117,244
Expense to Fund Ratio	0.48%	0.49%	0.49%	0.59%	0.58%
Cost to net realised income	4.3%	4.3%	4.5%	5.8%	6.6%
Return on investment	11.3%	11.2%	11.3%	10.1%	9.7%
Expenses to contributions	11.5%	10.2%	9.3%	8.8%	5.2%

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
REPORT OF TRUSTEES FOR THE YEAR ENDED 30 JUNE 2026 (CONTINUED)

Investments of funds

The Trustees are responsible for the investment of the funds of the Scheme. Investments are made with the objective of achieving growth of the fund whilst maintaining liquidity to enable payments to be made to members leaving the Scheme as and when the need arises.

The table below provides a summary of the investment asset class allocations at 30 June 2026 and 30 June 2025:

	URBRA Limit	June 2026	June 2025
		%	%
Government securities	0-80%	89.1	86.1
East African Equities	0-70%	0.5	0.1
Cash and bank balances	0-5%	0.2	0.3
Local fixed deposits	0-30%	0.1	0.1
Collective Investment Schemes	0-30%	7.7	10.2
Real Estate Investment	0-30%	2.4	3.2
		100.0	100.0

Note: The Scheme received the approval of URBRA to invest up to 90% in Government securities

Financial review

The statement of net assets available for benefits on page 13 shows the Scheme's net assets as at 30 June 2026 were Shs 547.5 billion (June 2025: Ushs 475.5 billion).

Membership

Contributing members are those who are still actively contributing to the Scheme and deferred members are those who have ceased their contributions, but are still part of the Scheme until they withdraw their retirement benefits. The membership of the Scheme at 30 June 2026, and 30 June 2025 are as shown below;

	June 2026	June 2025
Contributing member	3,037	3,368
Deferred members	4,806	5,147
Total members	7,843	8,515

The change in membership during the year is set out below for each membership class:

Contributing members

Start of the year	3,368	3,137
Joiners	518	574
Net reinstatement to membership	(799)	(288)
Leavers	(50)	(55)
At end of year	3,037	3,368

Deferred members

Start of the year	5,147	5,453
New deferred members	766	786
Net reinstatement to membership	1,242	726
Leavers	(2,349)	(1,818)
At end of year	4,806	5,147

AUDITOR

The auditor, KPMG, being eligible for reappointment has indicated their willingness to continue in office.

**MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
REPORT OF TRUSTEES FOR THE YEAR ENDED 30 JUNE 2026 (CONTINUED)**

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue at a meeting of the Trustees held on
.....29 September..... 2026



.....
Chairperson, Board of Trustees
Michael Kizito (PhD)



.....
Secretary, Board of Trustees
CPA Franco Angida Mugyema



.....
Member
Joseph Ikarokok

**MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2026**

Statement of Trustees' responsibilities

The Uganda Retirement Benefits Regulatory Authority Cap. 232, Laws of Uganda (URBRA Act) requires the Trustees to make available to the Scheme's members and other parties, audited financial statements for each financial year which show a true and fair view of the financial transactions of the Scheme during the reporting period and of the amount and disposition at the end of the financial year of the Scheme's assets and liabilities.

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

Responsibilities

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the URBRA Act Cap 232 Laws of Uganda and for such internal control as Trustees determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Trustees hereby confirm that, during the period under review, in the execution of their duties they have complied with the duties imposed by URBRA Act Cap 232 Laws of Uganda, and the Scheme Trust Deed and Rules. The trustees confirm that:

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

Approval of the annual financial statements

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

The financial statements have been audited by KPMG Certified Public Accountants, who were given unrestricted access to all financial records and related data, including minutes of relevant meetings. The Trustees believe that all representations made to the independent auditor in the representation letter during their audit were valid and appropriate. The report of the independent auditor is presented on pages 9 to 11.

The Trustees confirm that there were no instances of non-compliance with laws and regulations during the year under review.

**MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2026 (CONTINUED)**

These financial statements:

- were approved by the Board of Trustees on 29 September 2026; and
- to the best of the Board of Trustees' knowledge and belief fairly represent the net assets of the Scheme as at 30 June 2026 as well as the changes in net assets available for benefits and cash flows for the year then ended in accordance with IFRS Accounting Standards and in the manner required by the URBRA Act Cap 232, Laws of Uganda.

We confirm that for the period under review, the Makerere University Retirement Benefits Scheme has submitted all regulatory and other returns and any other information as required by the provision of the URBRA Act Cap 232 Laws of Uganda and to the best of our knowledge all applicable legislation.

In preparing the financial statements, the Trustees have assessed the Scheme's ability to continue as a going concern. The Trustees hereby report that nothing has come to their attention to indicate that the Scheme will not remain a going concern or comply with requirements of the Uganda Retirements Benefits Regulatory Authority Act, Cap. 232, Laws of Uganda for at least twelve months from the date of this statement.



Chairperson, Board of Trustees
Michael Kizito (PhD)



Secretary, Board of Trustees
CPA Franco Angida Mugyema



Member
Joseph Ikarokok

Date: 29 September 2026



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Certified Public Accountants
of Uganda
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Independent auditor's report

TO THE MEMBERS OF MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME

Opinion

We have audited the financial statements of Makerere University Retirement Benefits Scheme (the "Scheme") set out on pages 12 to 41, which comprise the statement of net assets available for benefits as at 30 June 2026, and the statement of changes in net assets available for benefits, statement of changes in member funds and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Scheme as at 30 June 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Uganda Retirement Benefits Regulatory Act Cap. 232, Laws of Uganda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Scheme in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the *Makerere University Retirement Benefits Scheme Annual Report and Financial Statements for the year ended 30 June 2026*, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report

To the Members of Makerere University Retirement Benefits Scheme (Continued)

Responsibilities of the Trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Uganda Retirement Benefits Regulatory Act Cap. 232, Laws of Uganda, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report

To the Members of Makerere University Retirement Benefits Scheme (Continued)

Report on other legal and regulatory requirements

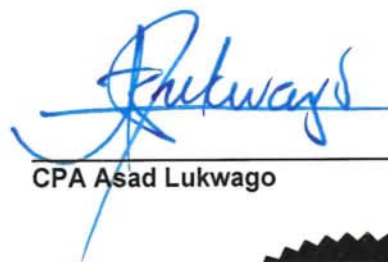
As required by the Uganda Retirement Benefits Regulatory Act, Cap. 232, Laws of Uganda we report to you, solely based on our audit of the financial statements that;

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Scheme , so far as appears from our examination of those books; and
- The statements of net assets available for benefits and changes in net assets available for benefits are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Asad Lukwago-P0365.



