



Our Health
Our Future

ANNUAL PERFORMANCE REPORT

July 2013 - June 2014



RWANDA SOCIAL SECURITY BOARD



TABLE OF CONTENTS

LIST OF GRAPHS	4
STATEMENT BY THE BOARD CHAIRMAN	7
OVERVIEW BY THE DIRECTOR GENERAL	8
EXECUTIVE SUMMARY	10
1. INTRODUCTION	12
2. CORPORATE STATEMENTS	13
2.1 Vision, Mission statement, Corporate value and Slogan	13
2.2 Main responsibilities of RSSB	14
3. PERFORMANCE ASSESSMENT	15
3.1 Contribution Collection	15
3.2 Benefits Payment under all schemes	16
3.3 Human Resource Management	17
3.4 Corporate Social Responsibility	18
3.5 Service delivery	19
3.6 Sensitization	19
3.7 Investment of Funds	19
3.7.1 Investment Portfolio	19
3.7.2 Investment income	21
3.7.3 Shareholding	22
3.7.4 Real estate and Mortgage Investments	22
3.8 Membership Status	23
3.8.1 Registration of new employers and employees/affiliates	23
3.8.2 Contributor's Compliance	24
3.8.3 Employers' inspection, audits and enforcement	26
3.9 Policy developments and legislative changes	26
3.10 Other activities performed during the year	27
4. CONCLUDING REMARKS	27
ANNEX 1: SUMMARY ON BUDGET EXECUTION	29
ANNEX 2: PROGRESS OF RSSB PROJECTS AS AT 30th June 2014	39

LIST OF TABLES

Table 1: Trend of contributions (Frw) since 2001	12
Table 2: Benefits paid and beneficiaries in Pension and Medical Scheme	14
Table 3: Benefits payment trend since 2001	15
Table 4: Investment Portfolio in Frw as at 30/06/2014	19
Table 5: Trend of investment income since 2003	21
Table 6: RSSB Shareholding status as at 30/06/2014	22
Table 7: Real estate property and mortgage investments income	23
Table 8: New membership status by Province	24
Table 9: New affiliates / employees registered by Sector of activity during the year (July 2013 - June 2014)	24
Table 10: Trend of contributing employees and affiliates since 2003	25
Table 11: Declaration Status under Pension, OH and Medical Schemes	26

LIST OF GRAPHS

Graph 1: RSSB contributions' trend by branch (January 2001 to June 2014)	13
Graph 2: RSSB benefits payment trends from January 2001 to June 2014	15

ABBREVIATIONS

1.	AGL	: Akagera Game Lodge
2.	BHR	: Banque de l'Habitat du Rwanda
3.	BK	: Bank of Kigali
4.	BMI	: Building Material Investment
5.	BRALIRWA	: Brasseries et Limonaderies du Rwanda
6.	BRD	: Banque Rwandaise de Développement
7.	CIMERWA	: Cimenterie du Rwanda
8.	CSR	: Caisse Sociale du Rwanda
9.	GPD Ltd	: Gaculiro Property Developers Limited
10.	KCB	: Kenya Commercial Bank
11.	RAMA	: La Rwandaise d'Assurance Maladie
12.	REIC	: Rwanda Enterprise Investment Company
13.	RFI	: Rwanda Foreigner Investment
14.	RFTZ	: Rwanda Free Trade Zone
15.	RIG	: Rwanda Investment Group
16.	RRA	: Rwanda Revenue Authority
17.	RSE	: Rwanda Stock Exchange
18.	RSSB	: Rwanda Social Security Board
19.	Frw	: Rwandan Francs
20.	SONARWA	: Société Nouvelle d'Assurance du Rwanda
21.	SOYCO	: Soy Company



STATEMENT BY THE BOARD CHAIRMAN



*Dr. NTEZIRYAYO Faustin
Chairman Board of Directors*

Once again, I am pleased to present on behalf of the Board of Directors, the RSSB Annual Report for the financial year ending 30th June 2014.

As pointed out in its mission, RSSB aims essentially at providing high quality pension, occupational hazard and medical insurance services, efficiently managing contribution collection and prudently investing the surplus funds so as to ensure long-term financial sustainability of the schemes.

It is impressive that the institution managed to achieve solid performance despite the demanding mission. I would therefore wish to congratulate the management and staff who continue to execute our strategy of building a social security system that addresses the social security needs of all Rwandans. My deep appreciation also goes to my fellow Board Members for the invaluable guidance they have extended to RSSB.

During the year under review, I proudly inform you that the institution registered

significant achievements in benefits payment, collection of contributions and investing members' moneys. The institution managed to increase annual contribution collection by 7% compared to contributions collected in the previous year. On the other side the amount paid by the institution to its beneficiaries for medical, pension and occupational hazards schemes, recorded an increase of 19.3% compared to previous year.

Furthermore, in this period, the investment portfolio held by RSSB grew from Frw371.4bn to Frw447.9bn. Likewise, the investment income collected also increased from Frw25.03bn to Frw 32.9 bn. The above good results have increased the financial capacity of the institution both in investing more as well as the effective payment of benefits to its members. Finally, my appreciation goes to the Government of Rwanda in particular the Ministry of Finance and Economic Planning and the National Bank of Rwanda for their endless support and guidance during this period.

OVERVIEW BY THE DIRECTOR GENERAL



*Dr. NTEZIRYAYO Faustin
Chairman Board of Directors*

On behalf of the management and staff of Rwanda Social Security Board (RSSB), I am pleased to present this report on the performance of the institution for the financial year ending 30th June 2014. I am delighted to report that during 2013/2014, RSSB recorded good performance in most of its key operational areas. Regarding the institution's core business, there was an improvement in the area of contributions collection, registration of new members, benefits payment and judicious investment of surplus funds as well as service delivery.

Annual contribution collection continued to exhibit an upward trend. During the period under review, the collected contributions amounted to Frw88.6 bn, registering a growth rate of 7% from the previous year. RSSB continued to pay benefits swiftly. The benefits paid out to members from medical, Pension and occupational hazards schemes increased from Frw 20.9bn in 2012/2013 to Frw25bn in 2013/2014. In addition, the institution also managed to make strategic investments of its members' funds which brought substantial income during the period

2013/2014. Investment income amounted to Frw32.9bn and the investment portfolio has considerably increased to Frw 447.9bn. In terms of new members registered, 13,128 new affiliates were registered with 30,709 dependents in the medical scheme and 1,396 new employers with 68,989 employees in the pension scheme. In extending medical coverage to pensioners, 923 new pension beneficiaries were registered.

It is worth noting that those major achievements show the hardwork of our Board of Directors, Management and staff in the continued implementation of the institution's business and strategic plans. RSSB Board of Directors played an outstanding role in strategically overseeing RSSB's business during the year and has been indispensable in giving guidance and strengthening relationships with clients and stakeholders. I would therefore wish to convey my sincere thanks to each BOD member for their unwavering support, as well as for their individual contribution to the success of the institution. I would also like to extend my appreciation to the hard-working, dedicated management and staff who continue to

perform their duties diligently enabling the institution to reach its objective. I would also like to pay tribute to all our stakeholders especially employers and employees for their sound support and patience as we make every effort to provide quality service to all.

Despite the great achievements recorded, the institution encountered some challenges that constrained the full attainment of targets set for the year. The challenges comprise mainly employers registration and non-compliance, staff turnover, fraud and database errors.

Looking forward, the strategies to tackle those challenges will be given much attention in the coming year.

Looking forward, it is our commitment to ensure this performance is improved even further during the next financial year with the support and commitment from the Board of Directors and other stakeholders.

Director General
Dr UFITIKIREZI Daniel

EXECUTIVE SUMMARY

The performance of RSSB in the key areas during the year 2013/2014 (July 2013 – June 2014) is presented in the table here below. The table indicates planned output compared to actual output (percentage of achievement is indicated in brackets).

N°	Activities	Planned output	Actual output
1.	Collection of Contributions	Frw 95.741 billion	Frw 88.649 billion (93%) of which Frw 55.530 billion was from Pension and occupation hazard schemes and Frw 33.119 billion from Medical scheme.
2.	Payment of Benefits	Frw 23.625 billion	Frw 24.995 billion (106%), where Medical benefits were Frw 12.926 billion and Frw 12.069 billion Pension and Occupational Hazard benefits.
3.	Budget Execution (Expenditure)	Frw 277.840 billion	Frw 208.396 billion (75%)
4.	Registration of New Employers and Employees	3,000 new active employers in Pension and occupational hazards schemes and 40,000 new health insurance members registered.	Registered 1,396 (46.5%) new active employers. 68,989 new employees were registered under mandatory insurance and 12 new employees registered under voluntary insurance. The Medical scheme registered 47 new employers and 13,128 new affiliates (32.8%) with 30,709 dependents, giving a total of 43,837 beneficiaries.
5.	Processing Customer requests	100% of requests received and responded to within 2 working days	7,905 customer requests were received and 7,890 (99.8%) processed within the time limit during the year 2013/2014. The remaining 15 requests were sent to concerned departments for clarifications.
6.	Returns on Investments	Frw 29.838 billion	Frw 32.887 billion (110.2%)
7.	Conducting sensitization seminars	At least 90 sensitization campaigns conducted by both PR and District Branches.	Carried out 91 (101.1%) sensitization campaigns



1

INTRODUCTION

This report covers the financial year ending 30th June 2014. RSSB's overall performance was positive as illustrated in the chapters that follow.

Based on the annual action plan for 2013/2014, RSSB activities were grouped into three main objectives of:

- Strengthening the financial sustainability of RSSB;
- Developing a capable, efficient and responsive organization and
- Providing quality services to customers.

This report highlights the progress of each activity placing greater emphasis on RSSB's core functions of:

- Collection and management of contributions;
- Payment of social security benefits;
- Guaranteeing health insurance services and
- Prudent investment of the surplus funds.

2

CORPORATE STATEMENTS

2.1 VISION, MISSION STATEMENT, CORPORATE VALUE AND SLOGAN

Vision

RSSB envisions a comprehensive social security system that addresses the social security needs of all Rwandans.

Mission statement

Provide high quality social security services; ensure efficient benefits distribution, collection of contribution and prudent investment of members' funds.

RSSB's slogan

Corporate values

In trying to achieve our vision and mission, we consider to be guided by the following key strategic values:

- Integrity;
- Collaboration;
- Accountability;
- Respect; and
- Excellence.

“Our Health, Our Future”.

2.2 MAIN RESPONSIBILITIES OF RSSB

Rwanda Social security Board is mandated by government of Rwanda to provide social security services to its affiliates and legal dependents in Rwanda and its key activities are:

- Collecting and management of contributions as provided by law;
- Paying social security benefits to beneficiaries;
- Paying healthcare costs to RSSB medical beneficiaries;
- Managing the contributions fund;
- Prudently investing surplus funds;
- Giving advice on social security policy issues;
- Establishing relations and collaboration with other regional or international institutions with related mission.

Funding

Rwanda Social Security Board is financed by employees' and employers' contributions. For the pension and Occupational hazard scheme, the total contribution is 8% of the employees' gross salary, of which 5% is paid by the employer and 3% is paid by the employee. Of the 5% paid by the employer, 2% goes to Occupational Hazards and the remaining 3% goes to Pension. The total contribution rate under Medical scheme is 15% of employees' basic salary, of which 7.5% is paid by employer and the other 7.5% paid by employee.

Coverage

The scheme is mandated to cover all employees working in the private and public sectors. However, an individual may

voluntarily register and save with RSSB under the Pension scheme. For private individuals to be registered under the Medical scheme, a minimum of 7 is required.

Benefits

In the event that any of the contingencies occurs, RSSB members or their dependants are entitled to receive benefits as provided by the law. For old age benefits, members aged at least 60 are entitled to pension benefits for civil servants and at least 55 for private sector.

However, the police and military servants aged at least 40 and 50 respectively can apply for pension benefits. Under occupational hazards branch, employees are protected when they are at work, travelling to work or on a work related journey. This scheme also covers an occupational disease.

The medical scheme covers the following medical care provision: Medical consultations, drugs, including chemotherapy, surgical interventions, dental care including prosthesis, medical imaging, including CT Scan & MRI, Laboratory tests, Physiotherapy, Hospitalization, Eye treatment including provision of; lenses and frames, Lower/ Upper limb prosthesis & Orthosis, Dialysis and full Medical check-up.

Investment

RSSB has a mandate to collect members' contributions, pay both medical and Pension benefits to qualifying members and judiciously invest the surplus to maintain the value of members' savings for the future.

2

PERFORMANCE ASSESSMENT

3.1 CONTRIBUTION COLLECTION

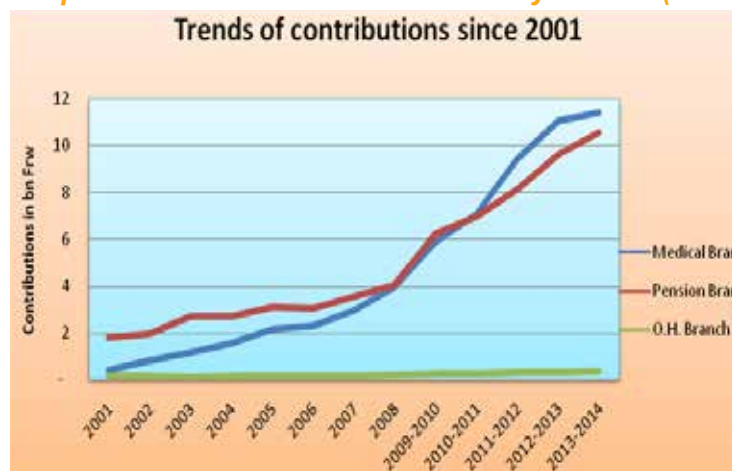
According to the 2013/2014 revenue projections, RSSB expected to collect Frw 95.7 bn as contributions during the year in both the Medical and Pension schemes. The contributions collected during the year amounted to FrwFrw 88.6 bn(93%) divided as follows; the Pension branch Frw41.6 bn; Occupational Hazard Frw 13.9 bn and the Medical scheme Frw33.1 bn respectively.

The trend of contributions since 2001 is presented in the table below:

Table 1: Trend of contributions (Frw) since 2001

	Medical Branch	Pension Branch	O.H. Branch	Total
2001	1,230,110,010	2,852,402,809	950,800,936	5,033,313,755
2002	2,396,021,945	3,222,975,256	1,074,325,085	6,693,322,286
2003	2,777,052,856	4,390,002,104	1,463,334,035	8,630,388,995
2004	3,729,579,580	8,099,387,021	2,699,795,674	14,528,762,275
2005	4,252,599,986	8,990,841,345	2,996,697,115	16,240,138,446
2006	7,396,085,882	8,558,190,797	2,852,730,266	18,807,006,945
2007	12,527,110,490	11,871,282,997	4,740,151,205	29,138,544,692
2008	14,256,911,368	17,436,126,434	5,812,042,145	37,505,079,947
2009-2010	17,355,349,251	21,175,903,778	7,058,634,593	45,589,887,622
2010-2011	22,024,169,997	26,884,164,065	8,751,343,651	57,659,677,713
2011-2012	27,607,121,723	32,167,809,578	10,722,603,193	70,497,534,494
2012-2013	31,521,163,997	39,842,478,798	13,280,826,260	82,962,586,570
2013-2014	33,114,666,651	41,624,978,738	13,874,992,913	88,648,928,660

Graph 1: RSSB contributions' trend by branch (January 2001 to June 2014)



From the graphical presentation above, it can be observed that contributions have been increasing for all branches but under Pension the increment was not as good as the previous years. There is a need of emphasizing in enforcement so that all contributions are collected.

3.2 BENEFITS PAYMENT UNDER ALL SCHEMES

Benefits payment is among the most prominent activities and requires excellence in its execution. During the financial year under review, an amount equivalent to Frw24.995 billion was paid out of the 23.625 billion budgeted, that is a realization of (100.8%).

Under Pension and Occupational Hazard schemes, Frw12.069 billion was paid out of the Frw 9.4 billion targeted and Frw12.926 billion was paid out as Medical benefits. Pension benefits were paid to 30,817 files while Occupational Hazards Benefits to 1,724 files, totaling 32,541 files for 36,496 beneficiaries. A total of 1,052,727 medical vouchers were also paid out under the Medical scheme during the year.

Table 2: Benefits paid and beneficiaries in Pension and Medical Scheme

Nature of benefits	2012 - 2013				2013 - 2014			
	Dossiers/ Vouchers served	Nber of beneficiaries	Amount paid	% of G.T	Dossiers/ Vouchers served	Nber of beneficiaries	Amount paid	% of G. T
Pension								
Old age pension	13,454	13,454	6,648,376,506	31.8%	13,759	13,631	8,171,147,138	33%
Invalidity pension	304	304	218,232,108	1.0%	311	308	239,907,650	1%
Survivors pension	13,622	16,777	1,382,411,141	6.6%	13,931	16,997	1,488,630,745	6%
Old age lumpsum	2,016	2,019	1,107,821,778	5.3%	2,062	2,046	1,340,686,328	5%
Survivors lumpsum	737	1,348	334,491,561	1.6%	754	1,366	444,716,092	2%
Sub Total	30,133	33,902	9,691,333,094	46.3%	30,817	34,348	11,744,774,115	47%
Occupational Hazards								
Incapacity benefits	672	672	126,775,782	0.6%	683	682	160,524,933	1%
Incapacity lumpsum	7	7	758,859	0.003%	7	7	1,053,726	0%
Survivors benefits	1,018	1,438	196,411,599	0.9%	1,034	1,459	163,123,049	1%
Sub Total	1,697	2,117	323,946,240	1.5%	1,724	2,148	324,701,708	1%
Pension Benefits	31,830	36,019	10,015,279,334	47.8%	32,541	36,496	12,069,475,823	48%
Medical Benefits								
Medical Benefits	1,470,015		10,922,130,627	52.2%	1,052,727	416,072	12,925,981,071	52%
General Total			20,937,409,961	100%			24,995,456,894	100%

Table 2 above illustrates benefits paid under both schemes for the two consecutive years, showing that for the year 2013–2014; almost all indicators increased except the files served under the Occupational Hazards branch and the number of vouchers served under Medical scheme.

