THE UGANDA INSTITUTE OF BANKING AND FINANCIAL SERVICES

SEEK PROFESSIONAL EXCELLENCE

ISO 9001:2008 CERTIFIED

2022 ANNUAL REPORT

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ABOUT THE INSTITUTE

The Uganda Institute of Banking and Financial Services (UIBFS), formerly The Uganda Institute of Bankers, is the leading provider of training for Uganda's financial sector. Starting out in 1967 as a local centre of the then Chartered Institute of Bankers, London (now London Institute of Banking & Finance), and the Institute attained autonomy in 1990. The Institute is a Body Corporate registered under the Companies Act (Cap 110) of the Laws of the Republic of Uganda as a Company Limited by guarantee. The Headquarters of the UIBFS are located at Plot 10 Buganda Road, Kampala - Uganda.

The Institute is a Membership organization comprising of: institutional (or corporate) members, (which include Commercial Banks, Credit Institutions, Micro Deposit Taking Institutions, Development Banks, Statutory, regulatory bodies and Development Partners operating in Uganda) and Individual Members ranked variously as Honorary Fellows, Fellows, Members, Associates, Certificated Professionals, Affiliate Professionals, Affiliates and Student Members, all of whom make annual subscriptions towards the proper running of the Institute. The Governor of the Bank of Uganda is the Patron of the Institute.

CONTENTS

OUR VISION

A Centre of Excellence in Financial Services Training

OUR MISSION

Promoting professionalism and inclusion through market-led training, research and consultancy to providers and users of financial services.

CORE VALUES

Professionalism, Excellence, Competency, Innovativeness and Integrity

OUR OBJECTIVES

- To Promote, encourage, protect and advance knowledge and education in the principles and practices of Banking and Financial Services.
- To prescribe and inculcate high ethical and professional standards among its Members.
- To raise the capabilities of financial sector practitioners in priority areas by developing and delivering specialized programs to address knowledge and competency gaps.
- To enable lifelong learning and strengthen relationships with the sector leaders and professionals to support collective efforts for continuous human capital development through research and events.

OUR PARTNERS

Local Partners

Makerere University

Mbarara University of Science and Technology

Makerere University Business School

Uganda Martyrs University

Mountains of the Moon University –Fort Portal

Regional Partners

Kenya Institute of Bankers

The Tanzania Institute of Bankers

Rwanda Bankers Association

International Partners

ACI FINANCIAL MARKETS ASSOCIATION EST.1955

The London Institute of Banking & Finance

CISI CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

Frankfurt School of Finance & Management German Excellence. Global Relevance.

Affiliations

Alliance of African Institutes of Bankers (AAIOB)

Global Banking Education Standards Board

World Conference of Banking Institutes

UIBFS BOARD MEMBERS IN 2022

REPRESENTING THE INTERESTS OF BANKS

Mr. Michael Mugabi
MD, Housing Finance Bank
(Board Chairman)

Mrs Sylvia Jjagwe
ED, Cairo Bank Uganda

Mr. Wilbrod Humphrey Owor
ED - Uganda Bankers Association

Mr. Samuel Kirubi
MD - Equity Bank Uganda Ltd

REPRESENTING THE INTERESTS OF CREDIT INSTITUTIONS

Mr. Paul Senyomo
CEO - Mercantile Credit Bank Ltd

REPRESENTING THE INTERESTS OF MICRO DEPOSIT TAKING INSTITUTIONS (MDIS)

Mr. Shafi Nambobi
CEO - UGAFODE Microfinance Ltd

REPRESENTING THE INTERESTS OF CENTRAL BANK

Ms. Charity Mugumya
BOU Director Communications

REPRESENTING INTERESTS OF FELLOWS AND HONORARY FELLOWS

Mr. Ochom George
General Manager, DFCU ltd

Mr. Michael Jingo
GM – Commercial Banking,
Centenary Bank

REPRESENTING INTERESTS OF ASSOCIATES

Ms. Susanne Mugoya
Operations Lead,
Letshego Uganda Ltd

EX OFFICIO

Mrs. Goretti Masadde
CEO - The Uganda Institute of
Banking and Financial Services

MEMBERS OF THE COUNCIL IN 2022

Name	Institution	Position
1. Mr. Fabian Kasi	MD Centenary Bank Ltd	Council President
2. Mr. Julius Kakeeto	MD Post Bank	Member
3. Mr. Ajay Kumar Panth	MD Bank of India	Member
4. Mr Jesse Timbwa	MD ABC Capital Bank Ltd	Member
5. Mr Edgar Byamah	MD KCB Bank Uganda Ltd	Member
6. Abdul Aziz Mansur	MD Tropical Bank Ltd	Member
7. Mr. Sanusi Lekan	MD Guaranty Trust Bank Ltd	Member
8. Ms. Anne Nakawunde	MD Finance Trust Bank Ltd	Member
9. Mr. Henry Kibirige	Fellow	Member
10. Mr. Paul Jembrace Erongot	Fellow	Member
11. Mr. Guster Kayinja	Fellow	Member / Deputy President
12. Ms. Veronicah Namagembe	Honorary Fellow	Member
13. Mr. James Onyutta	MD FINCA Uganda	Member
14. Mr. Abraham Titre (AUIB)	Associate	Member
15. Mr. Michael Mugabi	UIBFS Board Chairman	
16. Mrs. Goretti Masadde	UIBFS Chief Executive Officer	

UIBFS MANAGEMENT TEAM FOR THE YEAR 2022

Mrs. Goretti Masadde
Chief Executive Officer

Mr. Richard semakula
Registrar

Mr. Sulaiman Semakula
Membership and Business Development Manager

Ms. Florence Kayaga
Ag. Manager Finance and Accounting

MESSAGE FROM THE BOARD CHAIRMAN

PRELIMINARY REMARKS

Our Guest of Honor the representative of the Patron, the Council and Board Members, Honorary Fellows, Fellows, Members, Associates, Certificated Professional members, Affiliate Professional members, Affiliates and Student Members, Friends of the Institute, all protocol observed.

I warmly welcome you all to the 2023 Annual General Meeting of the Uganda Institute of Banking & Financial Services.

I wish to recognize Chief Executives of Member Institutions and colleagues from the industry and thank for their contribution to the Institute.

The Institute Board of Directors and Council, I on behalf of the entire membership and industry appreciate you for your dedicated service to the Institute which is supporting its progress.

I thank the members and students of the Institute for your patronage and contribution to the Institute.

I recognise and appreciate our development partners, our Legal Counsel, External Auditors and all our service providers for the contribution to the progress of the Institute.

Last but not least, I thank our trainers and staff of the Institute for their dedicated service towards the progress of the Institute.

Mr. Michael Mugabi
MD, Housing Finance Bank
(Board Chairman)

Thank you all!

MAIN REPORT

Today marks another milestone in the history of our institute. We are celebrating life, purpose, hard work, and advancement as we hold a two in one occasion i.e. our AGM and graduation ceremony which we last had in 2021.

STATUS OF THE INSTITUTE

Following the full opening up of the economy in 2022, the institute bounced back with gusto, constantly engaging the industry to find solutions to professionalization and inclusion challenges in line with its mandate and aspirations. The institute continued to offer relevant training programs, embarked on consultancy initiatives and enlisted relevant partners to drive the inclusion agenda both within and outside of Uganda. This effort is reflected in the performance achieved in the reporting year 2022.

CEOs of member institutions, individual members and Management of the Institute at the 2022 Annual general meeting

BOARD & COMMITTEE MEETINGS

In 2022 the Board convened four (4) times and maintained three (3) committees namely, Audit & Risk, Finance & Human Resources, and Education & Membership. Each of the Board committees met at least three (4) times in the period.

On behalf of the Board of Directors, I wish to reaffirm our commitment to serving the Institute to the best level possible.

CHANGE OF BOARD MEMBERS / VACANT POSITIONS

The Board was fully constituted following the appointment of Ms. Sylvia Jjagwe ED Cairo Bank, and Ms. Sylvia Mugoya an Associate of the Institute, as Board members representing banks and members respectively.

THE COUNCIL

Over the period the council had 5 vacancies of which four nominations have been made and will be ratified at this meeting.

IMPLEMENTATION OF THE STRATEGIC PLAN: 2018 -2023

The Institute continued to implement the new strategic plan (2018 -2023) and focused on the four strategic objectives, namely:

1. Enhancing organizational effectiveness and visibility.
2. Deepening scope of and outreach to stakeholders.
3. Enhancing relevance in the financial services industry; and
4. Advancing ethics and professionalism in the financial services sector.