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



CPA Asad Lukwago

Date: 02 October 2026



MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR
ENDED 30 JUNE 2026

	Note	2026 Ushs '000	2025 Ushs '000
Contributions and benefits			
Contributions received	5	35,928,609	36,578,549
Benefits paid	6	(24,620,553)	(21,704,124)
Net dealings with members		11,308,056	14,874,425
Return on investments			
Investment income	7	75,422,484	63,876,024
Gain on the sale of plots	12(i)	32,000	51,000
Loss on the sale of equities	12(h)	(11,938)	(27,210)
Loss on the sale of treasury bonds	12(d)	(999,547)	-
Foreign exchange gain	12(g)	2,730	-
Fair value changes on quoted shares	12(h)	666,190	(29,118)
Investment management expenses	8	(1,506,676)	(1,420,747)
Net returns on investment		73,605,243	62,449,949
Administrative expenses	9(a)	(2,648,352)	(2,309,355)
Reversal / (Charge) of Impairment of contributions receivable	13(b)	-	(322,704)
Net dealings with in-house recoveries	13(c)	(1,077,355)	(1,797,072)
Increase in return on investment before tax		69,879,536	58,020,818
Income tax expense	11(a)	(9,214,348)	(6,608,813)
Net return on investments		60,665,188	51,412,005
Increase in net assets after tax during the year		71,973,244	66,286,430
Net assets at start of the year		475,529,363	409,242,933
Net assets at end of period		547,502,607	475,529,363

The notes set out on pages 16 to 41 form an integral part of these financial statements.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS AT 30 JUNE 2026

	Note	2026 Ushs '000	2025 Ushs '000
Assets			
Cash and cash equivalents	14	1,294,367	1,548,515
Investments	12(a)	554,993,271	480,769,268
Property and equipment	10	48,659	42,666
Total assets		556,336,297	482,360,449
Liabilities			
Deferred tax liability	11 (c)	2,384,925	2,461,284
Current income tax payable	11 (b)	2,098,518	538,444
Payables	15	4,350,247	3,831,358
Total liabilities		8,833,690	6,831,086
Net assets available for benefits	16(a)	547,502,607	475,529,363
Member fund and reserves			
Accumulated members' funds	16(b)	546,511,435	474,562,972
Unallocated funds	16(c)	967,249	942,468
Reserve account	16(d)	23,923	23,923
Total member funds and reserves		547,502,607	475,529,363

The financial statements were approved and authorised for issue by the Board of Trustees on 29 September 2026 and were signed on its behalf by:



 Chairperson, Board of Trustees

Michael Kizito (PhD)



 Secretary, Board of Trustees

CPA Franco Angida
 Mugyema



 Member

Joseph Ikarokok

The notes set out on pages 16 to 41 form an integral part of these financial statements

**MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
STATEMENT OF CHANGES IN MEMBER FUNDS AND RESERVES FOR THE YEAR ENDED 30 JUNE 2026**

	Accumulated member funds	Contracts and Projects Allocated Funds	Contracts and Projects Unallocated Funds	Makerere University Unallocated Funds	Reserve Account	Total Fund
	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Period ended 30 June 2025						
At start of period	395,401,524	12,088,352	1,106,501	455,736	190,820	409,242,933
Transfers of contributions	12,088,352	(12,088,352)	-	-	-	-
Net additions from dealings with members	14,804,415	-	70,010	-	-	14,874,425
Allocated in the current year	689,779	-	(330,504)	(359,275)	-	-
Impairment of contributions receivable	(322,704)	-	-	-	-	(322,704)
Net dealings with in-house recoveries	(1,797,072)	-	-	-	-	(1,797,072)
Interest attributable to members	53,698,678	-	-	-	(166,897)	53,531,781
At end of period	474,562,972	-	846,007	96,461	23,923	475,529,363
Period ended 30 June 2026						
At start of period	474,562,972	-	846,007	96,461	23,923	475,529,363
Net additions from dealings with members	11,220,386	-	87,670	-	-	11,308,056
Allocated in the current year	62,889	-	(62,889)	-	-	-
Net dealings with in-house recoveries	(1,077,355)	-	-	-	-	(1,077,355)
Interest attributable to members	61,742,543	-	-	-	-	61,742,543
At end of period	546,511,435	-	870,788	96,461	23,923	547,502,607

The notes set out on pages 16 to 41 form an integral part of these financial statements.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 Ushs '000	2025 Ushs '000
Cash flows from operating activities			
Net return on investments after tax		60,665,188	51,412,005
Taxation	11(a)	9,214,348	6,608,813
Net dealings with members		11,308,056	14,874,425
Depreciation	9 (a)	30,487	29,087
Fair value gain on quoted shares	12(h)	(666,190)	29,118
Loss on the sale of treasury bonds	12	999,547	-
Loss on the sale of equities		11,938	27,210
Gain on the sale of plots		(32,000)	(51,000)
Interest earned		(69,645,373)	(63,846,833)
Cash flows from operating activities before changes in working capital		11,886,001	9,082,825
Working capital changes in			
- receivables	13(a)	-	4,661,807
- in payables	15	518,890	1,107,272
Interest received		63,577,057	56,253,227
Income tax paid	11(b)	(7,730,633)	(6,419,379)
Cash flows generated from operating activities		68,251,315	64,685,752
Cash flows from investing activities			
Investment in fixed deposits	12(e)	(55,217,320)	(64,878,100)
Proceeds on maturity of fixed deposits	12(e)	55,526,220	65,513,500
Investment in treasury bonds	12(d)	(110,755,846)	(73,730,807)
Proceeds on maturity of treasury bonds	12(d)	4,745,000	18,084,685
Disposals of treasury bonds	12(d)	24,695,368	-
Investment in UAP Unit Trust Investment	12(f)	(15,704,345)	(25,017,800)
Proceeds on maturity of UAP Unit Trust Investment	12(f)	29,280,545	34,750,943
Investment in ICEA Unit Trust Investment	12(f)	(14,114,505)	(18,562,059)
Proceeds on maturity of ICEA Unit Trust Investment	12(f)	16,590,725	3,470,021
Investment in Sanlaam Unit Trust Investment	12(f)	(11,664,000)	(5,694,537)
Proceeds on maturity of Sanlaam Unit Trust Investment	12(f)	8,020,020	(194,647)
Investment in equities	12(h)	(2,685,004)	-
Proceeds from sale of equity investments	12(h)	846,159	205,812
Proceeds from disposal of real estate investments	12(i)	1,968,000	2,513,000
Purchase of property and equipment	10	(36,480)	(19,400)
Cash flows used in investing activities		(68,505,463)	(63,559,389)
Net increase in cash and cash equivalents		(254,148)	1,126,363
Cash and cash equivalents			
At start of the year	14	1,548,515	422,152
Net (decrease) / increase in cash and cash equivalents		(254,148)	1,126,363
At end of the year	14	1,294,367	1,548,515

The notes set out on pages 16 to 41 form an integral part of these financial statements.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

1. SCHEME INFORMATION

Makerere University Retirement Benefits Scheme (MURBS) is a licensed retirement scheme in Uganda. The address of its registered office is;
Makerere University- House 138, Fig Tree Lane (along Pool Road)
P.O Box 7827
Kampala Uganda

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below: These policies have been consistently applied to all the years presented unless otherwise stated.

a) Basis of preparation

The financial statements of the Scheme have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Uganda Retirement Benefits Regulatory Act Cap. 232, Laws of Uganda.

The preparation of financial statements in conformity with IFRS Accounting 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 and the reported amounts of revenues and expenses during the period. Although these estimates are based on the Trustees' best knowledge of current events and actions, actual results could ultimately differ from these estimates.