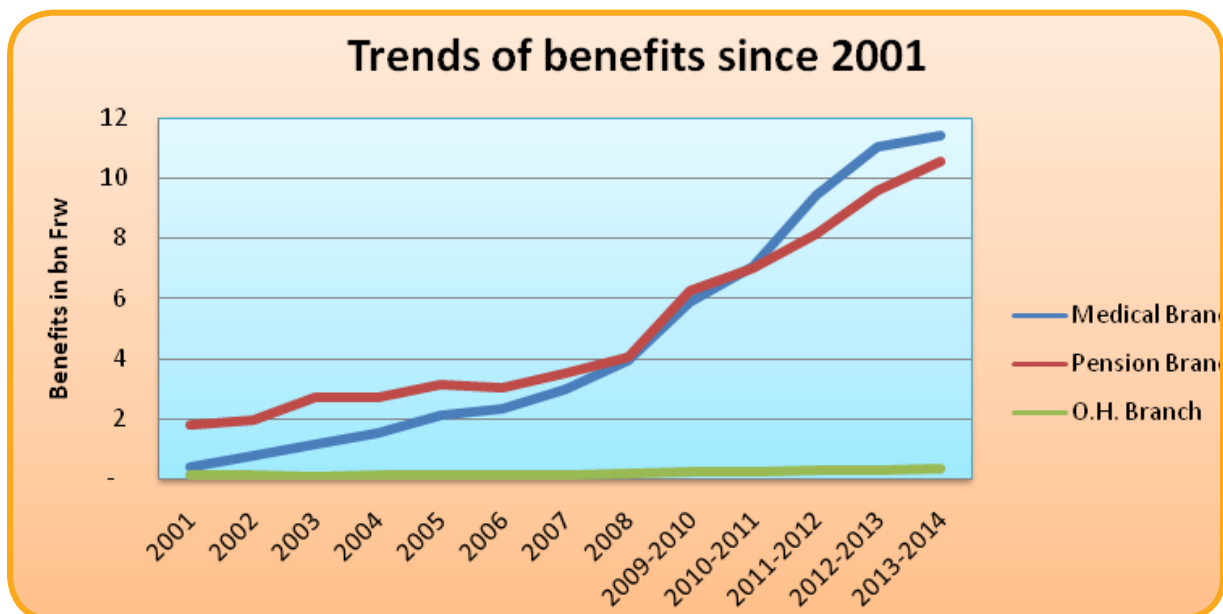
Table 3: Benefits payment trend since 2001

Year	Medical Branch	Pension Branch	OH. Branch	Total
2001	385,421,541	1,788,516,297	132,346,542	2,306,284,380
2002	787,140,460	1,958,708,037	142,857,895	2,888,706,392
2003	1,133,157,374	2,684,022,908	81,659,398	3,898,839,680
2004	1,537,288,611	2,686,143,383	123,695,043	4,347,127,037
2005	2,113,178,962	3,107,085,169	138,833,375	5,359,097,506
2006	2,304,071,667	3,027,842,046	139,053,809	5,470,967,522
2007	2,956,462,349	3,535,300,084	143,635,838	6,635,398,271
2008	3,931,575,764	4,042,839,583	179,040,314	8,153,455,661
2009/2010	5,879,542,686	6,226,516,951	243,912,647	12,349,972,284
2010/2011	7,076,237,998	6,981,807,654	268,970,586	14,327,016,238
2011/2012	9,435,099,253	8,129,487,772	293,504,447	17,858,091,472
2012/2013	10,922,130,627	9,691,333,094	323,946,240	20,937,409,961
2013/2014	12,925,981,071	11,744,774,115	324,701,708	24,995,456,894

Table 3 above shows the trend of benefits payment for the previous 13 years. The graph below shows that Pension as well as Medical benefits have generally been increasing with the last four years witnessing a sharp increase. On the contrary, Occupational Hazard benefits have remained relatively constant.

Graph 2: RSSB benefits payment trends from January 2001 to June 2014

3.3 HUMAN RESOURCE MANAGEMENT



Human resource management plays an instrumental role in helping organization achieve its objectives. Effective personnel are the most important organizational assets as they foster organization performance as well as underpinning effective service delivery.

Human resources Management entails recruiting right skilled staff, developing their skills, motivating them, ensuring their welfare, creating a healthy working environment and much more.

In this regard, that RSSB has heavily involved in investing in the development of its personnel and developing retention strategies to reduce recruitment and training costs, recruiting suitable candidates, creating a healthy working environment and ensuring workplace safety.

Concerning capacity building and career development, RSSB trained 20 staff in Association of chartered Certified Accounts (ACCA), 68 various masters programs, 3 employees to seat for professional actuarial exams and 1 staff undertaking a PhD. The total cost for capacity building and career development during the year amounted Frw 141,848,052.

Regarding the process of reinforcing its personnel, the institution recruited 14 permanent and skilled staff and 63 casual workers. On the other hand, the institution had a staff turnover problem whereby 15 employees resigned from their duties.

In terms of enhancing employees' welfare, RSSB management has set up varied staff advantages such as medical fees and hospitalization abroad (including the ticket and stay), sponsorship for sports with various service providers, medical checkup and many other advantages.

In the course of this year, RSSB is developing a human resources policy which will enable the institution to have long term comprehensive human resources development strategies and plans.

3.4 CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility, as an integration of social and environmental consideration into institutions' businesses and operations actions is crucial for the long-term sustainability. During the last decade, Corporate Social Responsibility activities have drawn attention in social security sector. It is in this context that RSSB has drafted and approved a Corporate Social Responsibility policy that had to be implemented starting the year under review. This Policy is geared towards making a difference in the lives of Rwandan communities in which we do business.

Since 2012-2013, RSSB initiated a project to support children of former CSR staff who lost their lives in the 1994 Genocide against Tutsi by sponsoring their education and the project still continues. The institution also extended support to Kigali Genocide Memorial site, Kigese, Nyanza and Nkuzuzu memorial sites, IBUKA, AVEGA, burial of bodies of genocide victims in Rubavu District, genocide survivors in Mugari cell of Nyanza District, sports association, gender promotion, education, medical association and various exhibitions as well as trade fair.

In general, RSSB offered support equivalent to Frw 43,681,700 to different group of people and associations.

3.5 SERVICE DELIVERY

RSSB is always committed to providing quality services to its esteemed customers. For the 2013 -2014 financial year, the institution implemented the following activities to improve service delivery to meet customer needs:

- Automation of payment system: Under this, beneficiaries are notified on the progress of their files via SMS, and benefits computation has been automated. This has improved the accuracy and speed in benefits processing.
- Introduction of mVISA services: in a bid to relieve our beneficiaries from paying Bank account management charges and address the challenge of access to banks; RSSB introduced this new payment system.
- Introduction of benefits payment on monthly basis: This addressed the problem of waiting for long to get benefits.
- Received and processed customers' request in accordance with service delivery standards.

3.6 SENSITIZATION

RSSB has taken a stand to revitalize its image and build strong relations with its members, media and general public through media, sensitization and awareness campaigns. It is generally understood that once our members are aware of their rights and obligations on the

different social security programs managed by RSSB, they will be strongly supportive of ongoing efforts of extending social security coverage to all rightful persons.

During 2013 -2014 financial year, 91 sensitization seminars were carried out in various institutions and districts across the country and reading materials distributed (brochures). In addition, RSSB has had significant presence in the media whereby 147 RSSB emissions were aired: "UKUBAZA BITERA KUMENYA", radio talk shows, TV and radio short magazines and "UMUTUMIRWA", serial mini drama and RSSB spots and adverts.

3.7 INVESTMENT OF FUNDS

The investment aspects dealt with in this section of the report include:

- Investment portfolio and generated returns
- RSSB's shareholding status and
- Implementation of the progress of real estate projects

3.7.1 Investment Portfolio

RSSB's investment portfolio is mainly composed of real estate projects, bank term deposits, bonds, loans and foreign as well as local equity. As detailed in table 4 below, the total portfolio at the end of June 2014 stood at Frw447.89 billion. The major contributor is bank term deposits that stood at Frw 183.5 billion (40.97% of total portfolio).

Table 4: Investment Portfolio in Frw as at 30/06/2014

NATURE OF INVESTMENT	Assets amount as of 1st July 2013	Variations during the year 2013 - 2014	Cumulative Assets as of 30th June 2014
Non Fixed Income (Real Estate & Equity)			
Kacyiru recreation center	565,048,093	-	565,048,093
K E A	5,280,645,131	1,466,058,412	6,746,703,543
Former CSR headquarter	6,900,000,000	(6,900,000,000)	
Land For Dvt (Gac & Kiny)	32,591,444,624	(3,942,347,926)	28,649,096,698
Land (Rugenge)		8,328,298,645	8,328,298,645
Former Umutara & CVL's buildings	2,000,000,000	100,000,000	2,100,000,000
Doctor's Plaza 1	179,024,227	1,605,226	180,629,453
Kiyovu house	7,242,579,067	(6,713,480,363)	529,098,704
Doctor's Plaza 2	15,480,998,700	(7,968,649,125)	7,512,349,575
Grand Pension Plaza	11,761,823,181	3,832,632,619	15,594,455,800
Muhanga Pension Plaza	5,912,990	-	5,912,990
Nyanza Pension Plaza	3,933,416,345	14,646,000	3,948,062,345
Karongi Pension Plaza	3,908,197,678	169,208,905	4,077,406,583
Musanze Pension Plaza	4,251,682,498	-	4,251,682,498
Rwamagana Pension Plaza	3,535,940,304	794,314,136	4,330,254,440
Kicukiro Pension Plaza	4,787,611,234	(4,787,611,234)	
Batsinda Project 1.	1,643,846,238	(65,056,133)	1,578,790,105
Batsinda Project phase 2.	33,209,400	-	33,209,400
Nyagatare Housing Project	182,706,857	-	182,706,857
Sub Total	104,284,086,567	(15,670,380,838)	88,613,705,729
Local Equity (Pension)	50,894,463,104	27,347,777,612	78,242,240,716
Foreign Equity (Pension)	4,849,247,100	6,079,677,680	10,928,924,780
Local Equity (Medical)	14,903,881,698	(-7,988,286,219)	6,915,595,479
Foreign Equity (Medical)	2,889,605,580	-	2,889,605,580
Sub Total	73,537,197,482	25,439,169,073	98,976,366,555
Total Non Fixed Income	177,821,284,049	9,768,788,235	187,590,072,284
Fixed Income			
Mortgage Loans	1,928,504,317	(248,836,299)	1,679,668,018
C loan: BRD (Pension)	865,922,560	(408,002,141)	457,920,419
C loan (CSS ZIGAMA)	2,047,305,719	(1,281,248,836)	766,056,883
C loan (BRD: Dignity Centre)	770,000,000	(360,786,702)	409,213,298
C loan NFC (Pension)	439,297,728	-	439,297,728
UCT Building	121,193,767	(121,193,767)	-
Loans to BRD (Medical)	670,658,989	(202,608,148)	468,050,841
Loans to RDB (Medical)	2,500,000,000	-	2,500,000,000
Shareholder's loan AGL	177,189,317	(177,189,317)	-
Fixed Deposits (Pension)	52,000,000,000	54,000,000,000	106,000,000,000

Fixed deposits (Medical)	40,000,000,000	37,500,000,000	77,500,000,000
Corporate Bond (Pension)	315,000,000	(35,000,000)	280,000,000
T Bond (Pension)	45,000,000,000	(11,000,000,000)	34,000,000,000
T Bond PS (3 BUILDINGS)		19,398,000,258	19,398,000,258
IFC Bond (Pension)		2,500,000,000	2,500,000,000
T Bond (Medical)	1,076,900,000	-	1,076,900,000
3 year T Bond (Pension)		2,490,675,000	2,490,675,000
3 year T Bond (Medical)		2,490,675,000	2,490,675,000
T bills (Pension)	15,035,493,750	(11,942,843,750)	3,092,650,000
T bills (Medical)	17,933,076,080	(13,178,828,320)	4,754,247,760
Total Fixed Income	180,880,542,227	79,422,812,978	260,303,355,205
Total Fixed and Non Fixed Income	358,701,826,276	89,191,601,213	447,893,427,489
Cash and current accounts (Pension)	27,001,801,871	(12,546,123,828)	14,455,678,043
Cash and current accounts (Medical)	13,631,744,865	(9,226,241,033)	4,405,503,832
G. Total (Inv. Portfolio & Income)	399,335,373,012	67,419,236,352	466,754,609,364

3.7.2 Investment income

In order to strengthen financial sustainability and safeguard members' contributions, RSSB has designed investment policies for both medical and pension scheme to minimize risk and improve investment income. In the year under review, investment income generated amounted to Frw32.8billion. The table below shows trend of investment income since 2003. It is clear that there has been an increasing trend over the years.

Table 5: Trend of investment income since 2003

Year	Pension Scheme and OH	Medical scheme	Total
2003	2,738,904,821	370,097,878	3,109,004,702
2004	3,420,712,539	800,195,014	4,220,909,557
2005	4,027,783,991	795,273,257	4,823,059,253
2006	2,754,700,123	904,549,522	3,659,251,651
2007	8,888,650,199	1,375,652,446	10,264,304,652
2008	7,076,400,000	1,720,323,055	8,796,725,063
2009/2010	7,276,883,671	4,898,481,113	12,175,364,784
2010/2011	10,483,663,327	4,190,302,036	14,673,965,363
2011/2012	10,591,944,530	5,181,403,301	15,773,347,831
2012/2013	16,951,824,195	8,076,669,056	25,028,493,251
2013/2014	22,131,920,947	10,755,476,149	32,887,397,096

3.7.3 Shareholding

The biggest percentage in RSSB's shareholding status is attributed to RSSB's full ownership of Akagera Game Lodge (AGL), Ultimate Developers Limited (UDL) and Gaculiro Property Developers (GPD) which was initially supposed to be owned with other partners. The total value of shareholding in all these companies for both the Pension and Medical scheme is Frw131.4billion while the amount of shares paid for is Frw98.9billion (75.2%). Table 6 illustrates the details.

Table 6: RSSB Shareholding status as at 30/06/2014

COMPANY	SHARE CAPITAL	No. OF SHARES	RSSB SHARES	VALUE OF RSSB SHARES	% OF RSSB HOLDING	AMOUNT PAID
Pension, OH and Medical Schemes						
SONARWA	2,200,000,000	220,000	35,750	357,500,000	16.3%	357,500,000
B.K.	6,673,370,000	667,337,000	217,989,900	12,746,676,179	31.2%	12,746,676,179
COGEBANQUE	5,000,000,000	50,000	15,000	8,500,000,000	30.0%	8,500,000,000
B.R.D	7,808,931,000	7,808,931	2,230,137	3,265,407,685	31.9%	3,265,407,685
RWANDATEL	2,420,000,000	242,000	48,400	484,000,000	20.0%	484,000,000
A.G.L	3,030,000,000	3,030,000	3,030,000	3,030,000,000	100%	2,401,528,434
REIC	1,100,000,000	10,000	2,652	291,720,000	26.5%	291,720,000
RIG S.A.	13,805,000,000	13,805	3,120	3,120,000,000	22.6%	3,120,000,000
CIMERWA	35,160,976,000	35,160,976	7,115,303	7,115,303,000	20.2%	7,115,303,000
ULTIMATE Cpt	12,758,517,675	5,316	2,316	5,558,517,675	43.6%	5,558,517,675
HOSTELS 2020	7,091,380,000	78,793	63,793	5,741,378,096	81.0%	4,100,000,000
PRIME ECONOMIC ZONES LTD	11,441,579,000	1,144,158	164,748	1,647,480,000	14.4%	1,647,480,000
B.M.I.	11,729,086,992	11,729	5,865	5,864,543,496	50.0%	5,864,543,496
SOYCO	3,000,000,000	10,000	2,038	817,858,297	20.4%	817,858,297
R.F.I	10,120,856,000	10,120,856	9,564,606	9,564,605,580	94.5%	9,564,605,580
SAFARICOM	454,673,070,000	40,000,000,000	72,393,000	3,242,843,972	0.2%	3,242,843,972
BRALIRWA	87,500,000,000	514,285,000	14,411,500	3,116,144,308	2.8%	3,116,144,308
N.F.C.	621,571,200	1,000,000	100,000	62,157,120	10.0%	62,157,120
G.P.D. Ltd	4,500,000,000	4,500,000	4,500,000	3,855,000,000	100%	3,855,000,000
UDL Ltd	52,000,000,000	5,200	5,200	52,000,000,000	100%	21,800,000,000
N.F.C London	-	9,361,076	110,370	1,011,080,808	1.2%	1,011,080,808
BROLL RWANDA	110,000,000	110,000	44,000	44,000,000	40.0%	44,000,000
R.S.E	100,000,000	100	10	10,000,000	10.0%	10,000,000
TOTAL				131,446,216,216		98,976,366,554

3.7.4 Real estate and Mortgage Investments

In the area of Mortgage and Real Estate investments, compliance under mortgage and low occupancy rate under real estate continue to be major challenges. The Institution continues to implement serious measures aimed at ensuring that tenants under the mortgage scheme do not default on payments. It has also placed great emphasis on advertisement of its commercial

buildings through various media channels in a bid to create awareness and effectively raise the occupancy rate. Table 7 below highlights the income received and expenditures regarding real estate property and mortgage investment during the period under review.

At the end of 2013/2014, RSSB had 12 real estate projects in progress, some being finalized while others were at preliminary stage (Annex 2 provides further details).

Table 7: Real estate property and mortgage investments income

Commercial Buildings	Expected Revenues	Revenues collected	Expenses	Occupancy rate
Kacyiru Recreational Center	–	1,146,000	3,069,240	–
Nyanza Pension Plaza	85,270,536	85,270,547	41,572,021	53%
Musanze Pension Plaza	15,544,704	15,897,490	30,307,131	15%
Karongi Pension Plaza	109,858,344	115,786,115	45,128,550	53%
Rwamagana Pension Plaza	29,739,708	29,739,708	40,653,069	22%
Kicukiro Pension Plaza	297,489,664	121,692,400	156,882,795	–
Grand Pension Plaza	1,070,276,146	1,411,443,907	406,773,895	98%
Doctors Plaza (Tower I)	40,133,832	40,635,484	13,045,046	100%
Mutara Entreprises & Crystal Buildings	–	194,560,586	51,825,157	100%
KEA	780,000,000	678,033,444	183,477,340	72%
Gaculiro 2020 Estate	196,836,780	198,002,667	13,958,400	100%
Kiyovu House	–	6,787,150	–	100%
TOTAL	2,625,149,714	2,898,995,498	986,692,644	

3.8 MEMBERSHIP STATUS

3.8.1 Registration of new employers and employees/affiliates

The number of new employers registered in the Pension and Occupational Hazard Schemes is 1,396 with 68,977 new employees in mandatory insurance and 12 in voluntary insurance. In the Medical Scheme, 13,128 new affiliates were registered. Table 8 below shows new membership status by Province for both Medical and Pension Schemes.

Table 8: New membership status by Province

Province	New employers		New affiliates/employees			
	Pension and OH Schemes		Medical Scheme		Pension Scheme	
	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014
Kigali City	787	678	6,516	3,087	20,142	15,544
Eastern	208	226	5,115	2,203	12,343	9,525
Western	233	185	6,873	3,149	22,871	17,649
Northern	148	117	4,429	2,013	16,795	12,961
Southern	171	190	5,543	2,676	17,248	13,310
Total	1,547	1,396	28,476	13,128	89,399	68,989

In terms of employers' registration by sector, the private sector registered a much higher number. Out of the 1,396 new employers registered under the Pension Scheme, 1,294 (92.7%)

were from the private sector. However, as shown in the table above, new employers' registration witnessed a decrease of 9.76% from previous year.

Table 9 below shows the number of new employees and affiliates registered by sector of activity under both Medical and Pension schemes.