BELOW IS THE PERFORMANCE AND ACTIVITIES OF 2022

FINANCIAL PERFORMANCE

SUMMARISED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2022 (USHS.000):

	Budget 2022	Actual 2022	Variance	% Variance	Prior Year 2021	Growth 2022 Vs 2021 Actual	% Actual Growth
Revenue	3,152,046	2,427,063	-724,983	-23%	1,699,477	727,586	43%
Expenditure	3,124,259	2,416,086	708,173	23%	1,755,271	660,815	38%
Surplus/ Deficit Of The Year	27,787	10,977	-16,810	-60%	-55,794	66,771	120%

The institute did significantly well, registering a surplus of UGX 10.97M. This is the first surplus in seven years and the third over a period of 13 years i.e. since 2010.

The improvement over 2021 was due to the full opening up of the economy that enabled more business alongside careful resource management. Details are in the audited accounts.

TRAINING & OTHER CAPACITY DEVELOPMENT ACTIVITIES

Total Student Enrolment

Program category	**2022**	**2021**	**Growth**	
			No.	**%**
Professional and Academic	237	195	42	22%
Short Skills	1,252	1,543	-291	-19%
Total	1,489	1,738	-249	-14%

Total student enrolment in 2022 was 1,489 vs 1738 in 2021. The number of students enrolled on professional and academic programs grew by 22%. while that of the short skills programs declined by 19% The decline is attributed to the return to pre COVID 19 fee structure which affected enrolment especially by self-sponsored individuals and institutions that remained very cautious about their training budgets. The institute is addressing this trend through the provision of customized courses within client needs e.g. short (a few hours) / high-volume courses.

Short & Specialized Skills Course Conducted

These courses included Tailor-Made to specific/ individual financial Institutions, Open Programs involving participants from several institutions at the same time, Specialized Courses, and IT/ Computer Courses. The trainees on both the open and tailor-made short skills programs (including those that were self-sponsored) came from **25 out of 34** corporate member institutions and altogether **69 courses** were conducted.

The graph below shows the member institutions that sent staff to train at the institute and the number of staff each enrolled throughout the year.

The table below shows the courses trained and number of participants enrolled on each.

OPEN COURSES		No. Participants
1	Banking Operations and Management	91
2	Bank Branch Management	48
3	ACI / Financial Markets Course	22
4	Cyber Risk Management	21
5	Auditing Treasury Function	21
6	Internal capacity Adequacy Assessment (ICAAP)	15
7	Debt Recovery and Distress Handling	13
8	Customer Service Excellence	13
9	Agency Banking	12
10	Risk Analysis and Reporting	10
11	Green Finance	10
12	Credit Analysis and Risk Management	9
13	Risk Management Certificate	8
14	Master class: Design Business Strategy	8
15	Legal and Reg, Aspects of FINTECHs	7
16	Debt Management and Distress Handling	6
17	Trade Finance	5
18	Operations Risk Management	5
19	Regulation and Market Practice for capital markets	4
20	Market Risk Management	3
21	Risks, Fraud, Forgery and internal Control	3
22	Foundation Certificate in banking	1
TAILOR MADE COURSES		

1	Basic Banking Skills	99
2	Branch Operations Management	64
3	Credit Origination and Analysis	62
4	Effective Sales & Persuasion Skills	52
5	Leadership and Supervisory Skills	47
6	Banking Officers Boot Camp	42
7	Anti-Money laundering	22
8	Operations Supervisors Boot Camp	22
9	Customer Relationship Management	20
10	Project Management	16
11	Training of Trainers	15
12	Advance Credit Management	13
13	Credit Underwriting Income	12
14	Asset Financing	11
15	Customer Service & Computer Literacy	11
16	Anti Money Laundering	10
17	Electronic Management	10
18	Monetary Policy Management	10
19	Practical Application of IFRS	10
20	Project Management	10
21	Regional Economics Integration	10
22	Risk based internal Audit	10
23	Anti Money Laundering	9
24	Bank Stress Testing	9
25	Business Comm & Presentation Skills	9
26	Financial Markets	9
27	IFRS Training	9
28	National Payment system	9
29	Risk Management in Financial Services	9
30	Corporate Governance for Board	8
31	Business Continuity Planning Management	6
32	Enterprise Risk Management	6
33	Examiners/Financial Analysis	6
34	Auditing Bank Operations	4
35	Securities and Investment	4

36	Business Continuity Planning	3
37	Intermediate Credit Management	3
38	Enterprise Risk Management	2
39	Introduction to Cyber security	1
MICROFINANCE COURSES		
1	Branch Management	75
2	Delinquency Management and Loan Monitoring	36
3	Supervisory & Leadership Skills	17
4	Loan Recovery Management in MFIs	15
5	MAP (Microfinance Apprenticeship Program	11
6	Auditing in MFIs	9
COMPUTER COURSES		
1	Advanced Excel	52
2	Computer Courses	18
	Total	**1,252**

STATUS OF PROFESSIONAL AND ACADEMIC COURSES

Professional programs included the Chartered Banker, Certified Credit Management, Banking Certificate and Diploma in Microfinance. Graduate programs included Master of Arts in Financial Services (MAFS) of Makerere University and PGD in Agricultural Risk Management & Finance (PGD ARMF) of Mountains of the Moon University.

The Table below shows the detailed movement in enrolment, examination, and completion of programs.

Programs	Enrolled			Examined			Completed		
	2022	2021	Growth	2022	2021	Growth	2022	2021	Growth
Banking Certificate							1		1
Certified Professional Banker									0
Certified Credit Management	96	36	60	103	30	73	25	3	22
Chartered Banker Level 1	64	57	7	84	40	44	10	1	9
Chartered Banker Level 2	0	16	-16	9	16	-7	2	0	2
Diploma in Microfinance	16	5	11	15	5	10	2	0	2
MAFS	37	34	3	36	31	5	10	16	-6
PGD Agriculture	24	47	-23	19	40	-21	10	8	2
Total	237	195	42	266	162	104	60	28	32

Enrolment on all courses increased except for the Chartered Banker Level 2 and PGD ARMF.

Enrollment for Chartered Banker Level 2 (Executive Banker) is dependent on students completing Chartered Banker level 1 (Certified Professional Banker) and their willingness to proceed to Level 2. The PGD ARMF mostly attracts civil servants under the Ministry of Agriculture residing upcountry and working as extension workers. These students prefer physical engagement and training which had been achieved through upcountry training centers which were phased out due to COVID 19 giving way to online training. The institute is working on a solution for the program.

The Certified Professional Banker and Banking Certificate was assimilated into the Chartered Banker Program and is not taught. However we continue to examine the previously trained students to enable them to earn the qualification.

CORPORATE MEMBER INSTITUTION SPONSORED STUDENTS

The following Institutions sponsored their staff to Professional Courses in 2022

No	Institution	Nos	Course Attending
1	Centenary Bank	9	Certified Credit Management
2	DTB Bank	2	Certified Credit Management
3	ABI Finance	1	Certified Credit Management
4	ABSA Bank	1	Certified Credit Management
5	ABSA Bank	6	Chartered Banker Level 1
6	DFCU Bank	2	Chartered Banker Level 1
7	Uganda Revenue Authority	1	Certified Credit Management
	Total	**22**	

EXAMINATION PERFORMANCE

The Institute Conducted examinations in the months of Feb, May & Dec 2022 /Jan 2023 and continued to achieve good performance as can be seen below.

6-Year Examination Performance Trends

Programmes	Semesters & Pass Rate											
	Nov 2016	May 2017	Nov 2017	May 2018	Nov 2018	May 2019	Nov 2019	Jan 2021	June 2021	Feb 2022	May 2022	Dec 2022
Banking Certificate	70%	88%	72%	84%	71%	92&	80%	-	100%	Discontinued		
Certified Professional Banker	77%	88%	89%	87%	88%	89%	89%	88%	Discontinued			
Diploma in Microfinance	96%	93%	97%	96%	100%	100%	100%	94%	100%	85%	100	95%
Certified Credit Management	92%	86%	88%	88%	82%	97%	91%	91%	97%	92%	93%	93%
Chartered Banker L1	-	-	-	-	-	71%	76%	61%	67%	79%	78%	86%
Chartered Banker L2	-	-	-	-	-	-	-	-	94%	86%	-	

Note: No candidates for Chartered Banker level 2 in May & Dec as the cohort size of those that progressed in Feb 2022 was inadequate for study. They joined the September 2022 Cohort and will be sitting for Exams in 2023.

COMPLETION OF PROGRAMS AND GRADUATION

Over the year 266 students including those that had enrolled in 2021 sat for exams and 60 completed their programs. Students that completed the MAFS graduated in February 2023 at Makerere University while those that completed the PGD ARMF graduated in November 2022 at Mountains of the Moon University. The rest students of the students are graduating today Friday June 23,2023.

NEW & REVIEWED PROGRAMS

In 2022 the institute introduced the following programs in partnership with notable organisations

- **Internal Capacity Adequacy Assessment Process (ICAAP):** This course was developed and marketed as an open course targeting CFOs, Audit, Risk and Basel Implementation officers. It attracted participants from I&M, FINCA, Cairo Bank and BRAC Bank
- **Master Class: Design Business Strategy:** This course was developed and marketed as an open program to the public. It attracted participants from the wider financial sector, which included sponsored staff from Housing Finance Bank, Centenary Bank, WAZALENDO SACCO and Cairo Bank.It was held at the Jinja Nile Resort Hotel.