The financial statements are presented in the functional currency, Ugandan Shillings, rounded off to the nearest thousand, and prepared under the historical cost convention as modified by the carrying of certain investments at fair value. The Scheme's financial statements specifically reflect the disclosure requirements of IAS 26: Accounting and Reporting by Retirement Benefit Funds ('IAS 26'). In some respects, the disclosure terms used differ from those reflected in other standards. Accordingly, all references to profit or loss in these financial statements should be read as referring to increase or decrease in net assets available for benefits.

b) Contributions received

Contributions received represent remittances to the Scheme by Makerere University (MAK) and its employees who are members of the Scheme. Employees contribute 5% while the sponsor contributes 10% of the employee's monthly salary.

c) Benefits paid

Benefits paid relate to benefits actually paid to members at the reporting date, comprised of contributions in respect of the member in question and accumulated interest thereon.

d) Interest payments to members

Interest payable on members' accumulated contributions is calculated based on the members' opening balances and prorated contributions during the year. The effective interest rate used to compute interest accrued to members is approved by the Board of Trustees. Interest allocated to members is recorded in the accumulated member funds balances.

e) Investment income

Interest income

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

Dividend income

Dividend income is recognized when the right to receive dividend is established.

f) Income tax

(i) Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Ugandan Income Tax Act Cap 340, Laws of Uganda. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the statement of net assets available for benefits date. The Trustees periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the statement of net assets available for benefits date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is possible that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on net basis.

g) Foreign currency translation

Functional and presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the scheme operates(the "functional currency"). The financial statements are presented in Uganda Shillings ('Shs') which is Scheme's functional currency. All amounts are stated in thousands of Uganda Shillings (Shs '000'), unless indicated otherwise.

Transactions and balances

Foreign currency transactions are translated into Uganda Shillings using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of changes in net assets available for benefits.

h) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial instruments are recognised when, and only when, the Scheme becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Scheme commits itself to the purchase or sale

Classification

In accordance with the requirements of IAS 26: Accounting and reporting by retirement benefit plans ("IAS 26"), the Scheme accounts for the following retirement benefit plan investments at fair value. This includes investments in quoted equities.

Investments in government securities are measured at amortised cost using the effective interest method, in accordance with the option available in IAS 26 for securities that have a fixed redemption value and have been acquired to match the obligations of the Scheme or specific parts thereof.

All other financial assets of the Scheme are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

amount outstanding. All such assets are classified and measured at amortised cost using the effective interest method. All financial liabilities are similarly classified and measured at amortised cost.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument and includes all fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

All financial instruments are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Interest income, dividend income, foreign exchange and fair value gains and losses on financial assets and liabilities are recognised in increase or decrease in net assets available for benefits.

Fair value is determined as set out in note 4(e).

Impairment

The Scheme recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses for receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Presentation

All financial assets are classified as non-current except those with maturities of less than 12 months from the statement of net assets available for benefits date, those which management has the express intention of holding for less than 12 months from the statement of net assets available for benefits date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial liabilities are classified as non-current except those expected to be settled in the Scheme's normal operating cycle, those payable or expected to be paid within 12 months of the statement of net assets available for benefits date and those which the Scheme does not have an unconditional right to defer settlement for at least 12 months after the statement of net assets available for benefits date.

Derecognition/ write-off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Scheme has transferred substantially all risks and rewards of ownership, or when the Scheme has no reasonable expectations of recovering the asset.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of net assets available for benefits only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

i) Property and equipment

Property and equipment are stated at cost less accumulated depreciation or amortisation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property and equipment is recognized in the carrying value of the item if it is probable that the future economic benefits embodied within the part will flow to the Scheme and its cost can be measured reliably. The carrying value of the replaced part is de-recognized. The cost of day to day servicing of the property and equipment is recognized in the statement of changes in net assets as incurred.

Depreciation is recognized in the statement of changes in net assets and calculated to write off the cost of the property and equipment on a straight line basis over the expected useful lives of the assets concerned.

The estimated useful lives for the current and comparative periods are as follows: -

Item	Useful life
Office equipment	8 years
Computers	3 years
Furniture and fittings	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of changes of net assets available for benefits.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

j) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets available for benefits comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term highly liquid deposits.

k) Reserve balances

Reserve balances represents the unvested amounts and any deficit or excess of the net income of the Scheme over the interest distributed to members

l) Real estate investment

Real estate investment is property held for resale. Real estate investment is initially recognised at cost, including transaction costs. Subsequently, real estate investment is carried at fair value representing the open market value at the reporting date determined by annual valuations carried out by external registered valuers/members. Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Subsequent expenditure on real estate investment where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the real estate investment. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

m) Comparatives

Where necessary comparative figures have been adjusted to ensure consistency with changes in the current year.

n) Changes in accounting policies and disclosures

- (i) New accounting standards, amendments and interpretations effective during the year ended 30 June 2026

Effective date	New accounting standards or amendments
01 January 2025	Lack of Exchangeability – Amendments to IAS 21

The Standard and Interpretation were adopted at their effective date (except for those Standards and interpretations that are not applicable to the entity). These amendments did not have a material impact on these financial statements.

- (ii) New standards and interpretations not yet effective and not yet adopted for the year ended 30 June 2026

Effective date	New accounting standards or amendments
01 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
	Annual Improvements to IFRS Accounting Standards – Volume 11
01 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
	IFRS 19 Subsidiaries without Public Accountability
Available for optional adoption/effective date deferred indefinitely. Early adoption continues to be permitted	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
As per ICPAU guideline, depending on the entity's category	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

All Standards and Interpretations will be adopted at their effective date (except for those Standards and interpretations that are not applicable to the entity). These amendments will not have a material impact on these financial statements and therefore the disclosures have not been made.

3. USE OF ESTIMATES AND JUDGEMENTS

(i) Impairment

The Scheme makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Scheme regularly reviews its assets and makes judgments in determining whether an impairment loss should be recognised in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

As disclosed in note 17, the Trustees made full provision for impairment of contribution arrears due from Makerere University of Shs 747 billion (2025: Shs 747 billion) in view of the uncertainty as to the amount and timing of any recoveries on these long outstanding amounts.

However, the Scheme continues to pursue recovery of these amounts and as such, any amounts that are received in future years resulting from this exercise will result in the adjustment of the impairment provision and the recognition of a gain/ other income in the financial statements equivalent to amounts received.

(ii) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The fair value of financial instruments that are not traded in an active market for example, the real estate investment is determined by using independent valuers. The valuation techniques applied by independent valuers maximise the use of observable market data available based on the recent sale of plots of land

4. FINANCIAL RISK MANAGEMENT

The Scheme's trustees have overall responsibility for the establishment and oversight of the Scheme's risk management framework. The trustees are responsible for developing and monitoring the risk management policies.

The trustees are responsible for identifying and analysing the risks faced by the Scheme, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(a) Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations on its financial liabilities. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Management of liquidity risk

The Scheme has access to a diverse funding base. Funds are raised mainly from contributions received from both Makerere University and the members of the Scheme. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Scheme strives to maintain a balance between continuity of funding and flexibility through the use of assets with a range of maturities. The Scheme continually assesses liquidity risk by identifying and monitoring changes in funding, required to meet business goals and targets set in terms of the overall Scheme strategy.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

Exposure to liquidity risk

The table below analyses the Scheme's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the carrying amounts:

	1 to 12 months	Over 12 months	Total
	Ushs'000	Ushs'000	Ushs'000
Financial liabilities			
Period ended 30 June 2026			
Payables	(1,082,408)	-	(1,082,408)
	(1,082,408)	-	(1,082,408)
Year ended 30 June 2025			
Payables	(913,045)	-	(913,045)
	(913,045)	-	(913,045)

(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 optimising the return on risk.