Table 9: New affiliates / employees registered by Sector of activity during the year (July 2013 - June 2014)

Sector	Medical Scheme		Pension and OH Schemes	
	2012 - 2013	2013 - 2014	2012 - 2013	2013 - 2014
Public	22,275	10,284	15,198	11,472
Private	6,201	2,844	74,201	57,517
Total	28,476	13,128	89,399	68,989

Table 10: Trend of contributing employees and affiliates since 2003

Year	Pension and OH Schemes		Medical Scheme	
	Contributing employees	Growth rate	Affiliates	Growth rate
2003	184,755	-	49,283	-
2004	207,010	12%	54,970	12%
2005	194,230	-6%	58,079	6%
2006	203,130	5%	62,287	7%
2007	216,304	6%	69,483	12%
2008	280,892	30%	79,777	15%
2009/2010	280,973	0,03%	100,080	25%
2010/2011	298,376	6%	107,409	7%
2011/2012	332,888	12%	165,591	54%
2012/2013	352,085	5.7%	194,228	17.3%
2013/2014	380,001	7.9%	207,441	6.8%

The table 11 above clearly reveals remarkable performance from January 2003 to June 2013 from both schemes, except for a drop in 2005 in Pension scheme caused by retrenchment of employees in public service.

3.8.2 Contributor's Compliance

There is a major challenge regarding employer compliance in declaration and payment of the area of contributions especially in Pension and occupational hazard schemes. By 30th June 2014, the total number of registered employers in Pension and Occupational Hazard schemes was 15,401 of which 11,767 (76%) employers complied. The compliance in medical scheme is high as compared to Pension and Occupational Hazard schemes whereby, out of 1,330 active

employers 1,283 (96%) complied in paying contributions for their employees in medical insurance. The declaration level of contribution at 76% in Pension and Occupational Hazard schemes means that the contribution level would have been higher if declarations had been made as expected. More emphasis needs to be put in sensitization, audit of employers and debt recovery.

The table 11 below shows the declaration status under the Pension, Occupational Hazard and Medical schemes according to Districts across the country. The compliance level this year stands at 76% on average in Pension, Occupational Hazard schemes and 96% in Medical scheme.

Table 11: Declaration Status under Pension, OH and Medical Schemes

Pension and Occupational Hazard Schemes				Medical Scheme			
Districts	Number	Declared	Compliance level	Districts	Number	Declared	Compliance level
KAYONZA	284	272	96%	BURERA	23	23	100%
GAKENKE	170	155	91%	GAKENKE	26	26	100%
MUHANGA	334	298	89%	GISAGARA	25	25	100%
RUTSIRO	218	191	88%	KIREHE	24	24	100%
MUSANZE	411	357	87%	RULINDO	28	28	100%
NYAMASHEKE	208	180	87%	RWAMAGANA	40	40	100%
GISAGARA	184	159	86%	KARONGI	61	60	98%
RUHANGO	238	204	86%	HUYE	48	47	98%
RWAMAGANA	239	202	85%	BUGESERA	39	38	97%
KAMONYI	244	205	84%	RUTSIRO	37	36	97%
KIREHE	219	183	84%	GICUMBI	33	32	97%
NYAMAGABE	332	277	83%	GATSIBO	32	31	97%
BURERA	227	189	83%	NYAMAGABE	32	31	97%
RUSIZI	328	272	83%	MUSANZE	32	31	97%
NYABIHU	169	139	82%	KICUKIRO	92	89	97%
NYANZA	253	208	82%	NYANZA	30	29	97%
NGOMA	253	207	82%	RUBAVU	30	29	97%
GATSIBO	269	216	80%	NYAMASHEKE	29	28	97%
BUGESERA	227	180	79%	RUSIZI	26	25	96%
NYARUGURU	188	148	79%	NYARUGENGE	177	170	96%
NGORORERO	227	173	76%	NYARUGURU	25	24	96%
HUYE	520	391	75%	RUHANGO	25	24	96%
KARONGI	433	320	74%	KAMONYI	23	22	96%
RUBAVU	576	423	73%	GASABO	223	212	95%
RULINDO	231	169	73%	NYABIHU	20	19	95%
NYARUGENGE	3,737	2720	73%	NGORORERO	19	18	95%
GASABO	2,547	1849	73%	KAYONZA	34	32	94%
NYAGATARE	407	285	70%	MUHANGA	33	31	94%
KICUKIRO	1,417	985	70%	NGOMA	33	31	94%
GICUMBI	311	210	68%	NYAGATARE	31	28	90%
Total	15,401	11,767	76%	Total	1,330	1,283	96%

3.8.3 Employers' inspection, audits and enforcement

During the year under review, significant efforts were made whereby, 64 audits were finalized totaling to Frw1,297,065,078 (contributions, penalties and interests to be remitted), 27 audits were reviewed and discussed, 19 cases were at initial stage, 33 cases were in draft phase while 64 audits were finalized in District Branches.

Concerning the enforcement of arrears, the institution recovered Frw2,077,999,967 for the two schemes i.e. Frw1,714,587,824 for the Pension Scheme and Frw363,412,143 for the Medical Scheme. Frw 2,486,000 was recovered from 2020 Estate; 630 employers under the Pension and occupational hazard Schemes and 176 under the Medical Scheme were visited by the Enforcement and Debt Recovery team. In addition, 13 warning letters and statements of arrears to be paid were issued, and 8 seizures of assets and 2 public auctions were done.

3.9 POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The major achievement made in the process of ensuring a conducive legal framework was the review of procedure law concerning collection, audit and enforcement of RSB contributions by RRA. The institution was also involved in reviewing and drafting of all pending laws and related orders on Pension, occupation hazard and health.

It should be noted that the process of reviewing the above mentioned laws, orders and procedure law is expected to be finalized in the financial year 2014-2015.

3.10 Other activities performed during the year

During the year 2013/2014, other important activities were performed and some of these include:

- Handling court cases, providing legal advices where needed, drafting contracts and other need documents,
- Preparation of the 3 year Strategic Plan 2014/2017, Action Plan 2013/2014, Budget for the year 2013/2014 and producing performance monitoring reports regularly
- Granting internships to 24 students from different universities,
- Coordinating external audit for RSB financial account year 2012/2013,
- Organizing and hosting ECASSA conference,
- Updating the RSB statistical database,
- Preparation of various data requested by different partners (BNR, NISR, MINECOFIN, and many others) as well as.

4

CONCLUDING REMARKS

In conclusion, the performance of the Institution during the year 2013/2014 is inspiring however our efforts need to shift to a higher gear if RSSB is to improve on the areas that did not fare as well as expected. In looking forward to the financial year 2014/20145, it is imperative that the following major issues are addressed with great vigor:

- Raising the compliance level countrywide;
- Enforcement of arrears especially in real estate and contributions;
- Improving the statistical database of the Medical Scheme;
- Ironing out inaccuracies in the database;
- Raising the occupancy rate for real estate and mortgage investments.

A decorative graphic consisting of a horizontal orange bar on the right side, with a series of orange squares of varying sizes extending to the left from its left edge, creating a stepped, pixelated effect.

ANNEX

ANNEX

ANNEX 1: SUMMARY ON BUDGET EXECUTION

Budget Line	Projections (Frw)	Realization – Cumulative July 2013 – June 2014 (Frw)	Annual realization rate
Revenues			
Members' contributions	95,741,663,965	88 648 928 660	93%
Investment Income (Returns)	29,838,102,218	32 375 860 206	110.2%
Investment Income (Principal)	20,044,597,825	20 548 419 527	102.51%
Other incomes	122,000,000	219 627 476	180.02%
Total	145,746,364,008	141 792 835 869	97.3%
Expenditures			
Benefits	23,625,039,649	24,995,456,894	100.8%
Operations	11,622,398,068	8,261,089,072	71.08%
Equipment & Rehabilitation	5,284,321,426	164,976,812	3.12%
Investment	237,308,955,254	177,644,053,895	74.86%
Total	277,840,714,397	211,065,576,673	75.96%

ANNEX 2: PROGRESS OF RSSB PROJECTS AS AT 30TH JUNE 2014

Ref.	NAME	PROGRESS
1.	Supervision of construction activities at Rwamagana, Kicukiro, Musanze and Karongi Pension Plazas.	<ul style="list-style-type: none"> Final handover of Kicukiro and Rwamagana Pension Plazas. Complete correction of snags and defects at Musanze Pension Plaza: The cumulative correction works are at 40%. Finalize the partitioning works at Karongi Pension Plaza and prepared a tender to build a retaining wall (the contract is yet to be signed). Installation of signs on all pension plazas was completed.

2.	GRAND PENSION PLAZA	<ul style="list-style-type: none"> • Hiring a quantity surveyor to help in re measurement exercise to finalize the final account • Hiring the contractor to apply water proofing where there are leakages: the work was done except on terrace joint. The correction of that joint is being done. • Hiring the contractor to activate fire protection system: The fire fighting installation is completed and the alarm system is activated. • Hiring the contractor to repair broken glasses and iron masonry: Tender was re advertised as all bidders were disqualified. • Hiring a contractor to repair all pending snags at GPP: The tender will re advertised as no bid was submitted.
3.	RSSB TOWER 1	<ul style="list-style-type: none"> • Follow up of final accounts: Preparation of a detailed report on tax exemptions that will enable to effect the final account payment. • Installation of air conditioners, extension of chimney and repairing the cold room: Correction of snags and defects is completed.
4.	RSSB TOWER 2	<ul style="list-style-type: none"> • Correction of observed snags and defects: supervise finishing works, correction of snags and preparation of final account for parking, construction of additional works including external works and technical inspections for Tower and additional works.
5.	CBD1 BASIC INFRASTRUTURES	<ul style="list-style-type: none"> • Complete the verification, approve the final account and process the final handover.
6.	KEA, and Vision 2020 ESTATE	<ul style="list-style-type: none"> • Completed the rehabilitation of blocks A, B, C and D and installation of other facilities. • The cumulative works are on 69% of completion.
7.	VISION CITY	<ul style="list-style-type: none"> • Construction works: <ul style="list-style-type: none"> • 4 and 5 BHK villa (36 units): cumulative achieved works: 27%. • 4 and 3 bedroom semi detached villas (58 units): cumulative achieved works: 7.5%. • Town houses: cumulative achieved works: 9%. • Apartments (304 units): cumulative achieved works: 1.5%. • Other works: <ul style="list-style-type: none"> • WWTP: tendering process is ongoing. • Surveying: The plots have been measured, deed plans submitted to be given UPI. • Relocation of water pipe: drawings of the new pipeline completed. • Outstanding expropriations: <ul style="list-style-type: none"> • Remaining disputed properties: 25 • Properties recently evaluated and submitted for signature: 16 (64%) • Properties whose owners refused to be evaluated: 6 (24%) • Properties paid to date: 3 (12%) • Town Centre in Vision City: Preliminary design and costing was completed and the implementation is under review by RSSB Top Management.

8.	CONSTRUCTION OF KINYINYA ESTATE	<ul style="list-style-type: none"> The entire project will have 3,672 units in 3 phases. Carrying out detailed design on Phase 1 is on completion (504 units). Tender for construction floated in February 2014 and construction works started in May 2014. Submission of pre qualifications from contracts is ongoing and internal costing of phase 1 is ongoing in line with the budget. Outstanding expropriation: Disputed properties: 11, properties paid to date: 3 (27%), properties re evaluated through UDL and submitted: 8 (73%).
9.	CONSTRUCTION OF NYARUTARAMA – KINYINYA ROAD	<ul style="list-style-type: none"> Signed contracts for valuation of properties, for construction and for supervision. Supervise the construction works, the valuation and verify the payments.
10.	CONSTRUCTION OF LOW COST HOUSING	<ul style="list-style-type: none"> Acquired land to construct 300 low cost housing units in Kicukiro and Nyarugenge is under process. MoU signed by both RSSB and Nyarugenge and that for Kicukiro has been signed. Hiring a firm to conduct expropriation: Ongoing tendering process. Conduct meeting with people of Kadobogo Village regarding expropriation.
11.	UMUCYO ESTATE PROJECT (GPD)	<ul style="list-style-type: none"> The remaining construction materials not sold are estimated to 10%. Maintenance and testing the effluent of WWTP before handover to the tenants and technical inspection and final handover of street lighting done.
12.	RUBAVU SHOPPING MALL	<ul style="list-style-type: none"> The reserved plot was given to National Police by Rubavu District. RSSB has requested for a new plot to implement this project otherwise to be compensated.
13.	MUHANGA SHOPPING MALL	<ul style="list-style-type: none"> Hiring the construction and supervision company. Preconstruction phase: drawings completed, tendering process for construction works and evaluation of bids.
14.	Removal of Asbestos roof sheets from RSSB branches in districts, and their renovation	<p>Supervision and correction of identified snags during technical inspection of all lots:</p> <ul style="list-style-type: none"> Lot no 1: Rulindo and Gicumbi Lot no 2: Rubavu, Ngororero and Rusizi Lot no 3: Muhanga ,Huye and Nyamagabe Lot no 4: Ngoma and Nyagatare
16.	4 MIXED USE BUILDINGS IN CBD1	<p>Preliminary works: Final concept design is done and approved and Consulting firms are preparing their offers for design and project management.</p>



FINANCIAL REPORT

TABLE OF CONTENTS

1. INTRODUCTION	34
1.1. Background of RSSB	34
1.2. Supervising authority of RSSB	34
1.3. Management organs of RSSB	34
1.3.1 Board of Directors.....	34
1.3.2 General Directorate	35
1.4. Registered office	35
1.5. Auditors.....	35
2. DIRECTORS' REPORT	36
3. STATEMENT OF DIRECTORS' RESPONSIBILITIES	39
4. FINANCIAL STATEMENTS	40
4.1. STATEMENT OF COMPREHENSIVE INCOME	40
4.2 Statement of financial position	42
4.3 Statement of changes in reserves and accumulated members' fund - Pension scheme	44
4.4 Statement of changes in equity - Medical scheme	45
4.5 Statement of cash flows	47
NOTES TO THE FINANCIAL STATEMENTS	49
1. Contributions.....	49
2. Pharmacy sales	49
3. Benefit payments	49
4. Investment income	49
5. Change in fair value of financial assets at fair value through profit or loss	52
6. Investment management expenses	52
7. Other income	54
8. Staff costs	54
9. Administrative expenses	55
10. Other expenses	57
11. Investment properties in the process of construction	57
12. Property and equipment-Pension Scheme	60
13. Intangible assets	64
14 Investment properties	65
15. Assets held for sale	66
16. Equity investments – Pension	71
17. Government Bond	71
18. Corporate and treasury Bonds	73
19. Treasury bill	73
20. Loans and Advances to third partie	75
21. Mortgages loans	76
22. Contributions	76
23. Inventory	78
24. Other assets	78
25. Deposits with Financial Institutions	79
26 Cash and bank balances	79
27 Retentions on contractors' payments.....	80
28 Medical claims payable	80
29 Other Payables	81
30. Share Capital	81
31. Retained earnings	81
32. Revaluation reserve	81
33. Fair value reserve	81
34. Accumulated members funds	81
35. Statutory reserves	81
36. Contingent liabilities	81
37. Related parties	82
38. Actuarial valuation	82
39. Capital management	86
40. Critical accounting estimates	87
41. Summary of significant accounting policies	89

1. INTRODUCTION

1.1. BACKGROUND OF RSSB

In accordance with the Law n°45/2010 of 14/12/2010 establishing Rwanda Social Security Board (RSSB) and determining its mission, organization and functioning; the entity has a legal personality, administrative and financial autonomy and is governed in accordance with laws governing organs of Public Institutions in Rwanda.

According to Article 18 of the above Law, RSSB merged (in 2011) activities of RAMA (La Rwandaise assurance Maladie) and CSR (Caisse Sociale du Rwanda).

RSSB has the following responsibilities:

1. To monitor and promote pension, the insurance on occupational hazards, the insurance on maternity leave, the anticipated old age pension;
2. To register employers, employees, beneficiaries and persons for whom subscription was made in various branches of the social security managed by RSSB;
3. To collect and manage contributions as provided for by laws;
4. To pay social security benefits to beneficiaries;
5. To guarantee health insurance service rendered to beneficiaries;
6. To manage the contributions fund;
7. To engage in investments as provided for by laws;
8. To contribute to the elaboration of social security policy;
9. To advise the Government on matters relating to social security; and
10. To establish relations and collaborate with other regional or international institutions with similar missions.

1.2. SUPERVISING AUTHORITY OF RSSB

RSSB is supervised by the Ministry of Finance and Economic Planning.

1.3. MANAGEMENT ORGANS OF RSSB

RSSB comprises three managing organs as follows:

1.3.1 Board of Directors

The Board of Directors who served during the year include:

NAMES	POSITION
Dr. NTEZILYAYO Faustin	Chairman
BAYINGANA Elias	Director up to March 2014
KABERA Godfrey	Director from March 2014
KAYITESI Viviane	Director up to March 2014
MUGABO Anna	Director
MANZI Eric	Director
NDENGEYINGOMA Louise	Director
DR.HATEGEKIMANA Theobald	Director
KANTENGWA Angelique	Secretary to the Board (Up to 24 February 2014)
Dr. UFITIKIREZI Daniel	Secretary to the Board (From 28 March 2014 to date)

1.3.2 General Directorate

The day to day running of RSSB is entrusted to the management team headed by the Director General who is assisted by two (2) Deputies ie Deputy Director General in charge of Benefits and Deputy Director General in charge of Fund Management.

The officers who were involved in financial and administrative management during the 12 months period to 30 June 2014 were:

NAMES	POSITION
Dr. UFITIKIREZI Daniel	Director General, Rwanda Social Security Board from 24 February 2014 to date and Deputy DG fund Management prior to this date.
KANTENGWA Angelique	Director General, Rwanda social security Board (Up to 24 February 2014)
Dr. GAKWAYA Innocent	Deputy Director General - Benefits
SEBABI John Bosco	Deputy Director General Fund Management from 29 July 2014
KAYITARE Emmanuel	Director of Pension and Occupational Hazards department
MPUNIKIRA BAHATI	Director of Investment Department
RULISA Alexis	Director of Medical Department
MURINDABIGWI Innocent	Director of Finance and Contributions Department

1.4. REGISTERED OFFICE

The entity is domiciled in Kigali, Rwanda. The address of its registered office is:

Rwanda Social Security Board
RSSB Building
P.O. Box 250
Kigali-Rwanda

1.5. AUDITORS

Office of the Auditor General of State Finances.

2. DIRECTORS' REPORT

Members of the Board of Directors

Dr. Nteziryayo Faustin	-	Chairman
Kayitesi Viviane	-	V/Chairman – Resigned 9 April 2014
Bayingana Elias	-	Director – Resigned 24 March 2014
Kabera Godfrey	-	Director – Appointed 24 March 2014
Mugabo Anna	-	Director
Manzi Eric	-	Director
Ndengeyingoma Louise	-	Director
Dr. Hategekimana Theobald	-	Director
Dr. Daniel Ufitikirezi	-	Director General and Secretary to the Board

Registered office

RSSB Building
P O Box 250
Kigali, Rwanda

Bankers

Bank of Kigali Limited P O Box 175 Kigali, Rwanda	GT Bank (Rwanda) Limited P O Box 331 Kigali, Rwanda
I & M Bank (Rwanda) Limited P O Box 354 Kigali, Rwanda	Access Bank (Rwanda) Limited P O Box 2059 Kigali, Rwanda
National Bank of Rwanda P O Box 531 Kigali, Rwanda	Zigama Credit and Saving Society P O Box 4772 Kigali, Rwanda
Bank Populaire du Rwanda Limited P O Box 1348 Kigali, Rwanda	Development Bank of Rwanda Limited P.O Box 1341 Kigali, Rwanda
Ecobank Rwanda Limited P O Box 3268 Kigali, Rwanda	Cogebanque Limited P.O. Box 5230 Kigali, Rwanda
KCB Rwanda Limited P O Box 5620 Kigali, Rwanda	Equity Bank Rwanda Limited P O Box 494 Kigali, Rwanda

organization and functioning of Rwanda Social Security Fund and Law No 27/2007 of 27/06/2007 determining the responsibilities, organization and functioning of a health insurance scheme for employees.