- **Introduction to Cyber Security:** This course was developed and marketed as an open program to the public. It attracted participants from South Sudan.

Bank of South Sudan Staff undergoing Cyber Security Training

- **Central Bank Capacity Development Program:** The institute was contracted to develop and deliver thirteen (13) customized courses to 137 staff of the Bank of South Sudan. The courses included; Bank Stress testing, IFRS and its practical application, Project Management, Monetary Policy Management, Financial Markets, Financial Analysis, Enterprise Risk Management, Business continuity Planning, Auditing of Bank Operations, National payment Systems, Regional Economics Integration, and Risk Based Internal Audit.

Bank of South Sudan – second group Training in Central Bank Operations pictured with UIBFS CEO

- **Risk Management Certificate:** The course was developed with the intention of offering an in-depth understanding of the Risk management framework from start to finish. It attracted participants from Centenary Bank, DFCU bank, ABC capital bank, Finance Trust bank and Legacy Insurance.
- We continued to collaborate with German Sparkassentiftung to support the Microfinance Apprenticeship Program (MAP) in Uganda. The first two cohorts' classes are graduating today 23rd June 2023.
- We concluded training of trainers and passed out 37 trainers of Green Banking and Renewable Energy under sponsorship of RENAC, German and GIZ. The Institute is ready to support any institution that wishes to empower their staff in Green Banking.

Training of Trainers in Green Banking by RENAC

INTERNATIONAL CERTIFICATION PROGRAMS / PARTNERSHIPS

- UIBFS continued to conduct international ACI FMA online Dealing and Operations Certifications examinations monthly. Exams were conducted every third week of the month and altogether 37 candidates were examined. UIBFS tutored 26 students undertaking these programs.
- During the year we had 13 students take courses of the Chartered Institute for Securities & Investment (CISI). International Introduction to Securities & Investment attracted 04 participants from Stanbic bank, Dyre & Blair and Equity Stockbrokers and Introduction to Financial Services attracted 09 participants from DFCU Bank.

RESEARCH AND CONSULTANCY

- For the Third year running UIBFS conducted a succession-planning program for Centenary Bank. The first assignment conducted in 2020 included assessment of selected supervisors for the Branch Management Role, which was done satisfactorily hence the repeat engagement. In 2022 like in 2021 the Institute t assessed Branch Managers appropriateness for Regional Manager Roles. A total of 57 Branch Managers were assessed and graded. We are committed to these and other capacity development initiatives which enable customized individual staff development and welcome other institutions to utilize such services.

Finance Trust Bank – Branch Operations Managers Training

Pride Microfinace – Leadership & Supervisory Skills Training

ACCOLADES

Last year we were privileged to take part in the NCHE Higher Learning Exhibition which was held at UMA Exhibition Hall. UIBFS emerged 1st runners' up (Other Tertiary Institutions Category) and received an award for our efforts, particularly our e-learning methodology and infrastructure.

Award being received by Management of UIBFS

MEMBERSHIP ACTIVITIES

The Membership activities serve to promote membership growth in numbers and the practice and profession of banking. The activities include provision of relevant and timely information to members, creating awareness of Institute's products, recruiting and retaining members, organizing membership events such as Webinars, public lectures, Annual Bankers' Sports gala, Annual General Meetings and events such as the Annual Banking and Financial Services Awareness Month as well as provision of library services and financial sector information to members and key stakeholders

MEMBERSHIP STATUS

The Institute Membership falls into **2** broad categories namely Corporate and Individual Members

CORPORATE MEMBERS

At the close of 2022, the Institute had 35 Corporate Members up from 34 in 2021.

FINANCIAL INTELLIGENCE AUTHORITY JOINS UIBFS AS A CORPORATE MEMBER

In 2022, Financial Intelligence Authority (FIA) joined UIBFS as the latest Corporate Member and was the second non-banking corporate member after FSDU.

INDIVIDUAL MEMBERSHIP

At the end of 2022, the Institute had an active / paid up Individual Membership as below;

	2022	2021	Change
Hon Fellows	3	6	-3
Fellows	12	16	-4
Members	-	-	
Associates	20	15	5
Certificated Professionals	40	35	5
Affiliate Professionals	1	-	1
Affiliate Members	45	182	-137
Student Members	172	103	69
Subtotal	293	357	-64

There was a decline in the number of paid-up Honorary Fellows and Fellows which we are working on. In addition, as a value add, all staff that enrolled onto the Basic banking program (most of whom were paid for by their employers), were enrolled as Affiliate Members in 2022. However, a significant number didn't renew membership in 2022. We are currently working on enhancing the value proposition to increase member satisfaction and sign up.

MEMBER AND STAKEHOLDER ENGAGEMENTS

Business engagements / calls to the Industry

The institute engaged with corporate member CEOs both one on one and at the Uganda Bankers Association level. Going forward, The Institute CEO was invited to join the monthly UBA CEO meeting, and this has enabled constant engagement, responsive solutions and more utilization of the Institute.

Engagement with non-bank industry regulatory bodies

We engaged with the Finance Intelligence Authority where the need for an tiered Anti Money Laundering course was discussed and requested of the Institute, the Uganda Microfinance Regulatory Authority where a Microfinance / SACCO foundation course was requested and the Uganda Retirement benefits Authority where continued collaboration was pledged.

Engagement with ABI Finance
We engaged with ABI Finance and signed an MOU where UIBFS was taken on as the training partner for the Green Challenge Fund.

2022 ANNUAL BANKERS' SPORTS GALA

In 2022 the Bankers Sports gala involving both physical and virtual games was held on 16th October (outdoor games) and 23rd October (indoor games) at Kyambogo University playgrounds and Lugogo Indoor Stadium respectively. There were 31 banks and institutions that participated in the Gala very happy to return to the physical games which had been halted due to COVID 19. The games started with an official launch in the form of a morning Bank CEOs Run/Walk of 5kms and 3kms on Thursday, September 29, at Sheraton Hotel Kampala. The Chief Guest was Mr. William Fredrick Blick, a Board member of the International Olympic Committee.

Chief Guest Mr. William Fredrick Blick signing on the ball as a symbol for the 2022 Bankers Sports launch

The Warm-up before the CEO Walk/Run at the Sheraton Gardens

The flag-off of the CEOs Walk/Run to launch the Sports Gala at Sheraton Kampala

The Opening Day of the Sports Gala games at Kyambogo University playgounds

The fans getting into the spirit of the games!!

The 100m relay – the Banking Ladies

On your Marks! Get Set – the 100m relay for men

The winners of the games were Centenary Bank followed by DFCU Bank and Stanbic Bank that took 2nd and 3rd position respectively.

2022 Sports Gala Winners – CENTENARY BANK

First Runners up - STANBIC BANK

Second Runners – DFCU BANK

2022 WORLD SAVINGS DAY PRESS CONFERENCE

UIBFS, UBA, Bank of Uganda coordinated and joined other financial services sector partners to mark the 2022 World Savings Day at a Press Conference at Serena Hotel Kampala under the theme, **"Start Small, Grow Big, Be Green Smart".** The partners included aBi Finance Ltd, Deposit Protection Fund of Uganda, NCBA Bank Uganda, Citibank Uganda, DFCU Bank, Housing Finance Bank, Centenary Bank, Brac Uganda Bank, Stanbic Bank, Bank of Africa Uganda Ltd, Pride Microfinance Ltd, Mercantile Credit Bank, Absa Bank Uganda, FINCA Uganda, Uganda Retirement Benefits Regulatory Authority, Uganda Microfinance Regulatory Authority, Uganda Insurers Association, and Insurance Regulatory Authority of Uganda.

Guest of Honor – Deputy Governor at the World Savings Day commemoration, together with CEOs of various banks and regulatory bodies

SEASON 3 OF THE ANNUAL BANKING AND FINANCIAL SERVICES AWARENESS MONTH

The Awareness Month was held under the same theme of **"Start Small, Grow Big, Be Green Smart"** and run between November and December 2022. The Month was supported by 19 institutions and involved 32 webinars covering the different financial literacy pillars and Green Fnance as well as various financial literacy messages in Newspapers, on FM radios and social media targeted towards the general public.

FINANCIAL LITERACY TRAININGS IN COMMUNITIES

During the awareness month, the institute held a number of financial literacy trainings in schools and communities as a way of preaching and nurturing a savings culture among school going children, as seen at Gayaza High School, Seroma Christian High School, Kings College Buddo, Balibaseka Senior Secondary School, Kakiri, Trinity College Nabbingo, at their respective Career guidance days and at Ggaba COU. We also visited Kaleerwe Market vendors as a pilot to take forward our partnership with KACITA, the traders umbrella for more outreaches in 2023, to organized groups like mechanics, farmers, SACCOs, etc.