Management of market risks

Overall authority for market risk is vested with the Scheme's advisers and investment managers.

(i) 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 Scheme's Trustees as well as the investment managers. The Scheme does not have any significant interest rate risk exposures.

The Scheme is neither exposed to cash flow interest rate risk nor fair value rate risk as the investments are at fixed interest rates and are measured at amortised cost.

(ii) Foreign exchange risk

The Scheme is exposed to foreign exchange risk through transactions in foreign currencies. The Scheme's transactional exposures give rise to foreign currency gains and losses that are recognised 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 an acceptable level. Monitoring of foreign currency fluctuations is done through the Scheme's investment managers.

The following Scheme's assets and liabilities were denominated in Kenya Shillings shown below:

At 30 June 2026

Assets	Shs '000
Investment in equities	456,171
Total assets	456,171

At 30 June 2025

Assets	Shs '000
Investment in equities	24,028
Total assets	24,028

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

Sensitivity analysis

The table below indicates the currencies to which the Scheme had significant exposure at 30 June on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Uganda Shilling, with all other variables held constant, on the statement of net assets available for benefits (due to the fair value of currency sensitive non-trading monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the statement changes in net assets available for benefits, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the Uganda Shilling would have resulted in an equivalent but opposite impact.

	Change in currency rate in %	Effect on changes in net assets available for benefits (Ushs'000)	Change in currency rate in %	Effect on changes in net assets available for benefits (Ushs'000)
	June 2026	June 2026	June 2025	June 2025
Kenyan Shilling	+/-5%	+/- 22,809	+/- 5%	+/- 1,201

iv) Price risk

The Scheme is exposed to price risk in respect of its investments in quoted equities.

As at 30 June 2026, if the price of quoted equities had increased/decreased by 10% with all other variables held constant, the increase in net assets available for benefits for the year would have been Shs 287 million higher/ lower respectively (2025: Shs 35.3million).

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

(c) Credit risk

Credit risk is the risk of financial loss to the Scheme if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date may be further analysed as follows:

	2026	2025
	Ushs '000	Ushs '000
Treasury bonds	495,883,991	415,121,877
UAP Unit Trust investment	6,982,784	18,652,701
ICEA Unit Trust investment	25,256,128	25,005,528
Sanlam Unit Trust investment	10,529,071	5,889,184
Fixed deposits	50,000	365,778
Cash at bank	1,294,367	1,548,515
Receivables	747,817	747,817
Total	540,744,158	467,331,400

Debt instruments at amortised cost and cash deposits

The scheme considers 12 months probability default (PD) for debt instruments at amortised cost, which mainly relate to government debt securities issued by the Government of Uganda for which there has not been significant change in issuer default rate category from (say a B rating to CCC). This is on the basis that there has not been significant increase in credit risk since initial recognition at the reporting date. The assessment on whether there is a significant increase in credit risk of debt instruments since initial recognition is based on all supportable information that is available without undue cost or effort.

The scheme considers whether there has been a change in issuer default category from fitch to determine whether the credit risk of the debt instruments has significantly increased to determine ECL. The scheme measures ECL on these instruments on a 12-month basis. However when there as been a significant increase in credit risk since initial recognition based on a change in default rating category of the issuer as per Fitch rating or issuer defaults on contractual payments by more than 30 days, the allowance is based on lifetime ECL.

The credit risk for all amortised cost financial assets has not increased significantly since initial recognition, therefore the Scheme has measured the loss allowance for these financial assets based on the a 12 months ECL.

The resultant ECL of Ushs 90.7 million (2025: Ushs 398.7 million) on debt instruments at amortised cost and cash and cash deposits has been considered immaterial and has not been recognised in the financial statements. All qualifying instruments are classified as stage 1 as there has not been any significant increase in credit risk during the period.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

Loss allowance

The Scheme's main exposures resulting into loss allowance arises principally from the Scheme's receivables and these relate to contributions from Makerere University. The Scheme establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for companies and schemes of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The following table shows the impaired financial assets at 30 June 2026 and 30 June 2025:

	Gross June 26	Lifetime ECL	Gross June 25	Lifetime ECL
	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Past due 30-60 days	-	-	-	-
Past due 61-120 days	-	-	-	-
Past due 121-365 days	-	-	-	-
More than 1 year	-	-	747,817	747,817
	-	-	747,817	747,817

The Trustees have assessed the loss allowance for the other financial assets, investments and cash balances, and found the recurring expected audit losses to be immaterial.

Financial instruments by category

Financial instruments by category

	30 June 2026	30 June 2025
	Ushs '000	Ushs '000
Financial assets – fair value through profit or loss		
Quoted equities	2,870,297	377,200
Financial assets – amortised cost		
Treasury bonds	495,883,992	415,121,877
Fixed deposits	50,000	365,778
UAP Unit Trust investment	6,982,784	18,652,701
ICEA Unit Trust investment	25,256,128	25,005,528
Cash at bank and in hand	1,294,367	1,548,515
	529,467,271	460,694,399
	532,337,568	461,071,599
Financial liabilities - amortised cost		
Payables	4,350,247	3,831,358
	4,350,247	3,831,358

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

(d) Capital risk management

The primary source of capital used by the Scheme is member contributions and income from investments. The Trustees consider members funds as disclosed in the statement of net assets available for benefits to represent the capital of the Scheme.

An important aspect of the Scheme's overall capital management process is the setting of target risk and inflation adjusted rates of return, which are aligned to performance objectives and ensure that the Scheme is focused on the creation of value for the members. The Scheme's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, and taking appropriate actions that will provide the target return in light of changes in economic conditions and risk characteristics.

The Scheme seeks to optimise the structure and investment of capital to ensure that it consistently maximises returns to its members within an acceptable risk appetite.

(e) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Scheme uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Scheme using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(e) Fair value estimation

The following table presents the fair value of the Scheme's assets (both financial and non-financial assets) as at 30 June 2026 and 2025 that are measured at fair value:

	Level 1	Level 2	Level 3	Total	Carrying amount
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
At 30 June 2026:					
Measured at fair value					
Equities	2,870,297	-	-	2,870,297	2,870,297
Real estate investment	-	-	13,421,000	13,421,000	13,421,000
Not measured at fair value					
Government securities	-	495,883,991	-	495,883,991	495,883,991
At 30 June 2025:					
Measured at fair value					
Equities	377,200	-	-	377,200	377,200
Real estate investment	-	-	15,357,000	15,357,000	15,357,000
Not measured at fair value					
Government securities	-	415,121,877	-	415,121,877	415,121,877

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

Real estate investment comprise of undeveloped land. The fair values of real estate investments were assessed by independent professional valuers including Thrive Property Partners Limited as at 30 June 2024.

The valuations were carried out in accordance with the International Valuation Standards, with regard to relevant local statutes, customs, and market practice. In determining the fair values of undeveloped land, the valuer used the market approach by reference to the market value which is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Changes in fair values are recognised in statement of changes in net assets available for benefits.

The impact of revaluing real estate investments on surplus for the year is Ushs Nil (2025: Nil).

The fair value measurement for all of the real estate investment has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Key underlying assumptions in valuation of real estate investment included:

- No rights of way or encroachments exist by or on the subject properties.
- The market value and any other values referred to in the valuation report exclude Value Added Tax and transfer costs.
- Property is unaffected by environmental issues.