Principal activities

In accordance with Law No. 45/2010 of 14 December 2010, RSSB was established with two schemes. Under the pension scheme, RSSB collects contributions from employers and employees in Rwanda and provides benefits to pensioners, invalids and other beneficiaries. Under the medical scheme the Board provides medical insurance services.

Membership of the defined benefit fund

a) Total members at 30 June	2014	2013
Contributing members	380,001	352,085
Pensioners	36,345	36,019
Deferred members	558,740	500,274
	975,086	888,378
b) Contributing members		
At start of year	352,085	332,888
Joiners	69,057	15,805
	421,142	348,693
Less:		
Retired with pension	(3,465)	(1,679)
Died in service	-	(175)
Other secessionists	(37,676)	(1,538)
	(41,141)	(3,392)
At end of year	380,001	352,085

Membership of the defined benefit fund (continued)

c) Pensioners	2014	2013
At start of the year	36,019	33,164
Contributing members who retired	1,494	1,679
Widows or widowers pension and orphans becoming payable	1,263	905
Members who got lump sum	3,237	1,619
	42,013	37,367
Less: Deaths and other secessionists	5,668	1,348
	36,345	36,019
At end of year	36,345	36,019

Results from operations

The statements of changes in net assets and comprehensive income for the year ended 30 June 2014 are set out on pages 40 to 43.


Directors

The Directors who held office during the year ended 30 June 2014 are set out on page 34.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Law N°45/2010 of 14/12/2010 requires the directors to prepare annual financial statements in accordance with public accounting regulations that show the financial position of the Board and the use of its resources. It also requires the directors to ensure that the Board keeps proper accounting records of its income, expenditure, liabilities and assets in accordance with the rules of the entity. The Directors are also responsible for safeguarding the assets of the Board.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The directors are of the opinion that the financial statements give a true and fair view of the net assets available for benefits and changes in net assets available for benefits in accordance with International Financial Reporting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.



Dr. Nteziryayo Faustin
Chairman

..... 20/01 2015



Dr. Daniel Ufitikirezi
Director General

..... 20/01 2015

4. FINANCIAL STATEMENTS

4.1 STATEMENT OF COMPREHENSIVE INCOME

a) Statement of comprehensive income for the year ended 30 June 2014

		Pension Scheme	Medical Scheme	Total
		2014	2014	2014
	Note	Frw	Frw	Frw
Dealings with members				
Contributions	1	55,499,971,651	33,114,666,367	88,614,638,018
Pharmacy sales	2	-	117,404,237	117,404,237
Benefits paid	3	(12,039,632,892)	(14,497,544,900)	(26,537,177,792)
Pharmaceutical inventory expensed	3	-	(76,894,753)	(76,894,753)
Net operating income		<u>43,460,338,759</u>	<u>18,657,630,951</u>	<u>62,117,969,710</u>
Returns on investments				
Investment income	4	22,219,026,111	10,156,834,095	32,375,860,206
Change in fair value of financial assets at fair value through profit or loss	5	33,780,659,546	1,265,594,703	35,046,254,249
Realized gain on disposal of assets	5	4,194,492,697	9,409,282	4,203,901,979
Less: investment management expenses	6	(344,212,761)	(1,653,594)	(345,866,355)
Net returns on investments		<u>59,849,965,593</u>	<u>11,430,184,486</u>	<u>71,280,150,079</u>
Other income	7	1,058,780,476	17,036,565	1,075,817,041
Expenditure				
Staff costs	8	(2,610,178,380)	(2,610,178,430)	(5,220,356,810)
Administrative expenses	9	(1,424,932,599)	(1,377,487,584)	(2,795,878,763)
Depreciation and amortization charge	12	(524,127,314)	(1,237,162,125)	(1,761,289,439)
Other expenses	10	(1,575,748,094)	(1,592,549,628)	(3,168,297,722)
Total expenses		<u>(6,128,444,967)</u>	<u>(6,817,377,767)</u>	<u>(12,945,822,734)</u>
Net income for the period		<u>98,240,639,861</u>	<u>23,287,474,235</u>	<u>121,528,114,096</u>

The notes on pages 49 to 92 are an integral part of these financial statements.

b) Statement of comprehensive income for the year ended 30 June 2013

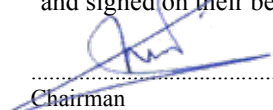
		Pension Scheme	Medical Scheme	Total
		2013	2013	2013
Note		Frw	Frw	Frw
		(Restated)		(Restated)
Dealings with members				
Contributions	1	53,123,305,604	29,839,281,506	82,962,586,570
Benefits payable	2	(10,015,279,334)	(10,922,130,627)	(20,937,409,961)
Pharmacy sales	3	-	549,682,977	549,682,977
Pharmaceutical inventory expensed	4	-	(503,463,835)	(503,463,835)
		43,108,025,730	18,963,370,021	62,071,395,751
Returns on investments				
Investment income	4	16,951,824,195	8,076,669,056	25,028,493,251
Change in fair value of investment properties	14	(368,314,612)	-	(368,314,612)
Change in fair value of financial assets at fair value through profit or loss	15	13,840,155,681	2,199,924,552	16,040,080,233
Realized gain on disposal of equity investments	16	111,624,625	-	111,624,625
Realised gain on disposal of investment properties	16	960,352,133	-	960,352,133
		31,495,642,022	10,276,593,608	41,772,235,630
Less: investment management expenses	6	(1,132,847,786)	-	(1,132,847,786)
Net returns on investments		30,362,794,236	10,276,593,608	40,639,387,844
Other income	7	322,782,690	15,783,746	338,566,436
Expenditure				
Staff costs	8	(2,520,728,974)	(2,523,724,623)	(5,044,453,597)
Administrative expenses	9	(1,193,652,641)	(1,215,984,981)	(2,409,637,622)
Depreciation and amortization charge		(149,792,583)	(2,559,681,760)	(2,709,474,343)
Other expenses	10	(1,793,049,070)	(2,015,479,197)	(3,808,529,167)
Pharmaceutical inventory expensed	2	-	-	-
Amortisation charge	14	(28,203,428)	(28,203,428)	(56,406,856)
Total expenses		(5,685,427,596)	(8,343,073,989)	(14,028,501,585)
Net income for the year		68,108,175,060	18,724,739,232	86,832,914,292

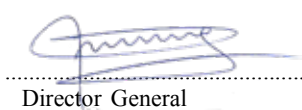
The notes on pages 49 to 92 are an integral part of these financial statements.

a) Statement of financial position as at 30 June 2014

	Notes	Pension Scheme	Medical Scheme	Total
		2014	2014	2014
		Rwf	Rwf	Rwf
Assets				
Investment properties in the process of construction	11	627,404,400	10,031,937,056	10,659,341,456
Property and equipment	12	1,246,571,129	15,685,008,914	16,931,580,043
Intangible assets	13	57,860,218	39,943,783	97,804,001
Investment properties	14	97,919,332,105	-	97,919,332,105
Assets held for sale	15	463,419,896	-	463,419,896
Equity investments	15	163,343,861,871	27,585,427,374	190,929,289,245
Government Bond	16	53,755,410,329	-	53,755,410,329
Corporate and treasury bonds	17	5,407,570,392	3,676,609,767	9,084,180,159
Treasury bills	18	3,152,425,614	4,890,984,128	8,043,409,742
Loan and Advances to third parties	19	1,335,261,772	3,849,390,653	5,184,652,425
Mortgage loans	20	2,133,468,247	-	2,133,468,247
Contributions receivables	21	38,511,693,001	7,220,653,308	45,732,346,309
Inventory	23	330,513,471	396,400,756	726,914,227
Other assets	24	13,034,228,379	838,741,583	13,872,969,962
Deposits with financial institutions	25	109,988,512,324	80,503,316,057	190,491,828,381
Cash and bank balances	26	14,211,871,618	7,745,994,363	21,957,865,981
Total assets		505,519,404,766	162,464,407,742	667,983,812,508
Less: Liabilities				
Amounts retained on construction contracts	27	2,699,933,889	848,381,344	3,548,315,233
Contributions payable	22	38,511,693,001	7,220,653,308	45,732,346,309
Medical benefits payable	28	-	3,439,170,793	3,439,170,793
Other payables	29	3,635,156,584	8,177,200,374	12,333,610,892
		44,846,783,474	19,685,40,8195	65,053,443,227
Net assets available for benefits		460,672,621,292	142,779,001,923	603,451,623,215
Represented by				
Share capital	30	53,393,658	1,179,070,491	1,179,070,491
Retained earnings	31	92,054,804,337	128,454,055,192	220,508,859,529
Revaluation reserve	32	692,653,000	4,499,072,138	5,191,725,138
Fair value reserve	33	38,673,720,300	6,846,804,102	47,320,524,402
Accumulated members' funds	34	81,275,471,897	-	81,275,471,897
Statutory reserves	35	247,922,578,100	-	247,922,578,100
Total reserves		460,672,621,292	142,779,001,923	603,451,623,215

The financial statements on pages 49 to 79 were approved for issue by the Directors on 20/01/2015 and signed on their behalf by:


 Chairman


 Director General

The notes on pages 49 to 92 are an integral part of these financial statements.

b) Statement of financial position as at 30 June 2013

	Notes	Pension Scheme	Medical Scheme	Total
		2013	2013	2013
		Rwf	Rwf	Rwf
		(Restated)		(Restated)
Assets				
Investment properties in the process of construction	11	13,131,517,068	9,480,529,746	22,612,046,814
Property and equipment	12	909,555,951	17,176,515,326	18,086,071,277
Intangible assets	13	95,645,716	76,576,589	172,222,305
Investment properties	14	104,732,650,641	-	104,732,650,641
Equity investments	15	106,741,768,306	15,753,473,393	122,495,241,699
Government of Rwanda Development Bond	16	46,288,480,619	-	46,288,480,619
Treasury bills	17	25,006,372,443	17,430,632,995	42,437,005,438
Amounts due from the Government of Rwanda	19	32,239,285	-	32,239,285
Loan and Advances to third parties	20	2,764,806,297	3,928,781,347	6,693,587,644
Mortgage loans	21	3,533,771,146	-	3,533,771,146
Treasury bonds		-	1,094,591,875	1,094,591,875
Corporate bonds	22	344,759,394	-	344,759,394
Other assets	23	4,725,017,866	2,105,604,034	6,830,621,900
Deposits with financial institutions	24	57,922,979,685	48,682,189,410	106,605,169,095
Cash and bank balances	25	8,097,395,420	8,199,390,862	16,296,786,282
Inventory	25	204,652,648	347,420,285	552,072,933
Total assets		374,531,612,485	124,275,705,862	498,807,318,347
Less: Liabilities				
Amounts retained on construction contracts	26	3,994,898,680	1,202,467,505	5,197,366,185
Medical benefits payable	27	-	1,619,250,735	1,619,250,735
Other payables	28	7,638,990,902	885,444,892	8,524,435,794
		11,633,889,582	3,707,163,132	15,341,052,714
Net assets available for benefits		362,897,722,903	120,568,542,730	483,466,265,633
Represented by				
Share capital	29	-	1,179,070,491	1,179,070,491
Retained earnings		-	106,888,016,632	106,888,016,632
Revaluation reserve	30	692,653,000	6,920,207,877	7,612,860,877
Fair value reserve	31	-	5,581,247,730	5,581,247,730
Accumulated members' funds		138,854,151,318	-	138,854,151,318
Statutory reserves	32	223,350,918,585	-	223,350,918,585
Total reserves		362,897,722,903	120,568,542,730	483,466,265,633

The financial statements on pages 49 to 79 were approved for issue by the Directors on 20/07/2015 and signed on their behalf by:

.....
Chairman

.....
Director General

The notes on pages on 49 to 92 are an integral part of these financial statements.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

4.3 STATEMENT OF CHANGES IN RESERVES AND ACCUMULATED MEMBERS' FUND - PENSION SCHEME

	Occupational Hazards Reserves				Pensions reserves				Totals			
	Capital	Occupational hazard Technical reserve	Occupational hazard Working capital reserve	Occupational hazard Security reserve	Pension Technical reserve	Pension Working capital reserve	Total Reserves	Accumulated members' fund	Fair Value reserve on Equities	Revaluation reserve	Totals	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	
At 30 June 2012 & 1 July 2012	53,392,797	3,341,025,372	1,564,197,290	694,738,912	148,105,950,642	3,245,922,445	157,005,227,458	137,091,667,365	-	692,653,000	294,789,547,823	
Increase in net assets for the year	-	-	-	-	45,006,661,682	-	45,006,661,682	23,101,513,378	-	-	68,108,175,060	
At 30 June 2013	53,392,797	3,341,025,372	1,564,197,290	694,738,912	193,112,612,324	3,245,922,445	202,011,889,140	160,193,180,763	-	692,653,000	362,897,722,903	
At 30 June 2013 & 1 July 2013	53,392,797	3,341,025,372	1,564,197,290	694,738,912	193,112,612,324	3,245,922,445	202,011,889,140	160,193,180,763	-	692,653,000	362,897,722,903	
Adjustment during the year	861	256,527,564	2,928,994,010	812,704,648	18,529,652,888	(1,188,850,586)	21,339,029,385	(60,478,491,216)	38,673,720,300	-	629,454,459	
Increase in net assets for the year	2,649,868,548	106,970,881	48,785,672	19,811,477,487	2,007,950,586	27,778,809,366	73,615,586,687	-	-	-	98,240,639,861	
At 30 June 2014	53,393,658	6,247,421,484	4,600,162,181	1,556,229,232	231,453,742,699	4,065,022,504	251,129,727,951	173,330,276,234	38,673,720,300	692,653,000	460,673,621,292	

The notes on pages 49 to 92 are an integral part of these financial statements.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

4.4 STATEMENT OF CHANGES IN EQUITY - MEDICAL SCHEME

	Share capital		Retained earnings		Revaluation Reserve		Fair Value Reserve		Total	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Year ended 30 June 2013										
At start of year:	1,179,070,491	85,975,343,246	6,066,776,659	7,769,181,884	100,990,372,280					
Revaluation gain on building	-	-	853,431,218	-	853,431,218					
Fair value gain on equity investment	-	-	-	(2,187,934,154)	(2,187,934,154)					
Profit for the year	-	20,912,673,386	-	-	20,912,673,386					
At end of year	1,179,070,491	106,888,016,632	6,920,207,877	5,581,247,730	120,568,542,730					
Year ended 30 June 2014										
At start of year:	1,179,070,491	106,888,016,632	6,920,207,877	5,581,247,730	120,568,542,730					
Revaluation gain on building	-	-	-	-	-					
Fair value gain on equity investment	-	-	-	1,265,594,703	1,265,594,703					
Profit for the year	-	23,287,474,235	-	-	23,287,474,235					
Adjustment for prior year	-	(1,721,435,675)	(2,421,135,739)	1,799,961,669	(2,342,609,745)					
At end of year	1,179,070,491	128,454,055,192	4,499,072,138	8,646,804,102	142,779,001,923					

The notes on pages 49 to 92 are an integral part of these financial statements.

organization and functioning of Rwanda Social Security Fund and Law No 27/2007 of 27/06/2007 determining the responsibilities, organization and functioning of a health insurance scheme for employees.

Principal activities

In accordance with Law No. 45/2010 of 14 December 2010, RSSB was established with two schemes. Under the pension scheme, RSSB collects contributions from employers and employees in Rwanda and provides benefits to pensioners, invalids and other beneficiaries. Under the medical scheme the Board provides medical insurance services.

Membership of the defined benefit fund

	2014	2013
a) Total members at 30 June		
Contributing members	380,001	352,085
Pensioners	36,345	36,019
Deferred members	558,740	500,274
	975,086	888,378
b) Contributing members		
At start of year	352,085	332,888
Joiners	69,057	15,805
	421,142	348,693
Less:		
Retired with pension	(3,465)	(1,679)
Died in service	-	(175)
Other secessionists	(37,676)	(1,538)
	(41,141)	(3,392)
At end of year	380,001	352,085

Membership of the defined benefit fund (continued)

	2014	2013
c) Pensioners		
At start of the year	36,019	33,164
Contributing members who retired	1,494	1,679
Widows or widowers pension and orphans becoming payable	1,263	905
Members who got lump sum	3,237	1,619
	42,013	37,367
Less: Deaths and other secessionists	5,668	1,348
At end of year	36,345	36,019

4.5 Statement of cash flows

a) Statement of cash flows for the year ended 30 June 2014

	Pension Scheme		Medical Scheme		Total	
	2014	2014	2014	2014	2014	2014
Cash flows from operating activities	Note	Rwf	Rwf	Rwf	Rwf	Rwf
Increase in net assets for the year		98,240,639,861	23,287,474,235		121,528,114,096	
Adjusted for:						
Depreciation and amortization		524,127,314	1,237,162,125		1,761,289,439	
Investment income		(22,219,026,111)	(10,156,834,095)		(32,375,860,206)	
Realised gain on disposal		(4,194,492,697)	(9,409,282)		(4,203,901,979)	
Change in fair value of equity investments		(33,780,659,546)	(1,265,594,703)		(35,046,254,249)	
Increase/(Decrease) in interdivisional balances		8,520,495,087	(8,520,495,087)		-	
Increase/(Decrease) in other assets		(1,805,416,322)	(13,117,440)		(1,818,533,762)	
Increase/(Decrease) in inventory		(125,860,823)	(48,980,471)		(174,841,294)	
Increase/(Decrease) in medical claims payables			1,819,920,058		1,819,920,058	
Increase/(Decrease) in sundry creditors		(4,203,834,318)	7,291,755,482		(5,176,046,723)	
Increase/(Decrease) in contract retentions		(1,294,964,791)	(354,086,161)			
Increase/(Decrease) in contributions payables						
Net cash flows from operating activities		39,661,007,654	13,267,794,661		50,335,421,304	
Cash flows used in investing activities:						
Investment in corporate /treasury bonds		(4,990,675,000)	(2,490,675,000)		(7,481,350,000)	
Investment in Government Bond		(26,446,924,221)	-		(26,446,924,221)	
Investment in treasury bills/bonds		13,104,163,050	12,539,648,867		25,643,811,917	
Net loans advanced to Development Bank of Rwanda		1,429,544,525	79,390,694		1,508,935,219	
Net investment in deposits with Banks		(33,607,563,891)	(22,340,442,869)		(55,948,006,760)	
Proceeds from disposal		23,670,087,850	-		23,670,087,850	
Dividend income received		2,839,977,366	251,350,247		3,091,327,613	
Rent received		2,611,879,624	40,802,712		2,652,682,336	
Interest income received		16,767,169,121	9,864,681,136		26,631,850,257	
(Decrease) in mortgages		1,400,302,899	-		1,400,302,899	
Purchase of investment properties		(2,752,499,873)	-		(2,752,499,873)	
Purchase of CWP investment properties		(28,317,600)	(560,972,310)		(589,289,910)	
Purchase of equity investments		(27,164,402,320)	(10,566,359,278)		(37,730,761,598)	
Purchase of intangible asset		(24,287,116)	(24,287,116)		(48,574,232)	
Purchase of property and equipment		(354,985,870)	(514,328,243)		(869,314,113)	
Net cash used in investing activities		(33,546,531,456)	(13,721,191,160)		(47,267,722,616)	
Net increase in cash and cash equivalents		6,114,476,198	(453,396,499)		5,661,079,699	
Cash and cash equivalents at 1 July		8,097,395,420	8,199,390,862		16,296,786,282	
Cash and cash equivalents at 30 June		14,211,871,618	7,745,994,363		21,957,865,981	