Reaching out to Church communities teaching them about financial literacy

Visiting Gayaza High School on their Career Gudance Day

Q & A session with Seroma Christian High School students during their career day

GREEN FINANCE EXHIBITION

During the 2022 Awareness month, UIBFS and UBA with support of aBi Finance Ltd partnered with key stakeholders such as, financial sector regulators, banks and hosted a Green Finance Exhibition at the Uganda Railways grounds Jinja Road on 16th and 17th December 2022. This Green Finance Exhibition featured enterprises created out of a need to respond to environmental sustainability. These included Sustainable finance, forests, renewable energy, recycled items, green building, gender inclusive products and services, technologies and environmental best practices developed. The exhibition was meant to sensitize the public on greening and to take on climate change mitigation, adaptation and biodiversity conservation initiatives through embracing a green smart life using sustainable financial services and environmentally friendly resources.

A total of **17** banks and other institutions participated in the Green Finance Exhibition namely, FINCA Uganda, Absa Bank Uganda , Equity Bank Uganda, Centenary Bank, Housing Finance Bank, UGAFODE Microfinance Ltd, Bank of Africa Uganda Ltd, Uganda Retirements Benefits Regulatory Authority (URBRA), MobiPay, Ensibuuko, KCCA – Marula Proteen, Raising Vegetable, Smart Girls, Smile Nutri Chemicals, Wilekad, Agricultural Business Development Centre and Royal Way Media. Below is an example of one of the enterprises that exhibited Going Green – Transforming Uganda's waster into sustainable feed and fertilizer in your own backyard using Black Soldier Fly Larvae.

Turning solar cutoffs into usable material thus saving the environment

ONE YEAR SAVINGS CHALLENGE

This challenge was launched during 2022 World Savings Day and is enabling all interested persons across Uganda to start small, save consistently and grow their money so as to achieve specific goals through supervised financial and banking institutions. The savings challenge will run up to 31st October 2023. The challenge also involves the movement of a giant saving kit among the BFSAM partner Financial Institutions where each is collecting a minimum of UGX 1Mn. The total amount collected will be donated to Women or Youth led Green enterprises that will be nominated by the public and selected by a panel. The handover will be held on World Savings Day October 31, 2023.

Launching the Institute Savings Challenge

At the press conference announcing the start of the Giant Saving Kit rotation with UIBFS CEO, PRO_ UBA and Financial Literacy Team Leader, BOU

FINACIAL SERVICES MAGAZINE & MONTHLY NEWSLETTERS (BANK SCENE) PUBLICATION

We published two editions of the financial services magazine , 13th and 14th ed. as tabulated below. The magazines were distrbuted amongst all Bank CEOs, Human Resources, UIBFS Board and Council Members, Magazine sponsors, Bank of Uganda, Ministry of Finance, CMA , FSDU, UIA, UMRA, URA, NSSF, PSFU, AMFUI, MSC, other stakeholders, members and propects

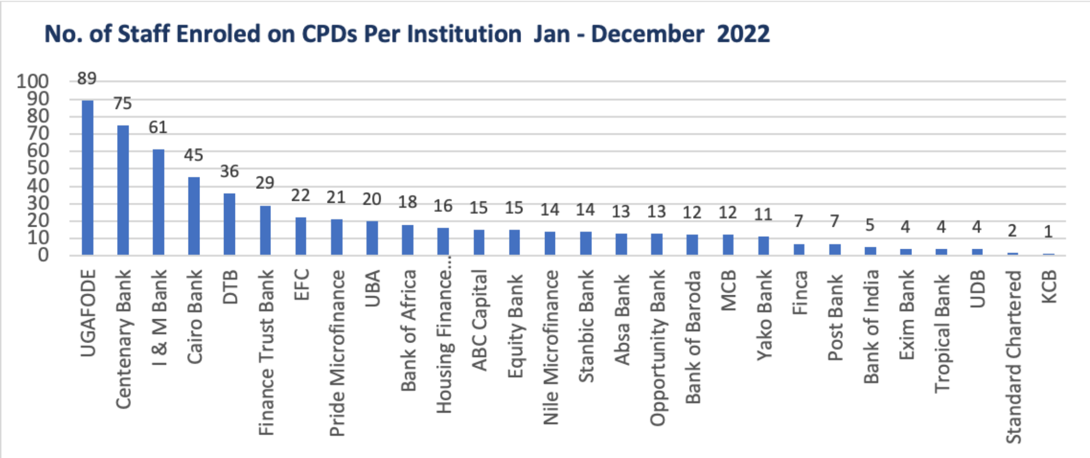
A table showing the finacial Services Magzine and the publication details (date & series)

S/n	Theme	Edition	Month of Publication
1	Fast trackng Business revival, growth and continuty post Covid19 pandemic lockdown	13th ed.	May 2022
2	Start Small, Grow Big, Be GreenSmart	14th ed.	December 2022

We also released and circulated online the UIBFS monthly Newsletters (The Bank scene) to all members and key stakeholders which included all financial institutions activities every month.

CONTINUOUS DEVELOPMENT PROGRAMS

Throughout 2022, the Institute conducted 15 Continuous Development Programs (CPDs) with a total attendance of 553 participants. These were offered as paid for CPDs to Non Members and free for Members. A number of Financial Institutions nominated their staff to attend these CPDs as shown in the graph below.



BANKING AND FINANCIAL SERVICES AWARENESS MONTH WEBINARS HELD

Topic		Facilitators
	Week 1	
1	Getting smart in goal setting and spending-Manage your future now	Mr. Aziz Abudallah Epalat
2	Saving strategies for non-savers	Mr. Peter Ntumwa
3	Children and your Money	Ms. Tumukunde Mercy Agaba
4	What is financial fitness and how it is measured	Mr. Legamoi Dennis
5	Living on the financial Edge	Dr. Fred Muhumuza
6	What young adults need to know about money	Mr. Ronald Mugwanya
	Week 2	
7	Roadmap to Saving/investing; avoiding Fraudulent Schemes	Mr. Samuel Sanya
8	Micro lending / Savings and E-business products	Ms. Mary Nasinza & Mr. Moses Lutaaya
9	Accessing funding by SACCOs /COOPS under EERF initiatives	Mr. Patrick Twinatsiko
10	How individuals and companies can manage and recover from financial distress and debt	Ms. Esther Masawi
11	How ESG (Environment, society, Governance) impact investment today	Mr. Dickson Ssembuya
12	A guide to owning a house through mortgage	Mr. John Kaweesi
	Week 3	
14	Why I should insure	Ms. Caroline Tayebwa
15	How the insurance sector can drive sustainable finance	Mr. Richard Mwebesa
16	Every woman can: Inspiring women to start small, grow big as they plan and save for a happy retirement	Ms. Hellen Kirunda
17	Life insurance as a strategy for retirement	Mr. Amani Mwambura
18	Saving and Investing in Preparation for Retirement	Ms. Lillian Katiso
19	Trend in insurance products, regulations and insurance arbitration in Uganda	Mr. Kevin Walungama Kateete Mr. Njenga Micheal
20	Retirement readiness and its implications on personal finance	Livingstone Mukasa

	Week 4	
21	The relevance of FINTECH to the public /end-users, challenges and opportunities	Mr. Paul Kirungi CEO ZOFI cash
22	Fintechs and the Future of digital finance in the financial sector in Uganda	By Mr. Kenneth Kwesiga
23	Bancassurance awareness in the banking sector	Mr. Dogo Singh Sherman
	Week 5	
24	Taking your insurance career to the next level	Mrs. Sylvia Mwebesa Kajubi
25	Positioning yourself for the next career move	Ms. Mary Lillian Manyonga
26	Advancing Your career in banking	Mr. Peter Kalangwa
27	Handling Mental health at workplace	Mr. Nkurunungi Edward
28	Workplace environment sustainability	Ms. Edigold Monday
	GREEN FINANCE	
29	Introduction to green finance	Mr. Noah Owomugisha
30	Enabling policy environment for green finance	Mr. Andrew Sooka
31	ESG standards and frame works for green financing	Mr. Dennis Kiyimba
32	Building a green loan portfolio	Ms.Ann Marie Mwaka
33	Addressing green finance capacity constraints	Mr. Noah Owomugisha

ADMINISTRATIVE MATTERS

The Board approved the contracting of an agency to conduct an HR capacity review exercise. The outcome was a need for the restructuring of the institute with the goal of establishing an optimal HR complement to grow the institute in the current digital driven environment. The restructuring process is ongoing.

THE ROAD AHEAD

1. Complete the restructuring exercise and build Institute Human Resource
2. Work on Financial resilience / sustainability initiatives
3. Advance pursuit of Statutory Recognition of the Institute
4. Rebrand the Institute

GRATITUDE

On behalf of the Board, I express my sincere gratitude to the Patron, members and management that continue to be active in the matters of the Institute and all those that have attended this AGM. I look forward to your continued support of our Institute.