The fair value of real estate is derived from an independent valuation performed on an open market value basis. The valuation was performed basis primarily on level 3 inputs.

The level 3 fair value of real estate was derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per acre from relevant comparable transactions of which the price per acre ranged from Ushs 440million to Ushs 480million per acre.

The inter-relationship between key unobservable inputs and fair value measurement is that the expected fair value would increase if there is expected market rental growth and increased access to amenities.

Fair values of cash and deposits with commercial banks, receivables, and payables reasonably approximate their carrying amounts largely due to the short-term maturities of these instruments and/ or because they carry interest rates that reasonably approximate to market rates.

The fair value for government securities is estimated using market prices for securities with similar credit, maturity and yield characteristics in the primary and secondary market.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

5. (a) Contributions received

	2026	2025
	Ushs '000	Ushs '000
Sponsor's contributions	20,451,268	20,303,246
Employees' contributions	10,225,634	10,151,623
Contribution recovery	755,685	1,334,685
Contract and Projects	4,288,579	4,592,271
Additional Voluntary Contribution (See note 5b)	160,194	156,310
Scheme secretariat contribution	47,249	40,414
	<u>35,928,609</u>	<u>36,578,549</u>

(b) Additional Voluntary Contribution

	2026	2025
	Ushs '000	Ushs '000
Regular voluntary contributions	160,194	156,310
	<u>160,194</u>	<u>156,310</u>

6. Benefits paid

	2026	2025
	Ushs '000	Ushs '000
Normal withdrawals	19,638,513	18,256,452
Permanent emigration	-	227,860
Ill-health benefits	379,935	-
Death benefits	651,178	147,919
Purchase of annuities	430,000	180,000
Transfers out	574,041	-
Mid term benefits	2,946,886	2,891,893
	<u>24,620,553</u>	<u>21,704,124</u>

7. Investment income

	2026	2025
	Ushs '000	Ushs '000
Interest on treasury bonds	69,413,002	58,498,763
Interest on fixed deposits	232,371	181,615
UAP Unit Trust investment interest	1,906,283	2,252,470
ICEA Unit Trust interest	2,726,820	2,730,038
Sanlam Unit Trust Investment Interest	995,907	183,947
Total interest income at effective interest rate	<u>75,274,383</u>	<u>63,846,833</u>
Dividend income*	148,101	29,191
Total Investment Income	<u>75,422,484</u>	<u>63,876,024</u>

*Dividend income is recognised in the Statement of Changes in Net Assets Available for Benefits when the right to receive payment is established.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

7. Investment income (continued)

Allocation of investment income per fund manager is shown below;

	2026	2025
	Ushs '000	Ushs '000
a) GenAfrica Asset Managers		
Interest on treasury bonds	43,731,585	37,433,471
Interest on fixed deposits	175,143	96,145
Dividend income	148,101	29,191
UAP Unit Trust investment – Account 1	1,906,283	1,870,896
ICEA Unit Trust interest	1,009,623	1,210,499
	46,970,735	40,640,202
	2026	2025
	Ushs '000	Ushs '000
b) OMIG Asset Managers		
Interest on treasury bonds	25,681,417	21,065,292
Interest on fixed deposits	57,228	85,470
UAP Unit Trust Investment	-	381,574
ICEA Unit Trust Interest	1,717,197	1,519,539
Sanlam Unit Trust Investment Interest	995,907	183,947
	28,451,749	23,235,822

Interest income is calculated using the effective interest method from financial assets carried at amortised cost.

8. Investment management expenses

	2026	2025
	Ushs '000	Ushs '000
Fund management fees	1,266,676	1,228,747
Custodial fees	240,000	192,000
	1,506,676	1,420,747

9. (a) Administrative expenses

	2026	2025
	Ushs '000	Ushs '000
Audit fees	65,940	64,940
Fund administration fees	327,755	336,581
Consultancy fees	114,956	53,438
AGM expenses	58,539	85,488
Governance costs (see part b)	359,073	368,126
Depreciation	30,487	29,088
Scheme compliance costs	1,975	1,250
Other administrative expenses (See part e)	504,705	481,601
Staff expenses (See part c)	797,642	698,898
Investment consultant**	15,746	15,746
Scheme lawyer**	28,800	28,800
Co-opted Chairperson Audit Committee**	28,571	26,892
Co-opted member Audit Committee**	21,429	21,429
Board appraisal consultant	16,461	15,340
Meetings meals and accommodation	29,216	32,211
Property management expenses	23,944	43,627
Office relocation expenses	223,113	-
IT Consultancy	-	5,900
	2,648,352	2,309,355

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

** The balances relate to retainer fees paid to Alan Norman Lwetabe as the Scheme investment consultant, Paul Kuteesa as the Scheme lawyer, CPA David Ssenoga as the Co-opted Chairperson of the Audit Committee and Dr. Saul Nsubuga as the Co-opted member of the Audit Committee.

(b) Governance costs

	2026	2025
	Ushs'000	Ushs'000
Board honoraria	222,613	222,901
Sitting allowances	48,938	50,600
Activity allowances	87,522	94,625
Total	359,073	368,126

Governance costs per trustee	Honorarium	Sitting allowance	Activity allowance	June 2026 Total	June 2025 Total
	Ushs '000'	Ushs '000	Ushs '000	Ushs '000'	Ushs '000'
Michael Kizito (PhD)	32,949	11,875	13,042	57,866	15,068
CPA Francesca Angida Mugyema	34,649	11,817	17,465	63,931	50,601
Elizabeth P. Nansubuga (PhD)	32,583	6,025	8,414	47,022	60,620
Godwin Kakuba (PhD)	4,426	-	-	4,426	44,143
Joseph Ikarokok	30,009	3,225	14,447	47,681	47,942
Deus Kamunyu Muhwezi (PhD)	31,705	6,613	12,810	51,128	53,473
Mr. George Bamugemereire	29,652	5,608	10,934	46,194	53,095
CPA Edna Isimbwa Rugumayo	26,640	3,775	10,410	40,825	42,659
Mr. Wilber Grace Naigambi	-	-	-	-	525
	222,613	48,938	87,522	359,073	368,126

(c) Staff Expenses

	2026	2025
	June	June
	Ushs '000	Ushs '000
Employment costs	685,652	626,540
Insurance expense	31,150	31,987
Staff training expenses	15,826	925
Activity allowances & per diem	65,014	39,446
	797,642	698,898

(d) Principal Officer expenses

	2026	2025
	June	June
	Ushs '000	Ushs '000
Employment costs	182,321	133,562
Activity allowances & per diem	19,532	14,369
	201,853	147,931

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

(e) Other administrative expense

	2026 June Ushs '000	2025 June Ushs '000
Advertising and promotion	39,461	58,506
Financial reporting fees	16,750	16,750
Governance costs: Ambassadors	1,575	1,410
Insurance expense	17,764	17,764
Internet and airtime allowance	6,210	5,760
Office expense	111,044	72,959
Other Governance costs: Arcadia advocates representative	435	640
Other Governance costs: Lwetabe Alan	700	960
Other Governance costs: David Senoga	17,984	12,627
Other Governance costs: Saul Nsubuga	16,551	10,088
Other Governance costs: Trustee elections	-	3,641
Photography fees	8,510	8,156
Pre-retirement Training	12,416	12,764
Trustee Training Costs	53,013	39,147
Meeting meals and accommodation	202,292	220,429
	504,705	481,601