The notes on pages 49 to 92 are an integral part of these financial statements.

b) Statement of cash flows for the year ended 30 June 2013

		Pension Scheme	Medical Scheme	Total
	Note	2013	2013	2013
		Rwf	Rwf	Rwf
Cash flows from operating activities				
Increase in net assets for the year		68,108,175,060	20,912,673,386	89,020,848,446
Adjusted for:				
Investment income	4	(16,951,824,195)	(8,076,669,056)	(25,028,493,251)
Depreciation	13	149,792,583	2,559,681,760	2,709,474,343
Amortization	14	28,203,428	28,203,428	56,406,856
Change in fair value of equity investments	16	(14,543,817,827)	(2,199,924,552)	(16,743,742,379)
Increase in interdivisional balances	24/28	1,933,385,275	(1,933,385,112)	163
Increase in contributions receivable		1,088,553,781	2,351,177,297	3,439,731,078
Increase/(Decrease) in other assets	24	6,886,832	1,557,554,025	1,564,440,857
Increase/(Decrease) in inventory	25	(25,347,843)	94,207,328	68,859,485
(Decrease) in medical claims payable	29	-	(284,967,577)	(284,967,577)
Increase/(Decrease) in sundry creditors	28	(2,515,508,301)	(790,394,372)	(3,305,902,673)
Increase/(Decrease) in Contract retentions	30	(652,112,941)	(306,172,382)	(958,285,323)
Net cash flows from operating activities		36,626,385,852	13,911,984,173	50,538,370,025
Cash flows used in investing activities:				
Dividend income received	4	584,306,517	67,464,716	651,771,233
Rent received	4	2,393,911,193	41,223,636	2,435,134,829
Interest income received	4	12,317,866,883	7,967,980,704	20,285,847,587
Purchase of property and equipment	13	(120,838,261)	(3,322,950,633)	(3,443,788,894)
Purchase of intangible asset	14	(29,670,674)	(22,280,624)	(51,951,298)
Purchase of investment properties	12/14	(12,943,862,172)	-	(12,943,862,172)
Purchase of equity investments	16	(7,657,811,911)	-	(7,657,811,911)
Receipts from Development bond to Government of Rwanda	17	3,558,750,000	-	3,558,750,000
Investment in treasury bills/bonds	18/19	(22,961,035,105)	(15,748,371,121)	(38,709,406,226)
Net loans advanced to Development Bank of Rwanda	21	710,831,912	1,776,363,303	2,487,195,215
Net loans advanced to third parties	21	(68,390,518)	-	(68,390,518)
(Decrease) in mortgages	22	2,108,277,537	-	2,108,277,537
Investment in corporate bonds	23	54,862,499	-	54,862,499
Net investment in deposits with Banks	26	(17,078,462,764)	(2,082,795,767)	(19,161,258,531)
Proceeds from disposal		3,105,355,550	1,003,090,717	4,108,446,267
Net cash used in investing activities		(36,025,909,314)	(10,320,275,069)	(46,346,184,383)
Net increase in cash and cash equivalents		600,476,538	3,591,709,104	4,192,185,642
Cash and cash equivalents at 1 July	27	7,496,918,882	4,607,681,758	12,104,600,640
Cash and cash equivalents at 30 June	27	8,097,395,420	8,199,390,862	16,296,786,282

The notes on pages 49 to 92 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CONTRIBUTIONS

a) Pension contributions

In accordance with Law. No 45/2010 concerning the responsibilities, organization and functioning of the Rwanda Social Security Board, pension contributions are determined at 8% of an employee's gross salary, of which 5% is paid by the employer and 3% is paid by the employee. Of the amounts paid by the employer, 2% relates to employee occupational hazards while 3% goes towards the employee's pension.

b) Medical contributions

In accordance with Law. No 45/2010 concerning the responsibilities, organization and functioning of the Rwanda Social Security Board, both employee and employer medical contributions are determined at 7.5% of an individual's basic salary.

2. PHARMACY SALES

Subsequent to RSSB management decision to shift from pharmacy business, pharmacy outlets have been progressively sold to private business operators. As of 30th June 2014, only one outlet out of fourteen was still operational.

Previously sales to members were part of their medical benefits, on which they contribute 15% of the sales price; sales to non-members were made on a cash basis.

	2014	2013
	Frw	Frw
Cash sales	95,525,482	303,721,870
Sales in RSSB pharmacies (85%)	21,878,755	93,132,974
Pharmacy sold through auction	-	152,828,133
	117,404,237	549,682,977

3. BENEFIT PAYMENTS

(a) Pension benefits paid

	2014	2013
	Frw	Frw
Benefits paid to pensioners	9,954,926,315	8,031,802,342
Benefits paid to deceased members' beneficiaries	1,742,004,869	1,690,419,406
Incapacity benefits	121,879,329	97,914,900
Other occupational hazards	220,822,379	195,142,686
	12,039,632,892	10,015,279,334

(b) Medical benefits paid

Acts medical from partner hospitals, health centers and clinics	9,520,138,481	6,787,892,211
Partners Pharmacy costs	4,977,406,419	4,134,238,416
RSSB Pharmacy costs	76,894,753	503,463,835
	14,574,439,653	11,425,594,462

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (Continued)

Note	Pension Scheme				Medical Scheme				Total			
	2014		2013		2014		2013		2014		2013	
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	
4.1	2,839,977,366	2,203,709,556	251,350,247	67,464,716	3,091,227,613	2,271,174,272						
4.2	2,611,879,624	2,393,911,193	40,802,712	41,223,636	2,669,352,336	2,435,134,829						
4.3	775,660,398	2,045,337,338	887,764,069	1,682,261,874	1,663,424,467	3,622,505,871						
4.4	10,124,179,987	5,297,172,747	7,983,845,426	5,127,645,646	18,108,025,413	10,424,818,393						
17	4,219,221,797	3,477,713,764	-	-	4,128,357,842	3,477,713,764						
20.1	174,849,495	223,895,703	94,545,754	122,863,124	267,178,677	346,758,827						
20	-	-	271,840,168	551,875,000	870,482,222	823,715,168						
18	163,901,747	36,336,563	216,051,662	124,217,552	381,995,073	248,554,115						
21	657,799,418	769,937,479	-	-	657,799,418	769,937,479						
	651,556,279	503,809,852	410,634,057	359,117,508	1,049,454,035	862,927,360						
	22,219,026,111	16,951,824,195	10,156,834,095	8,076,669,056	32,887,297,096	25,028,493,251						

4.1 Dividend income

	Pension Scheme				Medical Scheme				Total			
	2014		2013		2014		2013		2014		2013	
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw	
Safaricom Limited	233,278,692	145,596,106	-	-	233,278,692	145,596,106						
Rwanda Investment Group Limited	90,000,000	117,000,000	27,000,000	-	117,000,000	117,000,000						
Rwanda Development Bank Limited	-	186,782,585	-	-	-	186,782,585						
Bank of Kigali Limited	2,209,209,324	1,619,403,039	81,157,222	-	2,290,366,546	1,619,403,039						
Bralirwa Limited	307,489,350	134,927,826	143,193,025	67,464,716	450,682,375	202,392,542						
	2,839,977,366	2,203,709,556	251,350,247	67,464,716	3,091,327,613	2,271,174,272						

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (Continued)

4.2 Rental income

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Frw	Frw	Frw	Frw	Frw	Frw
Kacyiru Executive Apartments	687,992,289	709,124,819	-	-	687,992,289	709,124,819
Grand Pension Plaza	1,362,868,286	1,238,589,986	-	-	1,362,868,286	1,238,589,986
Kacyiru estate	226,218,090	15,973,005	-	-	226,218,090	15,973,005
Kicukiro Pension Plaza	94,029,485	282,471,589	-	-	94,029,485	282,471,589
Nyanza Pension Plaza	93,547,668	79,516,308	-	-	93,547,668	79,516,308
Karongi Pension Plaza	101,998,642	28,750,126	-	-	101,998,642	28,750,126
Musanze Pension Plaza	15,485,456	4,426,368	-	-	15,485,456	4,426,368
Ex-USA Embassy	0	5,319,284	-	-	0	5,319,284
Rwamagana Pension Plaza	29,739,708	29,739,708	-	-	29,739,708	29,739,708
Doctors' plaza	-	-	40,802,712	41,223,636	40,802,712	41,223,636
	2,611,879,624	2,393,911,193	40,802,712	41,223,636	2,652,682,336	2,435,134,829

4.3 Interest on treasury bills

Note	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Frw	Frw	Frw	Frw	Frw	Frw
18	775,660,398	1,940,243,997	887,764,069	1,682,261,874	1,663,424,467	3,622,505,871
National Bank of Rwanda						

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (Continued)

4.4 Interest on term deposits

	Pension Scheme		Medical Scheme		Total	
	2013		2013		2013	
	Frw	Frw	Frw	Frw	Frw	Frw
Access Bank Limited	-	-	118,043,835	50,704,110	118,043,835	50,704,110
Banque Populaire S.A	818,638,358	945,373,973	840,243,838	658,051,233	1,658,882,196	1,603,425,206
Cogebanque	939,353,424	435,095,761	884,771,518	891,102,848	1,824,124,942	1,326,198,609
Development Bank of Rwanda	1,381,616,442	378,027,397	1,115,295,060	260,198,087	2,496,911,502	638,225,484
Bank of Kigali Limited	3,158,216,425	1,597,047,945	1,151,712,326	948,968,491	4,309,928,751	2,546,016,436
Continental Discount House	-	-	-	-	-	-
Ecobank Rwanda Limited	612,895,889	359,928,767	839,786,303	601,891,781	1,452,682,192	961,820,548
Guaranty Trust Bank (Rwanda) Limited	992,526,572	741,968,767	485,066,523	757,361,973	1,477,593,095	1,499,330,740
KCB Rwanda Limited	729,301,368	279,342,466	655,890,409	273,000,000	1,385,191,777	552,342,466
I&M Bank Rwanda Limited	510,790,410	270,023,288	825,673,969	467,879,452	1,336,464,379	737,902,740
Zigama CSS	453,060,276	258,145,205	874,813,699	218,487,671	1,327,873,975	476,632,876
Equity bank limited	527,780,823	32,219,178	192,547,946	-	720,328,769	32,219,178
Other interest income	-	-	-	-	-	-
	10,124,179,987	5,297,172,747	7,983,845,426	5,127,645,646	18,108,025,413	10,424,818,393

Notes (continued)

5. CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Changes in fair value of financial assets at fair value through profit or loss relates to realized and unrealized fair value gains on equity investments as analyzed on Note 16.

6. INVESTMENT MANAGEMENT EXPENSES

a) Pension management fees incurred on:

	2014	
	Rw f	Rwf
Vision 2020 Estate	4,252,000	27,967,850
Kacyiru executive apartments	111,589,320	440,253,729
Kacyiru Estate	1,957,980	4,006,428
Charges d'investissement	45,548,535	
Ex-USA embassy(Dignity House)	169,465	30,842,519
Ex-American Club	-	5,420,090
Grand insurance Pension Plaza	139,582,365	277,488,843
Kicukiro insurance Pension Plaza	5,192,812	43,598,327
Nyanza insurance Pension Plaza	6,247,873	41,485,681
Karongi insurance Pension Plaza	20,165,370	45,800,463
Musanze insurance Pension Plaza	1,938,295	30,423,439
Rwamagana insurance Pension Plaza	1,622,888	50,846,747
Nyarugenge insurance Pension Plaza	5,645,877	10,122,107
EX-CVL buildings	299,981	
	344,212,761	1,132,847,786

b) Medical management fees incurred on:

	2014	2013
	Rwf	Rwf
Management fees Rssb Headquarters	1,121,490	-
Management fees Twin Tower	532,104	-
	1,653,594	

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

7. OTHER INCOME

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Issue of clearing certificates and others income	182,373,970	162,744,528	-	-	182,373,970	162,744,528
Issue of card duplicates and others income	-	-	16,596,161	8,101,712	16,596,161	8,101,712
Exchange rate gain	91,339,236	142,744,441	-	-	91,339,236	142,744,441
Penalties received	785,067,270	17,293,721	440,404	7,682,034	785,507,674	24,975,755
Total	1,058,780,476	322,782,690	17,036,565	15,783,746	1,058,780,476	338,566,436

8. STAFF COSTS

Basic salaries	1,753,284,064	1,733,742,066	1,753,284,065	1,724,870,963	3,506,568,129	3,458,613,029
Overtime	-	-	-	-	-	-
Paid leave	-	-	-	-	-	-
Technical allowances	23,572,730	27,320,941	23,572,731	26,875,786	47,145,461	54,196,727
Responsibility allowances	2,194,038	2,063,620	2,194,038	2,063,440	4,388,076	4,127,060
Social security contributions	101,795,705	97,642,132	101,795,704	97,072,841	203,591,409	194,714,973
Medical insurance contributions	124,073,763	116,368,609	124,073,763	116,368,609	248,147,526	232,737,218
Transport allowances	201,563,032	174,780,727	201,563,033	173,297,469	403,126,065	348,078,196
House allowances	214,760,226	212,745,858	214,760,226	211,628,133	429,520,452	424,373,991
Retirement benefits	-	2,689,620	-	-	-	2,689,620
Medical expenses	12,761,807	11,753,777	12,761,808	10,786,077	25,523,615	22,539,854
Death indemnities	6,812,682	-	6,812,682	-	13,625,364	-
Training expenses	92,833,290	92,564,485	92,833,290	93,373,485	185,666,580	185,937,970
Personnel social activities	9,981,062	9,682,944	9,981,062	9,682,944	19,962,124	19,365,888
Other allowances	66,545,981	30,624,195	66,546,028	48,954,876	133,092,009	79,579,071
Benefits in kind	-	8,750,000	-	8,750,000	-	17,500,000
Total	2,610,178,380	2,520,728,974	2,610,178,430	2,523,724,623	5,220,356,810	5,044,453,597

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

9. ADMINISTRATIVE EXPENSES

Note	Pension Scheme		Medical Scheme		Total	
	2014 Rwf	2013 Rwf	2014 Rwf	2013 Rwf	2014 Rwf	2013 Rwf
Water and electricity	62,955,580	50,692,272	62,955,581	51,071,906	125,728,162	101,764,178
Fuel	19,743,878	24,918,350	19,743,878	24,908,350	36,585,790	49,826,700
Office supplies	14,557,863	52,579,667	14,557,864	100,180,667	29,115,727	152,760,334
Other supplies	126,180,914	55,470,277	126,180,615	55,499,877	252,361,229	110,970,154
Transport on duty	211,314,961	196,376,832	211,314,962	200,046,972	430,647,804	396,423,804
Maintenance expenses	80,230,251	38,414,629	80,230,254	36,029,597	160,460,505	74,444,226
Travel expenses in the country	40,831,150	43,535,456	40,851,150	44,605,456	81,682,300	88,140,912
Travel expenses abroad (mission fees)	12,579,139	15,224,842	12,579,139	15,224,842	25,158,278	30,449,684
Entertainment	1,525,745	1,993,760	1,525,745	1,993,760	3,051,490	3,987,520
Reception activities	2,408,050	5,343,750	2,408,050	5,343,750	4,816,100	10,687,500
Rent	77,696,011	58,390,750	77,696,011	60,377,941	143,969,939	118,768,691
Publicity costs	84,498,080	122,595,202	84,498,081	122,595,202	168,996,939	245,190,404
Service hire	46,607,342	30,154,451	46,607,342	40,633,603	100,995,467	70,788,054
Postage	8,202,419	7,332,050	8,202,419	7,332,050	16,404,838	14,664,100
Telephone expenses	106,663,478	94,271,698	106,663,479	94,271,698	213,326,957	188,543,396
Fax expenses	-	9,330	-	9,330	-	18,660
Internet costs	107,038,760	86,474,976	107,038,760	86,474,976	214,077,520	172,949,952
Consultancy fees	167,432,362	46,486,116	167,432,362	46,486,116	299,633,043	92,972,232
Casual work wages	2,808,112	836,650	2,808,115	866,650	5,958,679	1,703,300
Commissions and bank charges	56,917,755	76,578,648	56,917,755	30,424,503	72,911,901	107,003,151
Documentation and subscription	7,862,211	4,033,422	7,862,210	4,033,422	15,724,421	8,066,844
Other administration costs	15,684,621	31,570,349	15,846,623	31,570,349	31,412,744	63,140,698
Security services	94,950,134	90,487,665	94,950,135	96,218,265	189,900,269	186,705,930
Cleaning services	34,417,535	38,890,662	34,417,534	38,867,662	68,865,070	77,758,324
Audit fees	35,284,828	20,990,837	35,284,829	20,918,037	108,454,075	41,908,874
Total	1,418,391,179	1,193,652,641	1,377,487,584	1,215,984,981	2,800,238,467	2,409,637,622

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

10. OTHER EXPENSES

	Pension Scheme			Medical Scheme			Total		
	2014	2013	2013	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Insurance	90,520,166	53,884,477	53,884,477	90,520,168	53,884,477	181,040,334	107,768,954		
Directors' fees	650,000	1,740,000	1,740,000	650,000	3,440,000	1,300,000	5,180,000		
Corporate social responsibility	21,976,922	110,389,714	110,389,714	191,113,405	427,909,044	43,953,845	538,298,758		
Legal fees	632,325	1,894,649	1,894,649	632,325	1,849,198	1,264,650	3,743,847		
Seminars and conferences	5,821,754	28,095,120	28,095,120	5,821,755	27,995,120	11,643,509	56,090,240		
Other charges and losses	5	275,462,585	275,462,585	6,483,620	60,321,049	252,197	335,783,634		
Taxes incurred on interest income	1,446,735,682	1,125,986,017	1,125,986,017	1,287,916,441	1,034,140,101	2,734,309,671	2,160,126,118		
Exchange losses	363,740	89,035	89,035	363,741	-	727,481	89,035		
Other miscellaneous expenses	9,047,500	195,508,373	195,508,373	9,048,173	405,940,208	18,095,673	601,448,581		
	1,575,748,094	1,793,049,970	1,793,049,970	1,592,549,628	2,015,479,197	2,992,587,360	3,808,529,167		