Thank you and God bless you.

Michael Mugabi
Chairman, Board of Directors

MESSAGE FROM THE CEO

On behalf of the management and staff of the Institute, I extend gratitude to the members and partners that supported the operations and execution of the institute's mandate in the past year. Your continued trust and patronage encouraged us and pushed us to deliver better and achieve more.

In a special way I thank our Board of Directors chaired by Mr. Michael Mugabi, the Council presided over by Mr. Fabian Kasi and the academic Board / Senate for the commitment, support and guidance that have led us to where we are.

2022 was a year of opportunity and new learning as we embraced the full opening of the economy. At the institute we returned to physical training at the Pre COVID-19 fee structure that was higher than the online training fees that clients had got used to. Some of our clients took a while to embrace the change which affected the number of enrolments on the short courses.

In terms of opportunity, we heightened our engagements both locally and regionally, ensuring that regulatory and key industry non-bank stakeholders know what the institute does and how we could be useful in advancing our mutual mandates. Am delighted to note that several valuable decisions and initiatives were arrived at notably with Abi Finance, FIA, UMRA and the Bank of South Sudan.

Our individual membership offer, continued to take center stage as we embarked on improving the value proposition to members to ensure they willingly pay their subscription. This was important especially as we prepared to implement the approved initiative to enlist honorary members and fellows from the senior cadre of the industry. Regarding corporate member expectations, we continued to provide responsive solutions which we implore you to utilize. For instance, we developed an ICAAP training course and others which are critical to the banking business. I urge our members to always approach and challenge us to give you what you need.

As we progress in our mandate to professionalize the industry and guided by our strategic plan, we started the process of obtaining statutory recognition. We got a green light from the Board of Directors and Corporate member CEOs and have drafted a bill which we shall be sharing and getting feedback from our members and other key stakeholders. We appeal to you to support this process when called upon.

To strengthen institutional human resources and provide a more competitive offering we embarked on a restructuring exercise which will enhance our human capital compliment in headcount and capability. This initiative comes with a high budget which will be met through improved programing and service when utilized by our members.

Finally, we are grateful that the institute posted a surplus after a very long time. This position, if sustained would enable the institute to invest for the realization of its vision of being "A Center of Excellence in Financial Services Training". In this regard we ask for your reinforced patronage to work with the Institute, to derive value while ensuring sustainability.

God bless the Institute.

Goretti Masadde
Chief Executive Officer

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

Company Information

BOARD OF DIRECTORS	: Mr. Michael Mugabi - Chairman : Mr. Paul Senyomo - Director (Chair Finance and HR) : Mr. George Ochom - Director (Chair Audit and Risk) : Mr. Wilbrod Humphrey Owor - Director(Member) : Mr. Shafi Nambobi - Director(Member) : Ms. Charity Mugumya - Director(Member) : Mr. Samuel Kirubi - Director(Chair Education Committee) : Mr. Michael Jjingo - Director : Mrs. Goretti Masadde - CEO UIBFS (Exco member) : Mrs. Slyvia Jagwe Owachi - Director(Member) : Mrs. Susan Mugoya - Director(Member)
REGISTERED OFFICE	: Plot 10,Buganda Road : P.O.Box 4986 : Kampala, Uganda
INDEPENDENT AUDITOR	: PKF Uganda : Certified Public Accountants : Plot 1B, Kira road : P.O. Box 24544 : Kampala, Uganda
COMPANY SECRETARY	: Ssebalu & Lule Advocates : Plot 14, Mackinnon Road : Nakasero, Kampala
PRINCIPAL BANKERS	: Diamond Trust Bank (Uganda) Limited : P.O. Box 7155 : Kampala, Uganda
	: Bank of Baroda Uganda Limited : Plot 18, Kampala Road : P.O. Box 7197 : Kampala, Uganda

Report of the Directors

The directors submit their report and the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of the Company.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of promoting, encouraging, protecting and advance knowledge and education in the principles and practices of Banking and Financial Services and to regulate, prescribe and maintain high ethical standards in Banking and Financial Services for the benefit of members and the general public.

	2022 Shs'000	2021 Shs'000
RESULTS		
Profit before tax	16,010	(19,950)
Tax charge	(5,033)	(35,844)
Profit/(loss) for the year	10,977	(55,794)

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2021: Nil).

DIRECTORS

The directors who held office during the year to the date of this report are shown on page 1.

In accordance with the Company's Articles of Association, no director is due for retirement by rotation.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:
(a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
(b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

TERMS OF APPOINTMENT OF THE AUDITOR

PKF Uganda continues in office in accordance with the company's Articles of Association of the Uganda Companies Act, 2012. The directors monitor the effectiveness, objectivity and independence of the auditor.

BY ORDER OF THE BOARD

DIRECTOR
KAMPALA

25TH APRIL 2023

Statement of Directors Responsibilities

The Uganda Companies Act, 2012 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; and that disclose,with reasonable accuracy, the financial position of the Company and that enables them to prepare financial statements of the Company that comply with International Financial Reporting Standards and the requirements of the Uganda Companies Act, 2012. The directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Uganda Companies Act, 2012. They also accept responsibility for:

i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of the financial statements that are free from misstatements, whether due to fraud or error;
ii) Selecting and applying appropriate accounting policies; and
iii) Making accounting estimates and judgments that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial perfomance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Uganda Companies Act,

Having made an assessment of the Company's ability to continue as a going concern as disclosed in Note 2(a), the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern. The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation in the financial statements;

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 25TH APRIL 2023 and signed on its behalf by:

DIRECTOR

DIRECTOR

Report of the Independent Auditor

Opinion

We have audited the financial statements of The Uganda Institute of Banking and Financial Services Limited set out on pages 7 to 30 which comprise the statement financial position as at 31 December 2022, statement of profit or loss and accumulated losses, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Uganda Companies Act, 2012.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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.

Other information

The directors are responsible for the other information. The other information comprises the directors' report and schedule of other operating expenditure but does not include 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, 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.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Uganda Companies Act, 2012, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or has 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 skepticism 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of director's 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 Company'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 Company 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 those charged with governance 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.

Report on other legal and regulatory requirements

As required by the Uganda Companies Act, 2012 we report to you, based on our audit, that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
(iii) the Company's statement of financial position and statement of profit or loss are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Frederick Kibbedi - P0242.

Frederick Kibbedi [P0242]
Engagement partner

Certified Public Accountants
Kampala

6th May 2023
Ref: FK/T081/.../2023

Company Statement of Profit or Loss

	Notes	2022 Shs'000	2021 Shs'000
Revenue from contracts with customers	2	1,878,460	1,411,380
Other operating income	3	548,603	288,097
Administrative expenses		(2,261,359)	(1,574,123)
Other operating expenses		(149,694)	(145,304)
Operating profit/(deficit)	5	16,010	(19,950)
Profit/(loss) before tax		16,010	(19,950)
Tax (charge)/credit	6	(5,033)	(35,844)
Profit/(loss) for the year		10,977	(55,794)

The notes on pages 20 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 4 - 6.

Company Statement of Financial Position

		As at 31 December	
		2022	2021
EQUITY	**Notes**	**Shs'000**	**Shs'000**
Acummulated surplus		371,889	354,268
Revaluation reserve		1,043,281	1,049,925
Equity attributed to owners of the company		1,415,170	1,404,193
Non-current liabilities			
Deferred tax		321,443	332,178
Building fund	10	47,065	48,656
		368,508	380,834
		1,783,678	1,785,027
REPRESENTED BY			
Non-current assets			
Property and equipment	11	1,706,510	1,734,971
Intangible assets	12	113,631	143,408
		1,820,141	1,878,379
Current assets			
Inventories	13	1,547	1,547
Trade and other receivables	14	400,538	397,742
Cash and cash equivalents	15	136,273	302,478
Tax recoverable		34,711	26,283
		573,069	728,050
Current liabilities			
Retirement benefits	9	173,622	134,697
Trade and other payables	16	432,103	686,705
Rental tax payable		3,806	-
		609,531	821,402
Net current liabilities		(36,462)	(93,352)
		1,783,678	1,785,027

The financial statements on pages 7 to 30 were approved and authorised for issue by the board of directors on 25TH APRIL 2023 and were signed on its behalf by:

DIRECTOR **DIRECTOR**

The notes on pages 20 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 4 - 6.