10. Property and equipment

	Office equipment Ushs '000	Computers Ushs '000	Total Ushs '000
Cost:			
At 1 July 2025	128,722	212,677	341,399
Additions	19,104	17,376	36,480
At 30 June 2026	147,826	230,053	377,879
Depreciation:			
At 1 July 2025	(108,960)	(189,773)	(298,733)
Charge for the period	(16,476)	(14,011)	(30,487)
At 30 June 2026	(125,436)	(203,784)	(329,220)
Net Book Value:			
At 30 June 2025	19,762	22,904	42,666
At 30 June 2026	22,390	26,269	48,659

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

11. Taxation

(a) Income tax expense

	2026 June Ushs '000	2025 June Ushs '000
Current income tax charge	9,290,707	6,988,977
Deferred tax (credit)/charge	(76,359)	(380,164)
	<u>9,214,348</u>	<u>6,608,813</u>

The tax on the Scheme's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2026 June Ushs '000	2025 June Ushs '000
Increase in net assets available for benefits before income tax	69,879,536	58,020,818
Tax charge at the rate of 30%	20,963,861	17,406,245
Final tax on interest earned from investments	(7,532,206)	(7,108,632)
Expenses not deductible for tax purposes	(4,217,307)	(3,688,800)
	<u>9,214,348</u>	<u>6,608,813</u>

(b) Current Income tax payable / (recoverable)

	2026 June Ushs '000	2025 June Ushs '000
At 1 July	538,444	(31,154)
Current tax expense	9,290,707	6,988,977
Corporation tax paid	(7,730,633)	(6,419,379)
At 30 June	<u>2,098,518</u>	<u>538,444</u>

c) Deferred Tax

Deferred income tax is calculated on all temporary differences under the liability method using the principal tax rate of 30% (2024: 30%). Deferred income tax assets and liabilities and the deferred income tax charge/ (credit) are attributed to the following items:-

	At the start of the year Ushs '000	Charge/(credit) for the year Ushs '000	At the end of the year Ushs '000
Period ended 30 June 2026			
Changes in fair value of equities	(8,735)	208,592	199,857
Fair value gain on property	2,470,019	(284,951)	2,185,068
Net deferred tax(asset)/liability	<u>2,461,284</u>	<u>(76,359)</u>	<u>2,384,925</u>
	At the start of the year Ushs '000	Charge/(credit) for the year Ushs '000	At the end of the year Ushs '000
Period ended 30 June 2025			
Changes in fair value of equities	7,021	(15,756)	(8,735)
Fair value gain on property	2,834,427	(364,408)	2,470,019
Net deferred tax(asset)/liability	<u>2,841,448</u>	<u>(380,164)</u>	<u>2,461,284</u>

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

12. (a) Investments

	June 2026	% in class held	June 2025	% in class held
	Ushs '000		Ushs '000	
Treasury bonds	495,883,991	89.4%	415,121,877	86.3%
Fixed deposits	50,000	0.0%	365,778	0.1%
Equities	2,870,297	0.5%	377,200	0.1%
Real estate investment	13,421,000	2.4%	15,357,000	3.2%
UAP Unit Trust investment-Account 1	6,982,784	1.3%	18,652,701	3.9%
ICEA Unit Trust investment-Account 1	7,396,954	1.3%	10,565,989	2.2%
ICEA Unit Trust investment- Account 2	17,859,174	3.2%	14,439,539	3.0%
Sanlam Unit Trust investment	10,529,071	1.9%	5,889,184	1.2%
Total Investments	554,993,271	100.0%	480,769,268	100.0%

The Scheme invested in investment property and incurred a total of Ushs 11.5 billion to purchase a 50-acre land in Sonde estate. The Scheme subdivided the land into 360 plots available for resale. Refer to notes l) and e).

The yield rates on the treasury bonds as at 30 June 2026 ranged between 13.50% and 18.50% (2025: 13.50% and 18.50%) and the treasury bonds have maturity periods of between 1 and 20 years. The EIR for fixed deposits as at 30 June 2026 is 9.88% (2025: 9.88%).

(b) The split between the current and non – current investments is shown below.

	June 2026	% in class held	June 2025	% in class held
	Ushs '000		Ushs '000	
Non – current				
Treasury Bonds	495,883,991	89.3%	415,121,877	86.4%
	495,883,991	89.3%	415,121,877	86.4%
Current				
Fixed deposits	50,000	0.0%	365,778	0.1%
Equities	2,870,297	0.5%	377,200	0.1%
Real estate investment	13,421,000	2.4%	15,357,000	3.2%
UAP Unit Trust investment-Account 1	6,982,784	1.3%	18,652,701	3.9%
ICEA Unit Trust investment- Account 1	7,396,954	1.3%	10,565,989	2.2%
ICEA Unit Trust investment- Account 2	17,859,174	3.2%	14,439,539	3.0%
Sanlam Unit Trust investment	10,529,071	1.9%	5,889,184	1.2%
	59,109,280	10.7%	65,647,391	13.7%
Total Investments	554,993,271	100.0%	480,769,268	100.0%

Based on the fitc credit ratings for Government Securities and Stanbic Bank Uganda Limited are considered a low credit risk financial assets and therefore the expected credit losses on these financial assets is not material.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

(c) Allocation per fund manager

	June 2026	% in class held	June 2025	% in class held
	Ushs '000		Ushs '000	
GenAfrica Asset Managers	344,517,830	62.1%	306,689,436	63.8%
OMIG Asset Managers	210,475,441	37.9%	174,079,832	36.2%
	554,993,271	100.0%	480,769,268	100.0%

Detailed allocation

	June 2026	% in class held	June 2025	% in class held
	Ushs '000		Ushs '000	
GenAfrica Asset Managers				
Treasury bonds	314,296,310	91.2%	261,746,020	85.3%
Fixed deposits	50,000	0.0%	60,306	0.0%
Equities	2,370,782	0.7%	307,420	0.1%
Real estate investment	13,421,000	3.9%	15,357,000	5.0%
UAP Unit Trust investment-Account 1	6,982,784	2.0%	18,652,701	6.1%
ICEA Unit Trust investment-Account 1	7,396,954	2.2%	10,565,989	3.5%
	344,517,830	100.0%	306,689,436	100.0%

OMIG Asset Manager

	June 2026	% in class held	June 2025	% in class held
	Ushs '000		Ushs '000	
Treasury bonds	181,587,681	86.3%	153,375,857	88.1%
Fixed deposits	-	0.0%	305,472	0.2%
Equities	499,515	0.2%	69,780	0.0%
ICEA Unit Trust Investment	17,859,174	8.5%	14,439,539	8.3%
Sanlam Unit Trust Investment	10,529,071	5.0%	5,889,184	3.4%
	210,475,441	100.0%	174,079,832	100.0%

(d) The changes in treasury bonds for the years ended 30 June 2026 and 2025 were as follows:

	2026 June Ushs '000	2025 June Ushs '000
At 1 July	415,121,877	351,888,210
Additions during the year	110,755,846	73,730,807
Maturities during the year	(4,745,000)	(15,170,700)
Proceeds from disposal	(24,695,368)	-
Loss on disposal	(999,547)	-
Accrued interest income	446,183	4,673,560
Total	495,883,991	415,121,877