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

11. INVESTMENT PROPERTIES IN THE PROCESS OF CONSTRUCTION

For Pension scheme

	At 1 July 2013		Additions during the year at cost		Transfers to from investment properties & PPE		Dispose off during the period		Balance at 30 June 2014	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Office out of Kigali										
2020 Estate 2nd Phase	12,511,858,236	-	-	(246,500,000)	-	(12,265,358,236)	-	-	-	-
2020 vision trade center	309,400,000	28,317,600	-	-	-	-	-	337,717,600	337,717,600	337,717,600
Nyagatare projects	250,171,800	-	-	(60,087,032)	-	-	-	250,171,800	250,171,800	250,171,800
Batsinda Pipeline	60,087,032	-	-	39,515,000	-	-	-	-	39,515,000	39,515,000
	13,131,517,068	28,317,600	28,317,600	(267,072,032)	(12,265,358,236)			627,404,400	627,404,400	627,404,400
	At 1 July 2012	Additions during the year at cost	Fairvalue gains/(loss)	Transfers to investment properties & PPE	Balance at 30 June 2013					
Batsinda project	Rwf	Rwf	Rwf	Rwf	Rwf					
Office blocks within and out of Kigali	966,144,000	-	-	(966,144,000)	-					
2020 Estate 2nd Phase	12,241,710,750	1,287,359,848	367,338,388	(1,384,550,750)	12,511,858,236					
2020 vision trade center	309,400,000	-	-	-	309,400,000					
Nyagatare projects	250,171,800	-	-	-	250,171,800					
Kacyiru Office Park	-	60,087,032	-	(1,068,000,000)	60,087,032					
	1,068,000,000	-	-	-	-					
	14,835,426,550	1,347,446,880	367,338,388	(3,418,694,750)	13,131,517,068					

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

a. For Medical scheme

	At 1 July 2013	Additions during the year at cost	Transfers to or from investment properties & PPE	Dispose off during the period	Balance at 30 June 2014
	Rwf	Rwf	Rwf	Rwf	Rwf
Twin tower plot	90,826,162	-	-	-	90,928,162
Twin tower	9,380,138,584	560,972,310	-	-	9,941,110,894
Gicumbi plots	9,565,000	-	(9,565,000)	-	-
	9,480,529,746	560,972,310	(9,565,000)	(12,265,358,236)	10,031,937,056

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

12. PROPERTY AND EQUIPMENT-PENSION SCHEME

	Land and Buildings	Office equipment	Furniture, fixtures & Fittings	Computers	Total
	Rwf	Rwf	Rwf	Rwf	Rwf
At 1 July 2012					
Cost	1,806,602,115	1,495,323,016	867,131,902	923,213,177	5,092,270,210
Accumulated depreciation	(1,113,949,115)	(1,302,182,154)	(714,396,837)	(840,257,319)	(3,970,785,425)
Net book value	692,653,000	193,140,862	152,735,065	82,955,858	1,121,484,785
Additions	692,653,000	193,140,862	152,735,065	82,955,858	1,121,484,785
Transfer to Investment properties	-	25,794,329	17,328,724	77,715,208	120,838,261
Depreciation charge	(182,704,989)	(269,523)	-	-	(182,974,512)
Disposal -cost	(26,365,450)	(29,420,969)	(42,812,053)	(51,194,111)	(149,792,583)
Disposal - Accumulated depreciation	-	(32,160,295)	(740,332)	-	(32,900,627)
Closing net book value	-	32,160,295	740,332)	-	32,900,627
	483,582,561	189,244,699	127,251,736	109,476,955	909,555,951
Accumulated depreciation	1,623,897,126	1,488,687,527	883,720,294	1,000,928,385	4,997,233,332
Net book value	(1,140,314,565)	(1,299,442,828)	(756,468,558)	(891,451,430)	(4,087,677,381)
	483,582,561	189,244,699	127,251,736	109,476,955	909,555,951

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

12. PROPERTY AND EQUIPMENT - PENSION SCHEME (CONTINUED)

	Land and Buildings	Office equipment	Furniture, fixtures & Fittings	Computers	Total
	Rwf	Rwf	Rwf	Rwf	Rwf
At 1 July 2013					
Cost	1,623,897,126	1,488,687,527	883,720,294	1,000,928,385	4,997,233,332
Accumulated depreciation	(1,140,314,565)	(1,299,442,828)	(756,468,558)	(891,451,430)	(4,087,677,381)
Net book value	483,582,561	189,244,699	127,251,736	109,476,955	909,555,951
At 30 June 2014					
Opening net book value	483,582,561	189,244,699	127,251,736	109,476,955	909,555,951
Additions	163,318,468	28,630,634	38,916,400	67,919,226	354,985,870
Adjustment of prior FS	44,560,953	84,831,776	100,487,418	71,796,573	301,676,720
Transfer t o/ from Investment properties	389,660,000	-	-	-	389,660,000
Correction of prior year	(1,169,980)	-	-	(154,917,277)	(156,087,257)
Depreciation charge	(5,486,388)	(166,905,745)	(208,273,091)	(58,467,528)	(439,132,752)
Disposal – cost	-	(60,471,366)	(406,008,762)	(6,026,256)	(472,506,384)
Disposal – Accumulated depreciation	526,957	24,765,238	361,774,025	27,553,904	414,620,124
Closing net book value	1,074,992,571	100,095,236	14,147,726	57,335,597	1,246,571,130
At 30 June 2014					
Cost	1,250,206,468	1,279,203,130	565,078,306	978,526,017	4,073,013,921
Accumulated depreciation	(175,213,898)	(1,179,107,894)	(550,930,580)	(921,190,420)	(2,826,442,792)
Net book value	1,074,992,570	100,095,236	14,147,726	57,335,597	1,246,571,129
At 1 July 2014					

Rwanda Social Security Board
General information for the year ended 30 June 2013

Notes (continued)

12. PROPERTY AND EQUIPMENT (MEDICAL SCHEME)

	Land and Buildings		Motor vehicle		Furniture, fixtures & fittings		Computers		Office equipment		Laboratory equipment		Capital work in progress		Total	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Year ended 30 June 2013																
At 1 July 2012																
Cost	15,597,044,261	176,527,925	3,532,586,215	482,706,755	90,397,056	-	6,999,705,080	19,879,262,212								
Accumulated depreciation	(176,825,973)	(99,750,578)	(370,182,930)	(310,714,307)	(18,259,138)	-	-	(975,732,089)								
Net book value	15,420,218,288	76,777,347	3,162,404,122	171,992,448	72,137,918	-	6,999,705,080	18,903,530,123								
At 30 June 2013																
Opening net book value	15,420,218,288	76,777,347	3,162,404,122	171,992,448	72,137,918	-	6,999,705,080	18,903,530,123								
Additions	-	-	111,253,223	77,625,208	1,990,000	641,798,532	2,480,529,746	832,666,963								
Depreciation Charge	(1,062,825,829)	(25,713,468)	(1,248,740,677)	(62,263,059)	-	(160,138,727)	-	(2,559,681,760)								
Disposal cost	-	-	(12,336,428)	(8,916,218)	(972,000)	-	-	(22,224,646)								
Disposals -accumulated depreciation	-	-	12,336,428	8,916,218	972,000	-	-	22,224,646								
Closing net book value	14,357,392,459	51,063,879	2,088,227,282	183,151,447	15,020,454	481,659,805	9,480,529,746	17,176,515,326								
At 30 June 2013																
Cost	15,597,044,261	176,527,925	3,694,813,624	547,212,595	32,307,592	641,798,532	9,480,529,746	20,689,704,529								
Accumulated depreciation	(1,239,651,802)	(125,464,046)	(1,606,586,342)	(364,061,148)	(17,287,138)	(160,138,727)	-	(3,513,189,203)								
Closing net book value	14,357,392,459	51,063,879	2,088,227,282	183,151,447	15,020,454	481,659,805	9,480,529,746	17,176,515,326								

*Rwanda Social Security Board
General information for the year ended 30 June 2013*

Notes (continued)

12. PROPERTY AND EQUIPMENTS (MEDICAL SCHEME)

Year ended 30 June 2014

	Land and Buildings		Motor vehicle		Furniture, fixtures & fittings		Computers		Office equipment		Laboratory equipment		Kitchen equipment		Total	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
At 1 July 2013																
Cost	15,597,044,261	176,527,925	3,694,813,624	547,212,595	91,415,056	641,798,532	-	20,748,811,993								
Accumulated depreciation	(1,239,651,802)	(125,464,046)	(1,606,586,342)	(364,061,148)	(76,394,602)	(160,138,727)	-	(3,572,296,667)								
Net book value	14,357,392,459	51,063,879	2,088,227,282	183,151,447	15,020,454	481,659,805	-	17,176,515,326								
At 30 June 2014																
Opening net book value	14,357,392,459	51,063,879	2,024,916,668	183,151,447	15,020,454	481,659,805	-	17,176,515,326								
Additions	224,701,510	-	2,898,000	67,919,226	26,507,635	67,836,872	124,465,000	514,328,243								
Adjustment of Prior FS	(191,847,521)	-	1,074,549,761	-	33,908,445	(185,920,778)	-	730,689,907								
Transfer from/to Investment CWP	9,565,000	-	-	-	-	-	-	9,565,000								
Correction on cost	324,091,874	(73,654,035)	(3,174,710,456)	(376,627,899)	340,468,884	64,178,116	-	(2,896,253,516)								
Correction on depreciation	74,346,739	1,064,240,938	242,445,041	(10,853,708)	1,370,179,010	-	-	1,370,179,010								
Depreciation charge	(745,267,628)	(25,641,472)	(132,655,283)	(58,467,528)	(79,140,210)	(105,277,975)	(28,639,417)	(1,175,089,513)								
Disposals - Cost	-	(219,785)	(8,438,830)	(6,026,256)	(101,400,814)	-	-	(116,085,685)								
Disposals - Accumulated cost	-	164,684	21,954,019	27,554,055	21,487,384	-	-	71,160,142								
Closing net book value	13,978,635,694	26,060,010	936,065,431	79,948,086	245,998,070	322,476,040	95,825,583	15,685,008,914								
At 30 June 2014																
Cost	15,467,532,510	102,654,105	1,149,730,363	241,394,034	351,526,077	523,782,532	124,465,000	17,961,084,621								
Accumulated depreciation	(1,488,896,816)	(76,654,095)	(213,664,932)	(161,445,948)	(105,528,007)	(201,306,492)	(28,639,417)	(2,276,075,707)								
Closing net book value	13,978,635,694	26,060,010	936,065,431	79,948,086	245,998,070	322,476,040	95,825,583	15,685,008,914								

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

13. INTANGIBLE ASSETS

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Cost						
At start of year	352,518,778	322,848,104	205,932,775	183,652,151	558,451,553	506,500,255
Additions	24,287,116	29,670,674	24,287,116	22,280,624	48,574,231	51,951,298
Adjustment of opening Balance		(93,990,829)	(93,990,829)		(93,990,829)	
	376,805,892	352,518,778	136,229,062	205,932,775	513,034,955	558,451,553
Amortization						
At start of year	(256,873,062)	(228,669,634)	(129,356,186)	(101,152,758)	(386,229,248)	(329,822,392)
Charge for the year	(62,072,612)	(28,203,428)	(62,072,612)	(28,203,428)	(124,145,224)	(56,406,856)
Adjustment of opening Balance			95,143,519		95,143,519	
	(318,945,674)	(256,873,062)	(96,285,279)	(129,356,186)	(415,230,953)	(386,229,248)
Closing net book value	57,860,218	95,645,716	39,943,783	76,576,589	97,804,001	172,222,305

Intangible assets relates to computer software licenses. It also includes any cost that is used to upgrade the computer software.

Notes (continued)

14 INVESTMENT PROPERTIES

	2014	2013
	Rwf	Rwf
Cost		
Net book value at 1 July	104,732,650,641	97,908,925,205
Adjustment of Prior FS	(1,553,418,407)	
Addition	2,752,499,873	5,135,924,103
Adjustments and reclassification from PPE	6,032,451,102	182,974,512
Correction of prior year	-	2,860,204,000
Disposals	(14,044,851,104)	(1,086,126,834)
Fair value Gains/losses	-	(269,250,345)
Net book value at 30 June	97,919,332,105	104,732,650,641

Note:

RSSB's investment properties were valued at 30 June 2012 by independent professional qualified valuers, who have recent experience in the location and category of the respective investment properties. Valuations were based on the depreciated replacement costs of the properties. RSSB leases its investment properties under short term operating leases and the rental income is earned from investment properties. During the year 30th June 2013 RSSB disposed off two investment properties (Ex-USA embassy and former American Club) where one of them was acquired by its investee company (Rwanda development bank) at a selling price of Rwf 1.1 billion. 70% of the selling price is to be paid within two years at an interest rate of 13% payable semi-annually.

Disclosures:

During the year the Board entered into a sales agreement with the government of Rwanda acting through the Ministry of Finance and Economic planning. The seller (RSSB) sold and transferred to the purchaser (Government of Rwanda) three (3) Buildings described below:

1. Kacyiru building (former CSR headquarter) at Rwf 8,148,783,703
2. Kicukiro pension plaza at Rwf 5,893,972,030
3. Nyarugenge pension plaza at Rwf 12,254,882,795

The Government of Rwanda made a down payment of 5 billion and converted the remaining balance into a 5 year bond payable on a quarterly basis at an interest rate of 5%. Fair value gains on these sales transactions have been accounted for in the financials of year ended 30th June 2014.

Notes (continued)

15. Assets held for sale

	2014
	Rwf
Cost	
Net book value at 1 July	0
Addition	0
Transfers from property and equipment	580,503,043
Transfers to/from Investment works in progress	94,161,197
Depreciation for the year	22,921,950
Disposals	0
Fair value Gains/losses	0
Total cost at 30 June	580,503,043
Cost	117,083,147
Accumulated Depreciation charge	
Net book value at 30 June	463,419,896

Note:

RSSB's assets held for sale contains houses H1, H33 and centre socio-recreatif remained at Kacyiru Estate and which are needed to be sold in public auction

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (Continued)

16. Equity investments – Pension

Company particulars	At 1 July 2013		Fair value gains/(loss)		Additions		Disposals/ Transfers		Balance at 30 June 2014	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Akagera Game Lodge	1,775,172,414	2,568,910,315	581,528,434	-	4,925,611,163					
Development Bank of Rwanda Limited	10,406,769,225	3,634,206,775	-	-	14,040,976,000					
Bank of Kigali Limited	38,649,002,701	21,115,087,299	3,102,155,000	-	62,866,245,000					
Ultimate Concepts	5,048,326,520	302,899,592	-	-	5,351,226,112					
Hostels 2020	4,713,326,172	1,479,617,727	-	-	6,192,943,899					
Building Materials Investments (BMI)	2,970,189,033	1,185,220,106	233,500,000	-	4,388,909,139					
Sonarwa Holdings Limited	1,885,872,950	(564,445,463)	-	-	1,321,427,487					
Rwanda Investment Group Limited	3,158,214,154	(597,708,136)	-	-	2,560,506,018					
Rwanda Enterprise Investment Company	137,310,217	(93,906,272)	-	-	43,403,945					
Rwanda Foreign Holding Investment Company (Merrimack pharmaceuticals)	9,778,782,379	1,994,489,816	-	-	11,773,272,195					
Safaricom Limited	4,812,079,489	3,098,078,250	-	(908,306,779)	7,001,850,960					
Rwanda Stock Exchange	23,605,893	12,814,280	-	-	36,420,173					
Bralirwa Limited	7,533,631,000	259,716,112	1,293,018,888	-	9,086,366,000					
Rwanda Free Trade Zone	1,299,653,135	4,277,107	-	-	1,303,930,242					
SOYCO	590,856,598	(126,946,480)	154,199,998	-	618,110,116					
CIMERWA Limited	6,933,643,623	237,669,958	-	-	7,171,313,581					
Gaculiro Property Development Limited	5,881,496,501	16,464,469	-	(3,340,000,000)	2,557,960,970					
Broll Rwanda Limited	44,475,225	(18,907,816)	-	-	25,567,409					
New Forest Company Holdings UK Limited	1,034,581,077	58,305,773	-	-	1,092,886,850					
Ultimate Developers Ltd	-	(720,313,348)	21,800,000,000	-	21,079,686,652					
New Forest Rwanda Company	64,780,000	3,520,000	-	-	68,300,000					
Total	106,741,768,306	33,849,050,064	27,164,402,320	(4,248,306,779)	163,506,913,911					

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (Continued)

16. Equity investments - Pension Scheme (Continued)

Company particulars	At 1 July 2012		Fair value gains/(loss)		Additions		Disposals/ Transfers		Balance at 30 June 2013	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Akagera Game Lodge	-	342,705,735	-	1,432,466,679	-	-	-	1,775,172,414	-	-
Development Bank of Rwanda Limited	6,438,598,385	3,968,170,840	-	-	-	2,824,186,908	-	10,406,769,225	-	-
Housing Bank of Rwanda Limited	2,824,186,908	(2,824,186,908)	-	-	-	-	-	-	-	-
Bank of Kigali Limited	22,703,590,600	12,556,169,170	-	5,027,342,932	-	(1,638,317,749)	-	38,648,784,953	-	-
Ultimate Concepts	5,558,517,674	(510,191,154)	-	-	-	-	-	5,048,326,520	-	-
Hostels 2020	4,713,326,172	-	-	-	-	-	-	4,713,326,172	-	-
Building Materials Investments (BMI)	5,879,543,496	(2,909,354,463)	-	-	-	-	-	2,970,189,033	-	-
Sonarwa Holdings Limited	1,345,792,338	540,080,612	-	-	-	-	-	1,885,872,950	-	-
Rwanda Investment Group Limited	3,353,484,795	(195,270,641)	-	-	-	-	-	3,158,214,154	-	-
Rwanda Enterprise Investment Company	194,464,701	(57,870,383)	-	-	-	-	-	136,594,318	-	-
Rwanda Foreign Holding Investment Company (Merrimack pharmaceuticals)	10,058,038,973	(279,256,594)	-	-	-	-	-	9,778,782,379	-	-
Safaricom Limited	2,466,767,319	2,345,312,170	-	-	-	-	-	4,812,079,489	-	-
Rwanda Stock Exchange	10,000,000	13,605,893	-	-	-	-	-	23,605,893	-	-
Bralirwa Limited	2,874,202,980	4,575,273,165	-	84,154,855	-	-	-	7,533,631,000	-	-
Prime Economic Zone	1,410,690,000	(111,036,865)	-	-	-	-	-	1,299,653,135	-	-
SOYCO	657,124,963	(65,334,718)	-	-	-	-	-	591,790,245	-	-
CIMERWA Limited	9,993,749,998	(2,010,829,250)	-	-	-	(1,049,277,125)	-	6,933,643,623	-	-
Gaculiro Property Development Limited	7,350,000,000	(1,468,503,499)	-	-	-	-	-	5,881,496,501	-	-
Continental Discount House	35,967,199	-	-	-	-	(35,967,199)	-	-	-	-
Broll Rwanda Limited	-	-	-	44,475,225	-	-	-	44,475,225	-	-
New Forest Company Holdings UK Limited	-	(34,791,143)	-	1,069,372,220	-	-	-	1,034,581,077	-	-
New Forest Rwanda Company	62,415,340	2,364,660	-	-	-	-	-	64,780,000	-	-
Total	87,930,461,841	11,052,869,719	7,657,811,911	100,624,835	106,741,768,306					

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (Continued)