Company Statement of Changes in Equity

Year ended 31 December 2022	Revaluation reserve Shs'000	Accumulated surplus Shs '000	Total Shs '000
At start of year			
At start of year	1,049,925	354,268	1,404,193
Transfer of excess depreciation on revaluation	(9,492)	9,492	-
Deferred tax on excess depreciation transfer	2,848	(2,848)	-
Profit for the year	-	10,977	10,977
At end of year	1,043,281	371,889	1,415,170

Year ended 31 December 2021	Revaluation reserve Shs'000	Accumulated surplus Shs '000	Total Shs '000
At start of year			
At start of year	1,056,569	403,418	1,459,987
Transfer of excess depreciation on revaluation	(9,492)	9,492	-
Deferred tax on excess depreciation transfer	2,848	(2,848)	-
Deficit for the year	-	(55,794)	(55,794)
At end of year	1,049,925	354,268	1,404,193

The notes on pages 20 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 6

Company statement of cash flows

Cash flows from operating activities	Notes	2022 Shs'000	2021 Shs'000
Profit/(loss) before tax		16,010	(19,950)
Adjustments for:			
Depreciation on property and equipment	11	31,325	41,032
Amortisation of intangible assets		33,277	36,392
Contributions to retirement benefits		62,164	62,690
Benefits paid out from retirement benefits		(23,239)	(45,101)
Amortisation of building fund grant		(1,591)	(1,193)
Changes in working capital			
- trade and other receivables	14	(2,797)	(88,159)
- trade and other payables	16	(254,601)	111,003
Cash (used in)/from operations		(139,452)	96,714
Tax paid		(20,389)	(7,142)
Net cash (used in)/from operating activities		(159,841)	89,572
Cash flows from investing activities			
Cash paid for purchase of property and equipment	11	(2,864)	-
Cash paid for purchase of other intangible assets	12	(6,000)	(11,374)
Reversal of work in progress	12	2,500	-
Net cash (used in)/from investing activities		(6,364)	(11,374)
(Decrease)/Increase in cash and cash equivalents		(166,205)	78,198
Movement in cash and cash equivalents			
At start of year		302,478	224,280
(Decrease)/Increase		(166,205)	78,198
At end of year	15	136,273	302,478

The notes on pages 20 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 4 - 6.

Notes: Significant Accounting Policies

1. **SIGNIFICANT 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 years presented, unless otherwise stated.

These financial statements comply with the requirements of Uganda Companies Act, 2012. The statement of profit or loss and statement of comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.
In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Transfer between levels of the fair value hierarchy are recognised by the directors at the end of the reporting period during which the change occurred.

Going concern

The financial performance of the Company is set out in the Director's report and in the statement of profit or loss. The financial position of the Company is set out in the statement of financial position. Disclosures in respect of risk management are set out in note 17.

Based on the financial performance and position of the Company and its risk management policies, the directors are of the opinion that the Company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

Amendments to IFRS 3: Definition of a Business (issued in October 2018)

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current (issued in January 2020), effective for annual periods beginning or after 1 January 2023, clarify a criterion for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

a) **Basis of preparation (continued)**

New standards, amendments and interpretations issued but not effective (continued)

At the date of authorisation of these consolidated financial statements, the following standards and interpretations, which have not been applied in these consolidated financial statements, were in issue but not yet effective for the year presented:

- Amendments to IAS 8 'Definition of Accounting Estimates' (issued in February 2021), effective for annual reporting periods beginning on or after 1 January 2023, introduce a definition of 'accounting estimates and clarify the distinction between changes in accounting estimates and change in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current (issued in January 2020), effective for annual periods beginning or after 1 January 2023, clarify a criterion for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date.

- Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to IAS 37 'Onerous Contracts – Costs of Fulfilling a Contract' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022, specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards ''Subsidiary as a first-time adopter' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted, permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

- Amendments to IFRS 3 Business Combinations - The amendments added an exception to the the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. The amendments also clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (issued in September 2014), applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

- IFRS 17 'Insurance Contracts' (issued in May 2017), effective for annual periods beginning on or after 1 January 2023, establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.

- Amendment to IFRS 9 Financial Instruments 'Fees in the '10 per cent' test for derecognition of financial liabilities' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted, clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

a) **Basis of preparation (continued)**

New standards, amendments and interpretations issued but not effective

- Amendment to IAS 41 Agriculture 'Taxation in fair value measurements' (issued in May 2020), effective for annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted, removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

The directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The company plans to adopt the changes above, if applicable, from their effective dates.

b) **Significant accounting judgements, estimates and assumptions**

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewd on a ongoing basis. Revisions to estimates are recognised prospctively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of expected credit losses (ECL):

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behavior.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL.
- Establishing groups of similar financial assets for the purposes of measuring ECL.

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument’s Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

- **Measurement of expected credit losses (ECL) (continued):**

  The ECL model applied for financial assets other than trade receivables and contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

b) **Significant accounting judgements, estimates and assumptions (continued)**

- Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.
- When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk: The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments that are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The Company uses these guidelines in determining the staging of its financial assets unless there is persuasive evidence available to rebut these presumptions

For trade receivables, the Company has applied the simplified model under IFRS 9 where lifetime expected credit loss allowance is recognized on the basis of a provisioning matrix.

- **Useful lives, depreciation methods and residual values of property, plant and equipment and intangible assets**

Management reviews the useful lives, depreciation methods and residual values of the items of property, plant and equipment and intangible assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in notes 11 and 12 respectively.

c) **Revenue recognition**

(i) Revenue from contracts with customers

The company recognises revenue from tuition fees from education services and membership fees from members of the institute. The Company recognises revenue as and when it satisfies a performance obligation by transferring control of a service to a customer. The amount of revenue recognised is the amount the Company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as withholding tax.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or performance of services, in the ordinary course of business and is stated net of discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Other income

i) Rental income from operating leases is recognized on a straight-line basis over the period of the lease.
ii) Interest income is recognised on a time proportion basis using the effective interest method.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

d) **Translation of foreign currencies**

i) Transactions and balances

Transactions in foreign currencies during the year are converted into Uganda Shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

e) **Property and equipment**

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Freehold and leasehold land, buildings and plant and machinery are subsequently measured at fair value, based on periodic valuations, less subsequent depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated.

Depreciation on all other assets is calculated on the straight line method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Buildings	3.0
Furniture and fittings	12.5
Motor vehicles	20.0
IT equipment	25.0
Library books	12.5
Teaching aid	20.0
Generator	20.0

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An item of property, plant and equipment is derecognised upon disposal or when no future future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued amounts in the revaluation reserve relating to the particular assets being disposed of are transferred to retained earnings in the statement of changes in equity.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

f) **Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Computer software

Computer software licenses and intellectual property are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be four years.

g) **Financial instruments**

Financial instruments are recognised when, and only when, the Company 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 Company commits itself to the purchase or sale.

- Financial assets

All financial assets are recognised initially using the trade date accounting which is the date the group commits itself to the purchase or sale.

The company classifies its financial assets into the following categories:

i) **Amortised cost;**

Financial assets that 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 (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost; The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

Derecognition/write off

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

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an 'equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Financial instruments that are subsequently measured at amortized cost or at FVTOCI are subject to impairment.

Impairment

Debt instruments that are subsequently measured at amortised cost or at impairment assessment. No impairment loss is recognised on investments measured at FVTPL.

The company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost:

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

g) **Financial instruments (continued)**

Impairment (continued)

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- 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 trade 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.

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

- **Financial liabilities**

  Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

- All other financial liabilities are classified and measured at amortised cost.

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

- **Offsetting financial instruments**

  Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

h) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the selling expenses.

i) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks.

j) **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

k) **Provisions**

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions for future operating losses are not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

l) **Retirement benefit obligations**

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

m) **Comparatives**

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

NOTES (CONTINUED)

		2022	2021
2.	**Revenue from contracts with customers**	**Shs'000**	**Shs'000**
	Membership fees- corporate	631,201	628,650
	Training income	1,207,106	736,548
	Membership fees- individual	40,153	46,182
	Total revenue	1,878,460	1,411,380
	Training income		
	Skills courses	777,758	572,377
	Professional courses	189,214	117,785
	Post graduate courses	168,490	-
	Examination fees	17,130	8,481
	Internship fees	24,500	16,300
	Graduation fees	750	9,500
	Technology fees	9,914	5,555
	Registration and application fees	6,581	3,550
	Invigilation external exams	7,169	-
	Review of papers	2,800	-
	Administration fees	2,800	3,000
		1,207,106	736,548
3.	**Other operating income**		
	Other income		
	Hire of training room and training aids	2,700	50
	Rental income	52,560	57,654
	Miscelleneous income	33,304	39,298
	Library income	155	-
	Grant release	33,520	1,193
	Interest income	213	225
	Identity card income	1,014	660
	Financial services magazine	30,800	30,099
	Non members CPD income	22,505	-
	Sports gala income	164,202	-
	Banking and financial services awareness month	205,600	152,382
	Other payables written off	-	6,311
	Recoveries from bad debts	1,740	115
	Document certification	290	110
	Total other operating income	548,603	288,097
4.	**Operating profit**		
	The following items have been charged in arriving at operating profit:		
	Depreciation on property and equipment (Note 11)	31,325	41,032
	Amortisation of intangible assets (Note 12)	33,277	36,392
	Auditor's remuneration		
	- current year	15,576	15,576
	Repairs and maintenance	7,460	11,846
	Staff costs (Note 5)	1,017,015	920,802

For the year ended 31 December 2022

NOTES (CONTINUED)

		2022 Shs'000	2021 Shs'000
5.	**Staff costs**		
	Salaries and wages	679,064	650,629
	Allowances	22,581	10,286
	Staff welfare	89,140	42,333
	Staff training	8,481	2,024
	Staff medical	72,694	68,716
	Workmen's compensation	10,867	15,153
	NSSF 10%	72,024	68,971
	Gratuity	62,164	62,690
	Total staff costs	1,017,015	920,802

6. **Revaluation reserve**

The revaluation reserve arose on revaluation of freehold land and buildings and is stated net of deferred tax. The reserve is not distributable.