During the year, the Scheme undertook a strategic portfolio rebalancing exercise, disposing of treasury bonds with a carrying amount of Ushs 25 billion and reinvesting the proceeds into higher-yielding government securities. Although the transaction resulted in a one-off realised loss of Ushs 999 million, a detailed assessment confirmed that the anticipated additional income from the new investments is expected to more than offset this loss over time. The decision was made to enhance the portfolio's long-term return potential while maintaining a prudent risk profile. This transaction reflects active portfolio management in the best interests of members and does not represent a change in the Scheme's overall investment strategy.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

(e) The changes in fixed deposits for the years ended 30 June 2026 and 2025 were as follows:

	2026	2025
	June	June
	Ushs '000	Ushs '000
At 1 July	365,778	995,117
Additions during the year	55,217,320	64,878,100
Maturities during the year	(55,526,220)	(65,513,500)
Accrued interest income	(6,878)	6,061
At 30 June	50,000	365,778

(f) The changes in investments in unit trusts for the years ended 30 June 2026 and 2025 were as follows:

2026	UAP Account 1 Ushs '000	ICEA Account 1 Ushs '000	ICEA Account 2 Ushs '000	Sanlaam Ushs '000	Total Ushs '000
At 1 July	18,652,701	10,565,989	14,439,539	5,889,184	49,547,413
Additions during the year	15,704,345	3,315,034	10,799,472	11,664,000	41,482,851
Maturities during the year	(29,280,300)	(7,493,692)	(9,097,034)	(8,020,020)	(53,891,047)
Accrued interest income	1,906,038	1,009,623	1,717,197	995,907	5,628,765
At 30 June	6,982,784	7,396,954	17,859,174	10,529,071	42,767,983

2025	UAP Account 1 Ushs '000	UAP Account 2 Ushs '000	ICEA Account 1 Ushs '000	ICEA Account 2 Ushs '000	Sanlaam Ushs '000	Total Ushs '000
At 1 July	15,165,725	13,220,119	9,913,490	-	-	38,299,334
Additions during the year	25,017,800	-	2,342,059	16,220,000	5,705,237	49,285,096
Maturities during the year	(23,401,720)	(13,601,693)	(2,900,000)	(3,300,000)	-	(43,203,413)
Accrued interest income	1,870,896	381,574	1,210,440	1,519,539	183,947	5,166,396
At 30 June	18,652,701	-	10,565,989	14,439,539	5,889,184	49,547,413

(g) Foreign exchange gain

	2026	2025
	June	June
	Ushs '000	Ushs '000
OMIG Asset Managers		
Realized foreign exchange gain	2,730	-
Total	2,730	-

(h) Changes in fair value of quoted shares during the year

	2026	2025
	June	June
	Ushs '000	Ushs '000
GenAfrica Asset Managers		
Fair value (loss) / gain on equities	634,131	(28,067)
OMIG Asset Manager		
Fair value (loss) / gain on equities	32,059	(1,051)
Total	666,190	(29,118)

The trading prices at the last date of trading for the years ended 30 June 2026 and 2025 were as follows:

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	June	June
	Ushs	Ushs
UAP	4,077	4,005
New Vision	144	152
Umeme	-	415
Safaricom Plc	964	-
Equity Bank Plc	2,265	-
MTN Uganda	427	-

The change in equity investments at FVTPL for the years ended 30 June 2026 and 2025 were as follows:

	2026	2025
	June	June
	Ushs '000	Ushs '000
At 1 July	377,200	639,340
Shares purchased during the year	2,685,004	27,209
Shares sold during the year	(846,159)	(233,021)
Fair value gains	666,190	(29,118)
Loss on disposal of shares	(11,938)	(27,210)
At 30 June	2,870,297	377,200

During the year the scheme sold off its equity holdings in Umeme Limited and Equity Bank Plc.

(i) Real Estate investments

Reconciliation of carrying amount

	2026	2025
	June	June
	Ushs '000	Ushs '000
At 1 July	15,357,000	17,819,000
NBV of plots disposed	(1,936,000)	(2,462,000)
At 30 June	13,421,000	15,357,000

Amounts recognized in the statement of net assets available for benefits and statement of cashflows

	Ushs '000	Ushs '000
Proceeds from sale of plots	1,968,000	2,513,000
Original purchase price of plots sold	(986,163)	(1,214,697)
Total cumulative gain to date	981,837	1,298,303
Fair value gain originally recognised	949,837	1,247,303
Fair value recognized during the year	32,000	51,000

During the year, the Scheme disposed of plots of land for Ushs 1,968,000,000 (2025: Ushs 2,513,000,000) which represent a total cumulative gain of Ushs 981,836,557 (2025: Ushs 1,298,303,197). The majority of this gain was recognised in the prior years as the properties appreciated in value, with Ushs 32,000,000 being recognised in the current year (2025: Ushs 51,000,000).

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

13 (a) Receivables

	2026 June Ushs '000	2025 June Ushs '000
Contributions receivable from Makerere University (note 18)	747,817	747,817
Provision for impairment losses on contributions receivable	(747,817)	(747,817)
Net Contributions receivable from Mak	<u>-</u>	<u>-</u>

(b) The movement in provision for impairment losses on the contributions receivable is shown below;

	2026 June Ushs '000	2025 June Ushs '000
At 1 July	747,817	425,113
Additional impairment in the current year- Main fund	-	358,526
Reversal in prior year provision for impairment – Main fund	<u>-</u>	<u>(35,822)</u>
At 30 June	<u>747,817</u>	<u>747,817</u>

(c) The net dealing with in-house recoveries was arrived after charging the expenses below;

	2026 June Ushs '000	2025 June Ushs '000
Benefits paid in respect of in-house*	(1,077,355)	(1,797,072)
	<u>(1,077,355)</u>	<u>(1,797,072)</u>

*In-house benefits was a non-contributory scheme which existed before MURBS came into existence. Considering that MURBS runs a contributory scheme, the in house scheme is not disclosed under net dealings with members. Currently all contributions that were required from government under the in-house scheme were received and MURBS having been charged with management of the scheme is therefore paying out benefits in respect of this scheme.

(d) Accumulated balances on the in-house benefits are shown below;

	2026 June Ushs '000	2025 June Ushs '000
At 1st July	6,817,783	8,614,855
Net dealing with in-house	(1,077,355)	(1,797,072)
Interest allocated	596,147	-
At 30th June	<u>6,336,575</u>	<u>6,817,783</u>

14. Cash and bank

	2026 June Ushs '000	2025 June Ushs '000
Cash in hand	-	206
Cash at bank	1,294,367	1,548,309
Total	<u>1,294,367</u>	<u>1,548,515</u>

The carrying amounts for cash and bank is approximate to the fair value. Based on the fitch credit ratings Stanbic Bank Uganda Limited is considered a low credit risk financial asset and therefore is not material.

MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

15. Payables

	2026	2025
	June	June
	Ushs '000	Ushs '000
Due to Makerere University**	859,080	920,736
Audit fees	65,940	64,940
Governance cost (Honoraria-Trustees)	212,937	213,514
Governance cost (Honoraria- Co-opted members)	50,000	50,000
Fund management fees	523,018	336,693
Custodial fees	20,000	32,000
Fund administration fees	76,383	77,249
AGM expenses	60,000	73,000
PAYE payable	14,912	14,065
WHT payable	6,810	17,047
Investment consultant payable	11,997	11,997
Scheme lawyer payable	7,200	7,200
Board appraisal consultant payable	16,461	15,340
Financial reporting fees payable	16,750	-
Deposits on sale of plots	2,408,759	1,997,577
Total	4,350,247	3,831,358

**"Due to Makerere University" represents amounts received from Makerere University without supporting schedules.

16 (a) Total net assets available for benefits

	2026	2025
	Ushs '000	Ushs '000
Total net assets at the start of the year	475,529,363	409,242,933
Increase in net assets during the year	71,973,244	66,286,430
Total net asset at the end of the year	547,502,607	475,529,363

b) Accumulated members' funds

	2026	2025
	Ushs '000	Ushs '000
Opening balance as at 1 July	474,562,972	395,401,524
Reclassifications of contributions	-	12,088,352
Net dealings with members	11,220,386	14,804,415
Allocated in the current year	62,889	689,779
Impairment of contributions receivable	-	(322,704)
Net dealings with in-house benefits	(1,077,355)	(1,797,072)
Interest declared	61,742,543	53,698,678
At end of period 30 June	546,511,435	486,651,324

The accumulated members' funds are made up of the total members' accounts where the contributions made by the member and the sponsor together with any returns on investment are recorded.

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c) Unallocated funds

These are contributions received from the Makerere University that have not yet been allocated to individual member accounts due to limited supporting schedules. The secretariat has put in place mechanisms to continuously follow up with the sponsor on the missing schedules from the sponsor to update the individual members' accounts.

	2026	2025
	Ushs '000	Ushs '000
At the start of the period	942,468	1,562,237
Net additions from dealings with members	87,670	70,010
Allocated in the current year	(62,889)	(689,779)
Total unallocated funds at the end of the year	967,249	942,468

(d) Reserve account

	2026	2025
	Ushs '000	Ushs '000
Opening balance as at 1 July	23,923	190,820
Interest attributable to members	-	(166,897)
At end of period 30 June	23,923	23,923

The scheme maintains a reserve fund from the income distributable for the year to mitigate against fluctuations within the Scheme's investments and cushion the members against negative income allocations.

As per the URBRA requirements the scheme maintains a reserve to a maximum of the smaller of Ushs 500 million and 0.2% of the fund value. This amount is determined annually by the Board of Trustees based on the followings considerations;

- i) The level of accumulated reserve as at the time of Scheme;
- ii) The prevailing economic conditions which may have significantly affect the Scheme's short-term investment performance;
- iii) The likely payouts from the Scheme;
- iv) Any significant shift in the principles of the Scheme's investment policy; and,
- v) Any significant change in the Scheme's benefits structure

17. Contributions receivable from Makerere University

	2026	2025
	June	June
	Ushs	Ushs '000
	'000	
Contributions due from financial year 2013/2014 and 2014/2015 (i)	27,958	27,958
Contributions due for 466 members (ii)	199,797	199,797
Contribution due from financial year 2021/2022 and 2022/2023 (iii)	61,537	161,537
Contribution due from financial year 2023/2024 (iv)	358,525	358,525
	747,817	747,817

(i) Contributions due to from 2013/2014 financial year and contributions due from 2014/15 financial year

During the financial year, the Scheme did not receive any payment towards this debt. The amount of Ushs 386,483,000 (2024: 63,779,614) remains impaired.

(ii) Amounts due from 466 members

During the financial year 2013/14, Makerere University carried out a staff validation exercise. In the process, 466 members of the Scheme were erroneously dropped off code 294, the code that collects the Scheme Contributions on the Makerere University payroll. As a result, the University did not make the 10% contributions for these 466 members, nor did the members make their 5%

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contributions for some six (6) months in the financial year. As per the URBRA Act, the sum of these two became a debt to the University and the Scheme has been demanding for repayment since 2015 (see June 2016 Annual Report). The Scheme obtained a schedule of the 466 members. The schedule totals to Ushs 555,433,419. During the 2023/2024 financial year, the Sponsor guided that an amount of Ushs 355,636,458 should be utilized from the amounts due to sponsor (note 13) to offset the receivable. The outstanding portion of Ushs 199,796,961 remains impaired.

(iii) Contributions due from financial years 2021/2022 and 2022/2023

During the financial year ended 30 June 2022, the University did not remit member contributions amounting to Ushs 219,386,276. In the year ended 30 June 2023 the University did not remit contributions amounting to Ushs 265,223,483. Both these amounts are supported by well detailed schedules and their sum is Ushs 484,609,759. During the 2023/2024 financial year, the Sponsor provided instructions to offset Ush 323,073,172 and this relating to 10% employer contribution portion from the amounts due to sponsor (note 17). The amount of Ushs 161,536,587 corresponding to 5% of the member contributions remains impaired but the Trustees continue to engage the Sponsor for full settlement of the receivable.

(iv) Contributions due from financial year 2023/2024

During the financial year ended 30 June 2025, the Scheme conducted a reconciliation of contributions remittances following the receipt of the delayed May, July, and August 2023 payrolls. These delays were due to a human resource harmonization exercise that Makerere University undertook. The reconciliation revealed that the University did not remit contributions totaling Ushs 1,075,577,089 to 1,176 members. This amount comprised: Contributions on salary arrears paid between May 2023 and June 2024 and the usual monthly contributions. To address this, the Sponsor approved the use of Ushs 700,845,748 from the amount due to the Sponsor (Note 15) to cover the 10% employer contribution. However, the 5% employee contribution, amounting to Ushs 350,422,869 remains impaired.

Additionally, 5 members had Ushs 8,102,922 in unremitted 5% employee contributions for the same period.

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18. Related party transactions

Related parties comprise the Trustees, the Sponsor and Companies which have a significant influence over the Scheme in making or operational decisions. The following transactions were carried out with the related parties during the year.

	2026 Ushs'000	2025 Ushs'000
Employer's contribution		
Makerere University	<u>20,451,268</u>	<u>20,303,246</u>
Trustees' emoluments		
Honararia	<u>212,937</u>	<u>222,901</u>
	<u>212,937</u>	<u>222,901</u>
(iii) Management fees		
GenAfrica Asset Managers	699,397	909,838
OMIG Asset Managers	<u>567,279</u>	<u>318,909</u>
	<u>1,266,676</u>	<u>1,228,747</u>
(iv) Custodial fees		
Stanbic Bank Uganda Limited	<u>240,000</u>	<u>192,000</u>
(v) Administration fee		
Zamara Actuaries Administrators and Consultants	<u>327,755</u>	<u>336,581</u>
	<u>327,755</u>	<u>336,581</u>
Balances outstanding at year end		
(i) Due from related parties		
Contributions receivable from Makerere University (note 17)	<u>747,817</u>	<u>425,114</u>
(ii) Due to related parties		
Zamara Actuaries Administrators and Consultants	76,383	77,249
Stanbic Bank Uganda Limited	20,000	32,000
GenAfrica Asset Managers	370,535	215,254
OMIG Asset Managers	152,483	121,439
Trustees' remuneration	<u>212,937</u>	<u>213,514</u>
	<u>832,338</u>	<u>659,456</u>

19. Contingent Liabilities

The Scheme did not have contingent liabilities as at 30 June 2026 (30 June 2025: nil).

20. Events After The Reporting Period

There were no events after the balance sheet date for the year ended 30 June 2026.