16. Equity investments - Pension Scheme (Continued)

Company particulars	At 1 July 2012		Fair value gains/(loss)		Additions		Disposals/ Transfers		Balance at 30 June 2013	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Akagera Game Lodge	-	-	342,705,735	1,432,466,679	-	-	-	1,775,172,414		
Development Bank of Rwanda Limited	6,438,598,385	-	3,968,170,840	-	-	2,824,186,908	10,406,769,225			
Housing Bank of Rwanda Limited	2,824,186,908	-	(2,824,186,908)	-	-	-	-			
Bank of Kigali Limited	22,703,590,600	-	12,556,169,170	5,027,342,932	(1,638,317,749)	-	38,648,784,953			
Ultimate Concepts	5,558,517,674	-	(510,191,154)	-	-	-	5,048,326,520			
Hostels 2020	4,713,326,172	-	-	-	-	-	4,713,326,172			
Building Materials Investments (BMI)	5,879,543,496	-	(2,909,354,463)	-	-	-	2,970,189,033			
Sonarwa Holdings Limited	1,345,792,338	-	540,080,612	-	-	-	1,885,872,950			
Rwanda Investment Group Limited	3,353,484,795	-	(195,270,641)	-	-	-	3,158,214,154			
Rwanda Enterprise Investment Company	194,464,701	-	(57,870,383)	-	-	-	136,594,318			
Rwanda Foreign Holding Investment Company (Merrimack pharmaceuticals)	10,058,038,973	-	(279,256,594)	-	-	-	9,778,782,379			
Safaricom Limited	2,466,767,319	-	2,345,312,170	-	-	-	4,812,079,489			
Rwanda Stock Exchange	10,000,000	-	13,605,893	-	-	-	23,605,893			
Bralirwa Limited	2,874,202,980	-	4,575,273,165	84,154,855	-	-	7,533,631,000			
Prime Economic Zone	1,410,690,000	-	(111,036,865)	-	-	-	1,299,653,135			
SOYCO	657,124,963	-	(65,334,718)	-	-	-	591,790,245			
CIMERWA Limited	9,993,749,998	-	(2,010,829,250)	-	-	(1,049,277,125)	6,933,643,623			
Gaculiro Property Development Limited	7,350,000,000	-	(1,468,503,499)	-	-	-	5,881,496,501			
Continental Discount House	35,967,199	-	-	-	(35,967,199)	-	-			
Broll Rwanda Limited	-	-	-	44,475,225	-	-	44,475,225			
New Forest Company Holdings UK Limited	-	-	(34,791,143)	1,069,372,220	-	-	1,034,581,077			
New Forest Rwanda Company	62,415,340	-	2,364,660	-	-	-	64,780,000			
Total	87,930,461,841	11,052,869,719	7,657,811,911	100,624,835	106,741,768,306					

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (Continued)

16. Equity investments – Medical Scheme (Continued)

Company particulars	At 1 July 2013		Additions during the year at cost		Fair value gains/(loss)		Balance at 30 June 2014	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Company								
Held at fair value through profit or loss:								
Bralirwa Limited	3,634,816,500	-	-	105,052,500	3,739,869,000			
Bank of Kigali Limited	2,336,252	2,066,359,278		240,750,570	2,309,446,100			
Company								
Available-for -sale -equity investments:								
Rwanda Investment Group Limited	947,464,247	-	-	(179,312,442)	768,151,805			
Cogebanque SA.	-	8,500,000,000		-	8,500,000,000			
Rwanda Foreign Holding Investment Company	4,233,232,912	-		863,413,976	5,096,646,888			
Cimerwa Limited	6,935,623,482			235,690,099	7,171,313,581			
	15,753,474,393	10,566,359,278		1,265,594,703	27,585,427,374			
Company								
Held at fair value through profit or loss:								
Bralirwa Limited	1,437,117,420	-		2,197,699,080	3,634,816,500			
Bank of Kigali Limited	110,000	-		2,226,251	2,336,251			
Company								
Available-for -sale -equity investments:								
Rwanda Investment Group Limited	1,006,045,439	-		(58,581,192)	947,464,247			
Rwanda Foreign Holding Investment Company	4,353,735,227	-		(120,502,535)	4,233,232,912			
Cimerwa Limited	9,993,749,998	(1,049,277,125)		(2,055,035,578)	6,935,623,482			
	16,790,758,084	(1,049,277,125)		(35,082,897)	15,753,473,393			

Notes (continued)

16. Fully impaired investments (Pension Scheme)

The following investments were fully impaired as at 30 June 2012, 2013 and 2014:

Investment	Carrying Amount	Impairment provision	Net Carrying Amount
	Rwf	Rwf	Rwf
International Transport Society of Rwanda	10,000,000	(10,000,000)	-
Air Rwanda S.A	8,000,000	(8,000,000)	-
Net care King Faisal Hospital	83,052,040	(83,052,040)	-
Suremed	62,000,000	(62,000,000)	-
Total	163,052,040	(163,052,040)	-

17. Government Bond

		2014 Rwf	2013 Rwf
Government bonds from 2006	17.1	46,288,480,619	46,369,516,855
Government bonds through Ministry of Finance	17.2	26,297,638,528	
MININFRA	17.3	149,285,693	
Interest accrued		4,219,221,797	3,477,713,764
Repayments		(21,910,735,689)	(3,558,750,000)
Adjustement of opening balance		(1,288,480,619)	
		53,755,410,329	46,288,480,619

17.1 Government of Bond from 2006

		2014 Rwf	2013 Rwf
Balance as at 1 July		46,288,480,619	46,369,516,855
Interest accrued		3,490,455,451	3,477,713,764
Repayments		(14,490,455,451)	(3,558,750,000)
Adjustement of opening balance		(1,288,480,619)	
		34,000,000,000	46,288,480,619
Current		7,000,000,000	9,187,500,000
Non-current		27,000,000,000	37,100,980,619
Total		34,000,000,000	46,288,480,619

Government bond to the government of Rwanda arising from a conversion of amounts due from the Government into a bond through contract with the government dated 29 September 2006. The bond earns interest at an annual rate of 7.5% and is payable until 2018.

Notes (continued)

17.2 Government Bond through Ministry of finance and economic planning

	2014	2013
	Rwf	Rwf
Balance as at 1 July	26,297,638,528	-
Interest accrued	728,766,346	-
Repayments	(7,420,280,238)	-
	<hr/>	<hr/>
	19,606,124,636	
	<hr/>	<hr/>
Current	4,840,560,476	-
Non-current	14,765,564,160,	-
	<hr/>	<hr/>
Total	19,606,124,636	-

During the year the Board entered into a sales agreement with the government of Rwanda acting through the Ministry of Finance and Economic planning. The seller (RSSB) sold and transferred to the purchaser (Government of Rwanda) three (3) Buildings described below:

1. Kacyiru building (former CSR headquarter) at Rwf 8,148,783,703
2. Kicukiro pension plaza at Rwf 5,893,972,030
3. Nyarugenge pension plaza at Rwf 12,254,882,795

The Government of Rwanda made a down payment of 5 billion and converted the remaining balance into a 5 year bond payable on a quarterly basis at an interest rate of 5%. Fair value gains on these sales transactions have been accounted for in the financials of year ended 30th June 2014.

17.3 Government Bond through MININFRA

	2014	2013
	Rwf	Rwf
Balance as at 1 July	149,285,693	-
Interest accrued	0	-
Repayments	0	-
	<hr/>	<hr/>
	149,285,693	-
	<hr/>	<hr/>
Current	0	-
Non-current	149,285,693	-
	<hr/>	<hr/>
Total	149,285,693	-

During the year the Board entered into an agreement with the government of Rwanda acting through the MININFRA in a contract for office partitioning in KICUKIRO PENSION PLAZA. MININFRA must pay the total price of the contract and there is no profit margin on this amount.

Notes (continued)

18. Corporate and treasury Bonds

Pension scheme

	2013	
	Rwf	Rwf
Balance as at 1 July	344,759,394	363,285,330
Additions	4,990,675,000	-
Interest accrued	158,607,912	36,336,563
Prior year interest under casted	5,293,835	-
Repayments	(91,765,749)	(54,862,499)
Balance as at 30 June	5,407,570,392	344,759,394

Corporate bonds are debt securities issued by BNR and I&M Bank (Rwanda) Limited domiciled in Rwanda. These securities have a maturity period of 3years for BNR debt and 10 years for I&M bank(Rwanda) and are carried at amortized cost. The amortized cost approximates the fair value of the bonds.

b) Medical scheme

	2014		2013	
	Rwf	Rwf	Rwf	Rwf
Balance as at 1 July	1,094,601,273	1,504,640,781		
Additions	2,490,675,000	-		
Interest accrued	216,051,662	124,217,552		
Repayments	(124,718,168)	(534,266,458)		
Balance as at 30 June	3,676,609,767	1,094,591,875		

The amortized cost of the government securities closely approximates their fair value.

19. Treasury bill

	2014		2013	
	Rwf	Rwf	Rwf	Rwf
a) Pension				
Balance as at 1 July	24,901,279,102			
Additions	13,104,163,050	91,353,209,303		
Interest accrued	775,660,398	1,940,243,997		
Interest accrued from prior period	115,233,678	-		
Maturities	(35,743,910,614)	(68,392,164,800)		
Balance as at 30 June	3,152,425,614	24,901,279,102		

Notes (continued)

b) Medical

Balance as at 1 July	17,430,632,995	-
Additions	20,001,939,144	42,842,863,680
Interest accrued	887,764,069	1,682,261,874
Maturities	(33,429,352,080)	(27,094,492,559)
Balance as at 30 June	4,890,984,128	17,430,632,995

The maturity profile of the treasury bills held during the year is as follows:

	Pension	Medical
	Rwf	Rwf
Treasury bills maturing:		
- Within 91 days from the date of acquisition	1,728,688,913	3,917,790,830
- 91 days to 1 year from the date of acquisition	1,423,736,701	973,193,298
	3,152,425,614	4,890,984,128

19. Amounts due from the Government of Rwanda

	2014	2013
	Rwf	Rwf
Balance as at 1 July	6,890,427,846	6,890,427,846
Impairment provision	(6,890,427,846)	(6,858,188,561)
Balance as at 30 June	-	32,239,285

Amounts due from the Government of Rwanda (“GoR”) relate to proceeds from the sale of the Board’s equity investments in Rwandatel Limited shares that were paid to GoR but have not been transferred to the institution.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

20. Loans and Advances to third parties

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Development Bank of Rwanda Limited	896,988,024	2,258,142,031	478,908,438	876,906,347	1,373,679,891	3,135,048,378
Rwanda Development Board	-	-	3,370,482,215	3,051,875,000	3,370,482,222	3,051,875,000
New Forest Company	438,273,748	438,273,748	-	-	438,273,748	438,273,748
Akagera Game Lodge	-	68,390,518	-	-	68,390,518	68,390,518
	1,335,261,772	2,764,806,297	3,849,390,653	3,928,781,347	5,250,826,379	6,693,587,644
20.1 Loan to Development Bank of Rwanda Limited						
Balance as at 1 July	2,258,420,728	2,745,078,241	876,906,354	2,530,406,526	3,135,327,082	5,275,484,687
Additions	-	770,000,000	-	-	0	770,000,000
Interest accrued during the year	174,849,495	223,895,702	94,545,754	122,863,124	267,178,678	346,758,827
Payments received on the loans	(1,536,282,199)	(1,480,831,912)	(492,543,670)	(1,776,363,303)	(2,028,825,869)	(3,257,195,215)
Balance as at 30 June	896,988,024	2,258,142,031	478,908,438	876,906,347	1,373,679,891	3,135,048,378
Current	896,988,024	1,391,053,315	478,908,438	418,985,935	1,373,679,891	1,810,039,250
Non-current	-	867,088,716	-	457,920,412	-	1,325,009,128
Total	896,988,024	2,258,187,031	478,908,438	876,906,347	1,373,679,891	3,135,093,378

The loans to development bank of Rwanda limited are in several tranches with maturity periods of between 2-3 years and earn interest at an annual rate of 10-11%. The loans are not secured. Additions relate to the asset sold by RSSB to BRD at a selling price of Rwf 1.1 billion. 70% of this sales price is repayable within two years at an interest rate of 13% payable semi-annually.

Notes (continued)

20.2 Loan to Rwanda Development Board

On 7th July 2011 the Rwanda Development Board represented by Ministry of Finance as guarantor was given a loan of Rwf 2,500,000,000 by RSSB. The loan must be repaid over a period of four (4) years with a grace period of two (2) years. The loan was issued at a floating interest rate and based on the average of the last six months rate of treasury bills plus 1.5% from the date of the disbursement, payable semi-annually. We have included interest accrued of Rwf 318,607,222 million in statement of comprehensive income for this loan.

20.3 Loan to New Forest Company

The Board advanced a shareholder loan to New Forests Company Rwanda amounting to Rwf 438,273,748. The loan was advanced on 13 May 2012. The loan is interest free and is unsecured.

21. Mortgages loans

	2014	2013
	Rwf	Rwf
At 1 July:	3,533,771,146	5,674,517,186
Interest accrued during the year	657,799,418	769,937,479
Repayments during the period	(1,015,594,449)	(1,378,026,409)
Unallocated mortgages paid	(521,253,934)	(730,251,128)
Balance at the 30 June	2,654,722,181	4,336,177,128
Impairment provision	-	(802,405,982)
Net balance at 30 June	2,133,468,247	3,533,771,146

22. Contributions

Pension contributions

	2014	2013
	Rwf	Rwf
At 1 July:		
Emp loyer contributions	21,664,672,939	21,209,862,647
Contribution in process of enforcement	16,847,020,062	15,743,560,705
Voluntary contributors	(10,244,958)	(10,588,532)
Surcharges in process of enforcement	(19,999,577,380)	(23,060,727,592)
Contribution and surcharges updated	(18,501,870,663)	(13,883,779,080)
Balance at the 30 June	-	1,671,852
Impairment provision	-	-
Net balance at 30 June	-	1,671,852

Notes (continued)

A. Medical contributions

	2014	2013
	Rwf	Rwf
At 1 July:		
Medical contributions payables	7,220,653,308	7,645,803,354
Medical contributions payables	(3,472,541,850)	(2,790,597,522)
Contribution and surcharges updated	(3,748,111,458)	(5,025,972,962)
Balance at the 30 June	-	170,767,130
Impairment provision	-	-
Net balance at 30 June	-	170,767,130

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

23. Inventory

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Office suppliers	329,943,655	204,652,648	329,943,655	204,652,648	659,887,31031	409,305,296
Medical inventories	-	-	65,887,284	142,767,637	65,887,284	142,767,637
Fuel Inventory	569,816	-	569,817	-	1,139,633	-
Total	330,513,471	204,652,648	396,400,756	347,420,285	726,914,227	552,072,933

24. Other assets

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Advances to contractors	5,147,249,987	2,063,837,001	23,831,256	489,847,742	3,844,819,831	2,553,684,743
Staff loans and advances	257,404,702	228,034,187	266,964,390	213,383,793	463,140,302	441,417,980
Rent receivable	317,955,075	599,054,820	-	-	221,844,558	547,830,229
Receivable from medical scheme	7,248,515,359	-	-	1,279,979,891	-	1,626,463,008
Other debtors	62,987,607	1,833,692,403	547,945,937	122,392,608	1,039,490,721	2,056,125,769
Total	13,778,949,547	4,725,017,866	838,741,583	2,105,604,034	6,295,070,006	7,430,795,487

Rwanda Social Security Board
Financial statements for the year ended 30 June 2014

Notes (continued)

25. Deposits with Financial Institutions

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Bank of Kigali	41,478,333,967	16,688,962,761	8,091,963,013	9,217,301,449	49,570,296,981	25,906,264,210
Banque Populaire du Rwanda Limited	5,194,191,237	5,089,488,699	10,519,918,222	3,154,839,726	15,714,109,457	8,244,328,425
Zigama CSS	6,243,274,658	2,085,123,425	9,246,767,776	5,113,029,041	14,487,108,187	7,198,152,466
Guaranty Trust Bank Rwanda Limited	8,255,358,902	8,335,236,740	6,089,145,207	3,061,845,348	14,344,504,109	11,397,082,088
KCB Rwanda Limited	12,433,686,300	3,166,530,137	6,229,569,863	4,156,563,014	18,663,256,263	7,323,093,151
Ecobank Rwanda Limited	8,320,831,915	4,269,727,123	8,058,661,644	6,068,921,027	16,379,493,559	10,338,648,150
Cogebanque Limited	12,465,902,468	3,013,236,973	9,318,317,459	8,402,845,897	21,784,219,928	11,416,082,108
Development Bank of Rwanda Limited	12,564,656,163	6,052,979,452	13,749,024,656	4,221,264,867	26,313,680,821	10,274,244,319
I&M Bank Rwanda Limited	3,032,276,714	5,194,308,836	5,435,945,203	5,285,579,041	8,468,221,917	10,479,887,879
Access Bank (Rwanda) Limited	-	-	1,600,337,260	-	1,600,337,260	-
Equity Bank Rwanda Limited	-	4,027,386,301	2,163,665,754	-	2,163,665,754	4,027,386,301
Total	109,988,512,324	57,922,979,685	80,503,316,057	48,682,189,410	189,488,894,236	106,605,169,095

26. Cash and bank balances

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Cash at bank	14,209,900,327	8,093,989,340	7,743,873,065	8,197,169,338	21,953,773,392	16,291,158,678
Cash at hand	1,971,291	3,406,080	2,121,298	2,221,524	4,092,589	5,627,604
Total	14,211,871,618	7,634,252,283	7,745,994,363	8,228,796,185	22,440,667,803	16,296,786,282

Notes (continued)

27 Retentions on contractors' payments

In accordance with the institution's procurement policy and the construction contracts it enters into, the institution retains 10% on all contractors' invoices prior to completion of contracted works. The retentions are payable to contractors on completion and certification of works carried out. The current year retention balance stands at Rwf 2,699,933,889 for pension scheme and Rwf 848,381,344 for medical scheme.

28 Medical claims payable

	2014	2013
	Rwf	Rwf
Claims incurred but not reported	3,439,170,793	1,619,250,735

	Pension Scheme		Medical Scheme		Total	
	2014	2013	2014	2013	2014	2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Suppliers	755,282,293	3,750,233,561	400,025,910	674,665,364	131,429,836	4,424,898,925
Payable to pension scheme	-	-	7,248,515,359	-	-	1,279,979,891
Unallocated contributions	1,034,346,281	2,145,761,641	-	424,087,666	1,034,346,281	2,569,849,307
Pay As You Earn (PAYE)	53,454,173	96,953,700	53,454,173	57,491,026	55,114,611	154,444,726
Pension Benefits payable	59,984,252	25,749,427	-	39,462,674	59,985,327	65,212,101
Other creditors	1,732,089,585	340,312,682	475,204,932	-	3,263,642,844	340,312,682
Total	3,635,156,584	7,638,990,902	8,177,200,374	1,195,706,730	4,544,518,899	8,834,697,632

30. Share Capital

Share capital relate to retained surpluses from the medical and pension division converted to shares. The shares are unallocated.

31. Retained earnings

Retained earnings relate to surpluses from the medical and pension division not converted to statutory reserve.

32. Revaluation reserve

The revaluation surplus represents the surplus on the revaluation of land and buildings and is non-distributable. Movements in the reserve are shown on the statement of changes in equity.

33. Fair value reserve

The fair value reserve represents the surplus on the revaluation of available-for-sale equity investments and is non-distributable. Movements in the reserve are shown on the statement of changes in equity. The revaluation has no deferred tax impact as RSSB is tax exempt by law.