7. **Tax**

Current tax	15,768	8,428
Deferred tax charge/(credit)(Note 8)	(10,735)	27,416
Tax charge	5,033	35,844

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:	2022 Shs'000	2021 Shs'000
Profit before tax	16,010	(19,950)
Tax calculated at a tax rate of 30% (2021: 30%)	4,803	(5,985)
Tax effect of:		
- expenses not deductible for tax purposes	-	1,902
- over/(under) provision in prior year	230	39,927
Tax charge	5,033	35,844

8. **Deferred tax**

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2021: 30%). The movement on the deferred tax account is as follows:

	2022 Shs'000	2021 Shs'000
At start of year	332,178	304,762
Charge to profit or loss	(10,735)	27,416
At end of year	321,443	332,178

NOTES (CONTINUED)

8. **Deferred tax (continued)**

Deferred tax liabilities in the statement of finacial position and deferred tax charge in the statement of profit or loss is attributable to the following items:

	At start of year Shs'000	(Credit) to Profit/loss Shs'000	At end of year Shs'000
Deferred tax liabilities			
Property and equipment			
- historical cost	20,079	(10,424)	9,655
-revaluation - freehold land	372,135	-	372,135
-revaluation - building	77,832	(2,848)	74,984
	470,046	(13,272)	456,774
Deferred tax asset			
Tax loss	(93,841)	39,473	(54,368)
Impairement allowance	(4,253)	(26,168)	(30,422)
Provision for gratuity	(40,409)	(11,678)	(52,086)
Unrealised exchange loss	635	910	1,546
	(137,868)	2,537	(135,331)
Net deferred tax liabilities	332,178	(10,735)	321,443

9. **Retirement benefits**

The company operates a gratuity scheme for qualifying employees as a percentage of their monthly salary.

The amounts recognised in the statement of financial position are determined as follows:

	2022 Shs'000	2021 Shs'000
At start of year	134,697	117,108
Contributions by the institute	62,164	62,690
Benefits paid	(23,239)	(45,101)
At end of year	173,622	134,697

10. **Building fund**

At start of year	48,656	49,849
Amortisation	(1,591)	(1,193)
At end of year	47,065	48,656

The building fund comprises donations from 20 corporate members towards the construction of Plot 10 Buganda Road. The building fund is amortised over the lease period at 3%

NOTES (CONTINUED)

11. **Property and equipment**

Year ended 31 December 2022	Freehold Land Shs'000	Buildings Shs'000	Furniture and fittings Shs'000	Motor vehicles Shs'000	IT equipment Shs'000	Library books Shs'000	Teaching aid Shs'000	Generator Shs'000	Total Shs'000
Cost									
At start of year	1,400,000	650,000	102,089	67,770	224,936	92,190	24,158	2,600	2,563,743
Additions	-	-	-	-	2,864	-	-	-	2,864
At end of year	1,400,000	650,000	102,089	67,770	227,800	92,190	24,158	2,600	2,566,607
Depreciation									
At start of year	-	333,393	96,762	67,770	216,596	88,540	23,111	2,600	828,772
Charge for the year	-	19,500	3,343	-	5,715	2,070	698	-	31,325
At end of year	-	352,893	100,105	67,770	222,311	90,610	23,809	2,600	860,097
Net book value 2022	1,400,000	297,107	1,984	-	5,489	1,580	349	-	1,706,510

NOTES (CONTINUED)

11. **Property and equipment**

Year ended 31 December 2021	Freehold Land Shs'000	Buildings Shs'000	Furniture and fittings Shs'000	Motor vehicles Shs'000	IT equipment Shs'000	Library books Shs'000	Teaching Aid Shs'000	Generator Shs'000	Total Shs'000
Cost									
At start and end of year	1,400,000	650,000	102,089	67,770	224,936	92,190	24,158	2,600	2,563,743
Depreciation									
At start of year	-	313,893	92,376	65,037	205,866	85,467	22,501	2,600	787,740
Charge for the year	-	19,500	4,386	2,733	10,730	3,073	610	-	41,032
At end of year	-	333,393	96,762	67,770	216,596	88,540	23,111	2,600	828,772
Net book value	1,400,000	316,607	5,327	-	8,340	3,650	1,047	-	1,734,971

NOTES (CONTINUED)

12. **Intangible assets**

Year ended 31 December 2022	**Capital WIP Shs'000**	**Intangible assets Shs'000**	**Total Shs'000**
Cost			
At start of year	62,700	356,751	419,451
Additions	6,000	-	6,000
Reclassification	(2,500)	-	(2,500)
At end of year	66,200	356,751	422,951
Amortisation			
At start of year	-	276,043	276,043
Charge for the year	-	33,277	33,277
At end of year	-	309,320	309,320
Net book value	66,200	47,431	113,631

Year ended 31 December 2021	**Capital WIP Shs'000**	**Intangible assets Shs'000**	**Total Shs'000**
Cost			
At start of year	62,700	345,377	408,077
Additions	-	11,374	11,374
At end of year	62,700	356,751	419,451
Amortisation			
At start of year	-	239,651	239,651
Charge for the year	-	36,392	36,392
At end of year	-	276,043	276,043
Net book value	62,700	80,708	143,408

13. **Inventories**

Books	1,547	1,547

NOTES (CONTINUED)

	2022	2021
14. Trade and other receivables	**Shs'000**	**Shs'000**
Current		
Trade receivables	363,676	274,627
Impairement allowance	(101,405)	(14,177)
	262,271	260,450
Prepayments	24,759	73,992
Other receivables	113,508	63,300
Trade and ther receivables	400,538	397,742

Trade and other receivables		**2022**			**2021**	
	Gross amount Shs	**ECL allowance Shs**	**Carrying amount Shs**	**Gross amount Shs**	**ECL allowance Shs**	**Carrying amount Shs**
Trade receivables	363,676	(101,405)	262,271	274,627	(14,177)	260,450
Prepayments	24,759	-	24,759	73,992	-	73,992
Other receivables	113,508	-	113,508	63,300	-	63,300
	501,943	(101,405)	400,538	411,919	(14,177)	397,742

	2022	2021
Movement in impairment provisions	**Shs'000**	**Shs'000**
At start of year	14,177	133,131
Write offs	-	(56,874)
Increase/(decrease) in impairement allowance	87,228	(62,080)
At end of year	101,405	14,177

In the opinion of the directors, the carrying amounts of trade and other receivables approximate to their fair value

The carrying amounts of the Company's trade and other receivables are denominated in Uganda Shillings.

	2022	2021
	Shs'000	**Shs'000**
15. Cash and cash equivalents		
Cash at bank and in hand	136,273	302,478

For the purposes of the statement of cash flows, the year end cash and cash equivalents comprise the above.

The carrying amounts of the Company's cash and cash equivalents are denominated in the following currencies:

	2022	2021
	Shs'000	**Shs'000**
Uganda Shillings	52,544	234,407
US Dollars	83,729	68,071
	136,273	302,478

The Company is not exposed to credit risk on cash and bank balances as these are held with sound financial institutions.

NOTES (CONTINUED)

16. **Trade and other payables**

	2022 Shs'000	2021 Shs'000
Current		
Trade payables	217,364	246,732
Accruals	49,045	22,223
Other payables	165,694	417,750
Total trade and other payables	432,103	686,705

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair value.

The carrying amounts of the company's trade and other payables are denominated in Uganda Shillings.

The maturity analysis of trade and other payables is as follows:

Year ended 31 December 2022

	0 to 1 month Shs	2 to 3 months Shs	4 to 12 months Shs	Total Shs
Trade payables	-	-	217,364	217,364
Accruals	-	-	49,045	49,045
Other payables	-	-	165,694	165,694
	-	-	432,103	432,103

Year ended 31 December 2021

	0 to 1 month Shs	2 to 3 months Shs	4 to 12 months Shs	Total Shs
Trade payables	-	-	246,732	246,732
Accruals	-	-	22,223	22,223
Other payables	-	-	417,750	417,750
	-	-	686,705	686,705

17. **Risk management objectives and policies**

Financial risk management

The Company’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company’s financial performance.

Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk and interest rate risk credit risk.

NOTES (CONTINUED)

17. **Risk management objectives and policies (continued)**

a) Market Risk

- Foreign exchange risk

The Company are exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The risk arises from future transactions, assets and liabilities in the statement of financial position date.

The table below summarises the effect on post-tax profit and components of equity had the Uganda Shilling weakened by 10% against the United States Dollar (US $), with all other variables held constant. If the Uganda shilling strengthened by 10% against the United States Dollar (US $), the effect would have been the opposite.

	2022 Shs'000	2021 Shs'000
Effect on loss in Shillings	5,861	4,765

A 10% sensitivity rate is being used when reporting foreign risk internally to key management personnel and represents managements assessment of the reasonably possible change in foreign exchange rates.

- Interest rate risk

The Company has no interest bearing assets and as a result its cash flows are substantially independent of changes in market interest rates.

The Company's exposure to interest rate risk arises from interest bearing financial assets.
Financial assets and liabilities obtained at different rates expose the Company to interest rate risk. Financial assets and liabilities obtained at fixed rates expose the Company to fair value interest rate risk, except where the instruments are carried at amortised costs. The Company maintains adequate ratios of borrowings when compared to total borrowings in fixed interest rates.

The table below summarises the effect on post-tax profit had interest rates been 1 percentage point higher, with all other variables held constant. If the interest rates were lower by 1 percentage point, the effect would have been the opposite.

	2022 Shs'000	2021 Shs'000
Effect on loss:	-	-

b) **Credit risk**

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

NOTES (CONTINUED)

17. **Risk management objectives and policies (continued)**

b) **Credit risk**

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating,management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

In assessing whether the credit risk on a financial asset has increased significantly, the company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor unlikely to be able to meet its obligations. However, there is a rebuttable assumption that default does not occur later than when a financial asset is 90 days past due.

If the company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis.

For such purposes, the company groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument;
- industry in which the debtor operates; and
- nature of collateral.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

The gross carrying amount of financial assets with exposure to credit risk at the reporting date was as follows:

	12-month expected credit losses	**Lifetime expected credit losses (see note below)**			
		a)	**b)**	**c)**	**Total**
	Shs '000	**Shs '000**	**Shs '000**	**Shs '000**	
As at 31 December 2022					
Trade receivables	363,676	-	-	-	363,676
Prepayments	24,759	-	-	-	24,759
Other receivables	113,508	-	-	-	113,508
Cash at bank	136,273	-	-	-	136,273
Gross carrying amount	638,216	-	-	-	638,216
Loss allowance	(101,405)	-	-	-	(101,405)
Exposure to credit risk	536,811	-	-	-	536,811

NOTES (CONTINUED)

17. **Risk management objectives and policies (continued)**

b) **Credit risk (continued)**

	12-month expected credit losses	Lifetime expected credit losses (see note below)			
		a)	b)	c)	Total
	Shs '000	Shs '000	Shs '000	Shs '000	
As at 3l December 2021					
Trade receivables	274,627	-	-	-	274,627
Prepayments	73,992	-	-	-	73,992
Other receivables	63,300	-	-	-	63,300
Cash at bank	302,478	-	-	-	302,478
Gross carrying amount	714,397	-	-	-	714,397
Loss allowance	(14,177)	-	-	-	(14,177)
Exposure to credit risk	700,220	-	-	-	700,220

(c) **Liquidity risk**

Cash flow forecasting is performed by the finance department of the Company by monitoring the Company’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the company's management maintains flexibility in funding by maintaining availability under committed credit lines.

18. **Capital commitments**

There are no capital commitments as at the reporting date.

19. **Presentation currency**

The financial statements are presented in Uganda Shillings rounded to the nearest thousand (Shs. '000).

Schedule of Expenditure

ADMINISTRATIVE EXPENSES	2022 Shs'000	2021 Shs'000
Employment:		
Salaries and wages	679,064	650,629
Allowances	22,581	10,286
Staff welfare	89,140	42,333
Staff training	8,481	2,024
Staff medical	72,694	68,716
Workmen's compensation	10,867	15,153
NSSF 10%	72,024	68,971
Gratuity	62,164	62,690
Total employment costs	1,017,015	920,802
Other administrative expenses:		
Training expenses	352,823	271,473
Banking and financial services awareness	162,872	133,361
Annual bankers' sports gala	141,574	-
CPD expert fees	2,748	-
Library and membership services	13,768	564
Outsourced services	90,229	45,537
Telephone and fax	58,820	44,195
Printing and stationery	39,763	32,670
Advertising	68,727	33,346
Movement in impairement allowance	87,228	(62,080)
Audit disbursement fees	590	-
Auditors remuneration	15,576	15,576
Cleaning	26,374	22,601
Utilities	20,491	20,658
Consulting and proffesional fees	76,425	21,834
Annual general meeting	11,710	9,422
Petrol and oil	9,613	1,041
Bank charges	7,894	6,313
Postage	302	1,769
Board expenses	9,963	7,040
Other expenses	12,845	1,547
Office expenses	7,851	5,533
Magazines, books and periodicals	16,599	18,695
Motor vehicle expenses	2,435	9,096
Recruitment costs	5,430	-
Senate expenses	2,700	1,300
Graduation expenses	-	9,713
Net foreign exchange (gain)/loss	(1,006)	2,117
Total other administrative expenses	1,244,344	653,321
Total administrative expenses	2,261,359	1,574,123

For the year ended 31 December 2022

SCHEDULE OF OTHER OPERATING EXPENDITURE

2. OTHER OPERATING EXPENSES	2022 Shs'000	2021 Shs'000
Establishment		
Local conveyance	22,843	14,568
Repairs and maintenance	7,460	11,846
Security expenses	20,815	20,815
Ground rates	6,341	6,341
Insurance	3,443	8,195
Licenses and subscriptions	24,190	6,115
Depreciation on property and equipment	31,325	41,032
Amortisation of intangible assets	33,277	36,392
Total other operating expenses	149,694	145,304

PERIOD COVERED: 12 MONTHS	2022 Shs	2021 Shs
Profit as per financial statements	16,010,000	(19,950,000)
Add:		
Depreciation on property and equipment	31,325,000	41,032,000
Amortisation of intangible assets	33,277,000	36,392,000
Unrealised exchange loss	3,034,931	2,117,000
Movement in impairement provision	87,228,000	-
Gratuity	62,164,000	62,690,000
Total expenses purely related to rental income	-	6,341,000
	217,028,931	148,572,000
Less:		
Wear and tear allowance	17,500,565	27,744,005
Gross rental inome	52,560,000	57,654,000
Gratuity paid out	23,239,278	45,101,385
Decrease in impairement provision	-	62,080,000
Minor capex	619,500	-
Unrealised exhange gains	7,544,334	-
	101,463,677	192,579,390
PROFIT/(LOSS) FOR THE YEAR	131,575,254	(63,957,390)
TAX LOSSES BROUGHT FORWARD	(312,804,518)	(248,847,128)
ADJUSTED TRADE LOSSES	(181,229,264)	(312,804,518)
CorporationTax at 30%	NIL	NIL
RENTAL TAX		
Rental Income	52,560,000	57,654,000
Less:		
Total expenses purely related to rental income	-	6,341,000
Taxable rental income	52,560,000	51,313,000
Rental tax at 30%	15,768,000	15,393,900
Less: Tax Paid		
Corporation tax		
Tax credit B/F	-	7,659,118
Withholding Tax	-	-
Total Tax paid	-	7,659,118
Rental tax		
Tax credit B/F	-	-
Provisional tax paid-2022	11,961,786	7,142,228
Provisional tax paid-2021	8,427,000	-
Total rental tax paid	20,388,786	7,142,228

PERIOD COVERED: 12 MONTHS	2022 Shs	2021 Shs
Outstanding liability/(credit):		
Penalties		
Under-declaration of Corporation tax		
Tax declared in provisional return	-	-
Likely penalty for under provision sec 51	-	-
Under-declaration of Rental tax		
Tax declared in provisional return	14,039,828	7,142,228
Likely penalty for under provision 154	-	1,285,601
Total tax payable	14,039,828	8,427,829
Business income	-	(7,659,118)
Rental income	14,039,828	8,427,829
Total tax payable/(claimable)	3,806,214	768,711

WEAR AND TEAR SCHEDULE

	Class (i) 40% Shs	Class (ii) 35% Shs	Class(iii) 20% Shs	Total Shs
Written down values 01/01/2022	27,916,913	-	31,668,999	59,585,912
Additions	-	-	-	-
	27,916,913	-	31,668,999	59,585,912
Wear and Tear allowance	(11,166,765)	-	(6,333,800)	(17,500,565)
Written down values 31/12/2022	16,750,148	-	25,335,199	42,085,347