34. Accumulated members funds

Accumulated members funds represents the surplus on the others reserves of occupational Hazards. Movements in the reserve are shown on the statement of changes in equity.

35. Statutory reserves

The statutory reserves are set out by Decree Law of 22 August 1974 concerning the organisation of social security. Article 15 of the Law stipulates that the National Social Security Institutions provide the following reserves for both the occupational hazards and pensions branches;

a) Pension Working Capital reserve is equivalent to a quarter of the total expenses of the pension's branch previous year.

b) Pension Technical reserve should not be lower than the total expenses of the branch for the last three years.

c) Occupational Hazards Technical reserve must be equal to twelve times the total amount of occupational hazards paid during the year

d) Occupational Hazards Security reserve is equal to a quarter of the expenses incurred during the last three years.

Occupational Hazards Working capital reserve should be equal to a quarter of the expenses of the previous year.

36. Contingent liabilities

In 2010, a dispute arose between RSSB and Thomas and Piron Grand lacs Limited who had been contracted by RSSB to construct the Grand Pension Plaza Building. RSSB disputed the final certificate issued by the contractor as cost of work done. The two parties engaged a quantity surveyor whose report concluded that the contractor's costs had been overstated by Rwf 4.7 Billion. This was however disputed by Thomas and Piron. As of the date of this report, the matter was yet to be resolved.

Other than the liability to pay future pensions and other benefits, there were no contingent liabilities of the Board at 30 June 2014.

Notes (continued)

37. Related parties

The Rwanda Social Security Board operates under the Ministry of Finance and Economic Planning (MINECOFIN). In accordance with Law No. 45 of 2010 establishing the Rwanda Social Security Board and determining its mission, organization and functioning, the Prime Minister appoints the directors to the Board. RSSB considers the Government of Rwanda (“GoR”) to be in a position to exercise significant influence over it, and therefore regards GoR and several of its bodies as related parties for the purpose of the disclosures required by IAS 24 (2009) Related Parties Disclosures.

RSSB has elected to adopt the exemption available in paragraph 25 of IAS 24, and therefore has not provided detailed disclosure of its transactions with GoR and its agencies. A summary of the Fund’s transactions with the GoR and its bodies is included below:

- o RSSB has issued a bond to GoR as set out under Note 16; RSSB collects contributions from employees of parastatals and other government bodies in the country as part of the execution of its mandate as the public pension fund and the provider of medical insurance to civil servants in Rwanda. Some of the fund’s contributions by members are received by the Rwanda Revenue Authority on behalf of RSSB.
- o In its normal course of business, RSSB operates current and deposit accounts with the National Bank of Rwanda (Rwanda’s Central Bank). RSSB also operates current and deposit accounts with Zigama CSS, a microfinance institution affiliated to the Ministry of Defence;
- o During the year, RSSB sold three of its investment properties to the Government through the Ministry of Finance and economic planning.

The transactions described above are both collectively and individually significant to the financial statements.

38. Actuarial valuation

a. Pension scheme

Background and purpose of the actuarial valuation

The purpose of an actuarial valuation is to review the long-term financial sustainability of a pension scheme. RSSB therefore commissioned Government Actuary’s Department (GAD) based in London, UK to perform an actuarial valuation as at 30 June 2012 of the RSSB pension & occupational hazard scheme.

The actuarial valuation has reviewed the following:

- o Membership profile and how this is likely to change over the next 50 years
- o The contribution rate required to balance contribution income and expenditure
- o Funding position at the valuation date

Membership profile and how this is likely to change over the next 50 years

- Active members are those members who are currently contributing.
- Deferred members have contributed, but are not currently, and have not yet reached retirement.
- Pensioner members have retired and are receiving benefit.

Currently there is a relatively small number of pensioner members (around 30,000) compared to the number of Active Members (around 330,000) at the valuation date and so there is a low dependency ratio. This dependency ratio is set to change as more people retire, and so the dependency ratio will start to increase.

Notes (continued)

The contribution rate required to balance contribution income and expenditure

The contributions rates are currently as follows:

- 2%: occupational hazard (payable by employer)
- 3%: pension branch (payable by employer)
- 3%: pension branch (payable by employee)

At the moment there is enough money to pay pension benefits from the contributions RSSB receives. This is because there are proportionally few pensioners. However as more people retire the contributions coming into RSSB will not be sufficient to pay benefits and so assets will need to be sold. Finds revealed that after around 25 years, RSSB will need to start selling assets in order to pay benefits. The current contribution level of 6% to the pension branch does not cover the benefits provided. It has been estimated that pension branch will become exhausted by 2044 if the assumptions are born out in practice. RSSB therefore must take measures to ensure sustainability of the scheme.

The occupational hazard branch has been projected to remain solvent through the 50-year projection period

Funding position at the valuation date

For the scheme to be fully funded where the funding position is 100%, additional contributions would be required from employees, employers or government.

Summary of scheme funding position at the valuation date:

Pension branch stands at 15.4%
Occupational hazard branch stands at 111.3%
Scheme overall stands at 23.6%

These figures have been determined by dividing the net assets by the present value of the benefits promised at the valuation date. The present value of benefits has been calculated by discounting projected expenditure in respect of accrued benefits over the 50-year projection period based on projected salaries.

The principal actuarial assumptions used were as follows:

Factor	Principal Assumption
Price inflation	5% a year
Earnings inflation	6% a year
Investment return	7.5% a year
Labour Market	First year- 10% increase reducing over 10 years to 6% increase Based on UN CD-North model life table, 2010-15 life expectancy of 55 for males and 57.5 for females future
Mortality Assumptions	Improvement: > 1.25% a year for males >1.5% a year for females
Pension increases	No allowance
Expenses	First year-15% of contribution income and benefit expenditure reducing over 5 years to 10%.

Notes (continued)

Valuation methodology and assumptions

The future financial status of the Board was determined basing on many demographic, economic and program specific factors. Assumptions were developed for the specific demographic and economic factors based on analysis of historical and projected data obtained from various credible sources such as the National Institute of Statistics Rwanda, The International Monetary fund, the World Health organization and the Board's department of Planning, Research and Statistics.

Demographic assumptions made covered the following; mortality rates, disability rates, future new members to the Board and members' composition i.e. male – female, dependency ratios, age etc.

Economic assumptions made considered inflation rates, salary increments, and investment return rates. The program specific assumptions included; retirement rates, minimum monthly pensions and temporal and permanent disability rates. The above assumptions were fed into the valuation model to calculate the short and long term estimates.

Recognition of the actuarial results

The fund runs a state plan as defined in International Accounting Standard (IAS) 19, i.e. it is established by legislation to cover all entities and is operated by national or local government or by another body. The fund is sponsored by the Government of Rwanda through the Ministry of Finance and Economic Planning (MINECOFIN). The Government of Rwanda then would make good any deficits that the fund would have at any point in time. According to IAS 19, results of the actuarial valuation of such entities should only be recognised in the records of the sponsoring organisation only and this is why the results have not been recognised in the financial statements of the fund.

As at 30 June 2014 and 2013, the only single investment that was greater than 5% of the fund's net assets value was the government bonds. Details of this are presented under Note 16 of the financial statements.

b. Medical scheme

The purpose of this actuarial valuation is to review the short term financial sustainability of a medical scheme. RSSB therefore commissioned Muhanna &co. Actuaries & consultants to perform an actuarial valuation as at 30 June 2012 of its Medical Benefit Insurance Scheme.

The scope of work of the study

- o Produce a comprehensive actuarial valuation report including IAS 26 disclosures of the medical benefit insurance scheme.
 - o Examine the feasibility of providing health care provision to pension retirees who either receive a pension from RSSB, or who received a lump sum payment on retirement.
 - o Provide advice on increasing medical benefit coverage within Rwanda whilst protecting the scheme from selection.
 - o Provide advice on how to control benefit costs, which have been increasing.
- Based on data provided to us by the RSSB and assumptions made for the base scenario, we were able to carry out this study and the demographic and cash flows projection of the fund for the next 50 years.
- The financial position of the fund has been examined using different contribution rates, as defined by the following method of funding:
- o Pay-as-you-go method
 - o General average premium method

Under the Pay-as-you-go (PAYG) method the contribution income in each year exactly (or almost exactly) equals benefit expenditure in same year and the contribution rate varies each year.

Under the general average premium (GAP) method, the contribution rate is equal to the present value of the benefit expenditure (minus the Net Assets of the Fund as at the Valuation Date) over the present value of future contributory salaries. This method results in a stable contribution rate, if assumptions are borne out in practice.

Notes (continued)

The results of the Base scenario were also tested under alternative scenarios that involve the provisions of the Scheme. These scenarios concern mainly extending the coverage to include all RSSB pensioners and lump sum benefiting retirees, and covering medical treatment abroad for procedures which are not currently available in Rwanda:

o **Extension of Post-Retirement Medical coverage**

The feasibility of providing healthcare provision to all RSSB's pension retirees as well as RSSB's retirees who received a lump payment upon retirement has been examined. The result showed that it is not a viable option for the scheme to extend the medical coverage to include all RSSB pensioners and retiring members who benefited from lump sums.

o **Medical Treatment Abroad**

Our analysis showed that the number of cases sent annually for treatment abroad Rwanda is very limited. Since the average cost per claim of a case treated abroad is relatively very high, the inclusion of such a low number of cases treated abroad would have a major impact on the scheme (much higher than a 5% increase in costs)

o **Privatization of the RSSB's Pharmacies**

The new policy in place to privatize RSSB's pharmacies would have an impact on the net pharmacy sales which are the net of the revenues from pharmacy sales and the pharmaceutical inventory expensed. The Net Pharmacy Sales are considered as an additional source of income (to the Contribution Income) and in case of privatization they are expected to decrease gradually across the years.

Based on the analysis of data received and on the results of the actuarial valuation, we recommend the following:

o **Enhancements in data structure**

The data received from RSSB contained some gaps and problems. A list of few recommendations and general measures was provided in order to improve the quality of its medical Insurance Benefits scheme data.

o **Scheme's Current Contribution Rates**

The Scheme's current contribution rates amount to 15% of the employee's basic monthly salary. While the base scenario showed that if we project for a period of 50 years, the contribution rate required under the GAP funding method would be 14.5% (11.5% for the active members & their dependents, and 2.7% for the retirees & their spouses), projecting the Scheme's cash flows for a period of 75 years would result in a GAP contribution rate that is as high as 18.1%.

o **Splitting Fund into two**

The RSSB medical benefit Insurance fund should be split into two: a fund earmarked for active members and their dependents and another fund earmarked for the retirees and their spouses.

o **Freezing RSSB's benefits for three years**

Since the claims experience of RSSB's Medical scheme is relatively very short (Claims data extend from April till June 2012), we recommend that RSSB freeze all its medical benefits for at least 3 years, so that the next actuarial valuation can compare the results then on the same basis.

o **Minimum Contribution Salary of Private Sector Employees**

RSSB currently requires that employees joining from private sector institutions contribute a minimum of RWF 2,000 per month for each beneficiary registered under their membership (including the member him/herself). However, by asking the private sector employees to pay a minimum contribution on behalf of each beneficiary

Notes (continued)

registered under their membership would incite these employees to declare the lowest possible number of dependents, but even worse to only declare about dependents with high healthcare risks. This would cause an adverse selection in the dependents of private sector employees.

As an alternative to the minimum contribution per beneficiary we suggest setting a minimum contributory salary for private sector employees. The analysis showed that the minimum contributory salary should be RWF 3,000 per month for each beneficiary

The minimum contributory salary that we suggest to set for members from private institutions should be RWF 65,000 per month. It represents 50% of the average basic salary of the Scheme.

39. Capital management

For regulatory purposes, the Medical division's capital includes both share capital and retained earnings. By the nature of its establishment, the medical division does not pay dividends. Its equity is managed to safeguard its ability to pay members medical benefits. Other objectives when managing its capital are:

- o to comply with the capital requirements as set out in the Insurance Regulations;
- o to comply with regulatory solvency requirements as set out in the Insurance Regulations; and
- o to safeguard the medical scheme's ability to continue in operational continuity, so that it can continue to pay benefits to its members.

In 2008, Law No. 52/2008 governing the organisation of insurance business in Rwanda ("the Insurance Law") was promulgated. The Insurance Law requires entities providing short term insurance to hold a minimum level of paid up capital of Rwf 1 billion. It also sets regulatory solvency thresholds for insurance companies, based on prescribed admissibility criteria for assets and liabilities. The regulatory solvency requirements were effective in 2011.

During the year, the medical scheme held the minimum capital required for short term insurers. The capital at the end of 2014 and 2012 are presented on note 27.

The pension fund considers its reserves comprising of statutory reserves and accumulated members funds as its 'equity'. The primary objective in managing those reserves is to ensure that adequate solvency is maintained for purposes of future benefit payments to members. The level of statutory reserves is legislated as set out under Note 30. Other than for those reserves, the fund is not required to meet any other external capital requirements. The fund carries out periodical actuarial assessments to assess its actuarial solvency, as set out under Note 33.

Notes (continued)

40. Critical accounting estimates

The Board makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Fair value of equity investments

Fair values of equity investments may be determined in whole or part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example models) are used to determine fair values, they are validated and periodically independently reviewed by qualified senior personnel. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

ii) Recoverable amount of loans and receivables

The Board reviews its loan portfolios to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the Income statement or the Statement of changes in net assets available for benefits, RSSB makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

iii) Useful lives of property and equipment

RSSB's management determines the estimated useful lives and related depreciation charges for its property and equipment. This estimate is based on the projected useful lives for such assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

iv) Estimation of incurred but not yet reported claims

The estimation of future contractual cash flows in relation to losses incurred but not reported (IBNR) is the medical scheme's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the medical scheme will ultimately pay for such claims. IBNR is estimated based on historical experience. The directors also consider the actual experience post period end in assessing the adequacy of recorded liabilities.

v) Fair value of buildings under property and equipment and investments properties

Management estimates the fair value of investment properties and buildings by using the depreciated replacement cost. The fair value of the land is based on the open market value of land owned.

Notes (continued)

40. Critical accounting estimates

The Board makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Fair value of equity investments

Fair values of equity investments may be determined in whole or part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example models) are used to determine fair values, they are validated and periodically independently reviewed by qualified senior personnel. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

ii) Recoverable amount of loans and receivables

The Board reviews its loan portfolios to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the Income statement or the Statement of changes in net assets available for benefits, RSSB makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

iii) Useful lives of property and equipment

RSSB's management determines the estimated useful lives and related depreciation charges for its property and equipment. This estimate is based on the projected useful lives for such assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

iv) Estimation of incurred but not yet reported claims

The estimation of future contractual cash flows in relation to losses incurred but not reported (IBNR) is the medical scheme's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the medical scheme will ultimately pay for such claims. IBNR is estimated based on historical experience. The directors also consider the actual experience post period end in assessing the adequacy of recorded liabilities.

v) Fair value of buildings under property and equipment and investments properties

Management estimates the fair value of investment properties and buildings by using the depreciated replacement cost. The fair value of the land is based on the open market value of land owned.

Notes (continued)

41. Summary of 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.

a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards.

The financial statements summarize the transactions of the Board and deal with the net assets at the disposal of the directors. They do not take account of obligations to pay pensions and benefits that fall due after the end of the Board year. The actuarial position of the Board, which does take account of such obligations, is dealt with in the statement by the actuary and these financial statements should be read in conjunction with it. The financial statements are presented in Rwandan Francs. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.
Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Board

The following standards have been adopted by the society for the first time for the financial year beginning on or after 1 January 2013 and have a material impact on the Board:

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the society's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

Notes (continued)

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Board

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the Board until 1 January 2014, however the board has decided to early adopt the amendment as of 1 January 2013.

(b) New standards and interpretations that are not yet effective and have not been early adopted (continued)

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Board, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition.

The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The board is yet to assess IFRS 9's full impact. The Board will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Board is not currently subjected to significant levies so the impact on the Board is not material. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Board.

(b) Foreign currency translation

Functional and presentation currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Board operates (the "functional currency"). The financial statements are presented in Rwandan Francs (Rwf) which is the Board's functional currency.

Transactions and balances

Transactions in foreign currencies during the year are converted into Rwandan Francs at rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of changes in net assets available for

Notes (continued)

(c) Contributions and benefits payable

Contributions from employers/employees are accounted for on a receipts basis. Contributions not received at the end of every quarter is accrued at 125% of the previous quarter's gross salary declarations and reversed when the respective employers make their declarations. Benefits to members are accounted for when they are paid.

(d) Income recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and related taxes.

i) Interest income is recognized for all interest bearing instruments using the effective yield method. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discounted instruments.

ii) Dividends are recognized as income in the period in which the right to receive payment is established.

iii) Rental income from operating leases is recognized on a straight-line basis over the lease term.

(e) Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Value added tax incurred in the purchase of the fixed assets is capitalized as part of that fixed asset.

Management and directors review the residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the statement of changes in net assets.

Depreciation is calculated on the straight line basis to write down the cost of each asset to their residual values over their estimated useful life. The entity depreciates its assets using the rates provided by the government. The following rates were adopted during the year:

Buildings 5%
Motor vehicles 25%
Home and office equipment 20%
Furniture and fittings 10%
Computer equipment 33.33%

(f) Intangible assets

Intangible assets relate to computer software. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (two years). Costs associated with developing or maintaining computer software program are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years).

Notes (continued)

(g) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, are classified as investment properties. Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Board and the cost can be reliably measured. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment property is carried at its depreciated cost.

Where the Board disposes of a property at fair value in an arm's length transaction, the difference between its depreciated cost and the proceeds received in the sale is recorded in the statement of changes in net assets available for benefit.

Capital work in progress includes buildings under construction. They are recorded at the actual costs incurred to date and capitalized when the completion certificates are received from the constructors.

(h) Cash and cash equivalents

For the purposes of presentation in the cash flow statement, the cash and cash equivalents comprise of bank balances and treasury bills maturing within 3 months from date of acquisition.

(i) Financial assets at fair value through profit or loss

All purchases and sales of financial assets at fair value through profit or loss are recognized on the trade date, which is the date the Board commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss is initially recognized at fair value, and transaction costs are expensed. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

All changes in the fair value arising on investments are recognized in the statement of changes in net assets available for benefits.

The fair values of quoted investments are based on current bid prices. If the market for an investment is not active (and for unlisted securities), the trustees establish fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances.

(j) Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. Financial instruments held by the Board include term deposits, treasury bills and bonds, unquoted investments, mortgages and cash and bank balances.

Classification

Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial instruments are appropriately classified. Available for sale assets are financial assets that are not held for trading purposes, originated by the company, or held to maturity. Available for sale instruments include cash and bank balances.

Notes (continued)

(n) Taxation

No provision is made for taxation as the entity is exempt from income tax in accordance with the Rwandan income tax law.

(o) Comparatives

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

(p) Employee benefits

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

(q) Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method less provision for impairment. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

----- 000 -----



P.O.Box 250/6655 Kigali-Rwanda; Plot 1003 Ubumwe Cell;
African Union Boulevard; Kiyovu - Nyarugenge;
Tel:(+250) 0252 598 400 Fax:(+250) 0252 584 445
Email: Info@rssb.rw Website: www.rssb.rw