

ANNUAL PERFORMANCE REPORT

July 2014 – June 2015



Our Health
Our Future

RWANDA SOCIAL SECURITY BOARD



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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. CIMERW	: 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. Rwf	: Rwandan Francs
20. SONARWA	: Société Nouvelle d'Assurance du Rwanda
21. SOYCO	: Soy Company

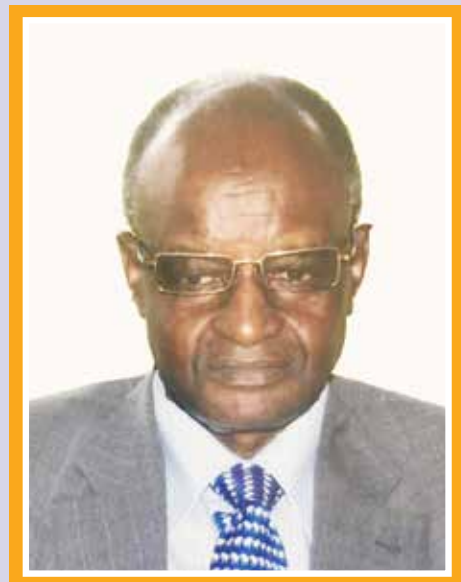


4. STATEMENT BY THE BOARD CHAIRMAN

On behalf of the Board of Directors, it is my pleasure to present the RSSB Annual Report for the financial year ending 30th June 2015. 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, investing members' moneys. The institution managed to increase annual contribution collection by 11% 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 19.30% compared to previous year.

Furthermore, in this period, the investment portfolio held by RSSB grew from **Rwf 447.9bn to Rwf 518.1bn**. Likewise, the investment income collected also increased from **Rwf 32.4bn to Rwf 35bn**. 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.



Dr. GAKWAYA Innocent
Chairman Board of Directors

5. OVERVIEW BY THE DIRECTOR GENERAL



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 2015. I am delighted to report that during 2014/2015, 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 Rwf 98.4bn, registering a growth rate of 11% 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 Rwf 26.5bn in 2013/2014 to Rwf 31.7bn in 2014/2015.

In addition, the institution also managed to make strategic investments of its members' funds which brought substantial income during the period 2014/2015. Investment income amounted to Rwf 35.0 bn and the investment portfolio has considerably increased to Rwf 518.1bn. In terms of new members registered, 13,275 new affiliates were registered with 29,999 dependents in the medical scheme and 1,386 new employers with 82,259 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 a 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 fully 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.

Jonathan GATERA
Director General

EXECUTIVE SUMMARY

The performance of RSSB in the key areas during the financial year starting July 2014 June 2015 is presented in the table here below. The table indicates planned output compared to actual output (percentage of achievement is indicated in brackets).

S/N	Activities	Planned (Annual 2014 - 2015)	Realised
1	Collection of contributions	Frw 100 billion	Frw 98.447 billion (98.4%) of which Frw 61.144 billion was from Pension & O.H schemes and Frw 37.307 billion from Medical scheme.
2	Payment of benefits	Frw 30.777 billion	Frw 31.66 billion (102.9%), where Medical benefits were Frw 16.554 billion and Frw 15.106 billion Pension & O.H benefits.
3	Investment returns	Frw 38.5 billion was expected.	Realised returns worth Frw 35.0 billion. (90.9%).
4	Budget execution (expenditure)	Frw 336.6 billion	Realized Frw 158.7 billion (47.1%)
5	Registration of new employers, employees and affiliates.	2,600 and 180 active employers registered Pension & OH and medical scheme respectively	1,386 employers registered under Pension OH schemes (53.3% of the target) and 47 employers register under Medical scheme (26.1% of the set target).
6	Conducting sensitization seminars.	At least 60 sensitization campaigns conducted.	Carried out 88 (146.6%) sensitization campaigns
7	Processing Customer requests	All requests received are responded to within 2working days.	Out of 8,774 requests received, 8,767 were handled on time (99.9%).
8	Introducing scheme	Conduct a feasibility study on the establishment of Maternity leave benefits	<ul style="list-style-type: none"> • Pending the adoption of the law, maternity leave • Public awareness campaign strategies developed. • Road map for recruitment and training drafted.

1. INTRODUCTION

This report covers the financial year ending 30th June 2015. RSSB's overall performance was positive as illustrated in the chapters that follow.

Based on the annual action plan for 2014-2015, RSSB activities were grouped into three main objectives of:

- To strengthen the financial sustainability of RSSB;
- To develop a capable, efficient and responsive organization;
- To provide quality services to our customers;
- To attract, develop and retain staff to support RSSB achieve its mandate;
- To enhance RSSB's Corporate image.

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

- Contributions collection
- Investment
- Benefit payment

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.

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.

RSSB's slogan

**“ 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:

1. Collecting and management of contributions as provided by law;
2. Paying social security benefits to beneficiaries;
3. Paying healthcare costs to RSSB medical beneficiaries;
4. Managing the contributions fund;
5. Prudently investing surplus funds;
6. Giving advice on social security policy issues;
7. 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 Mmedical 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.

3. PERFORMANCE ASSESSMENT

3.1. Contribution Collection

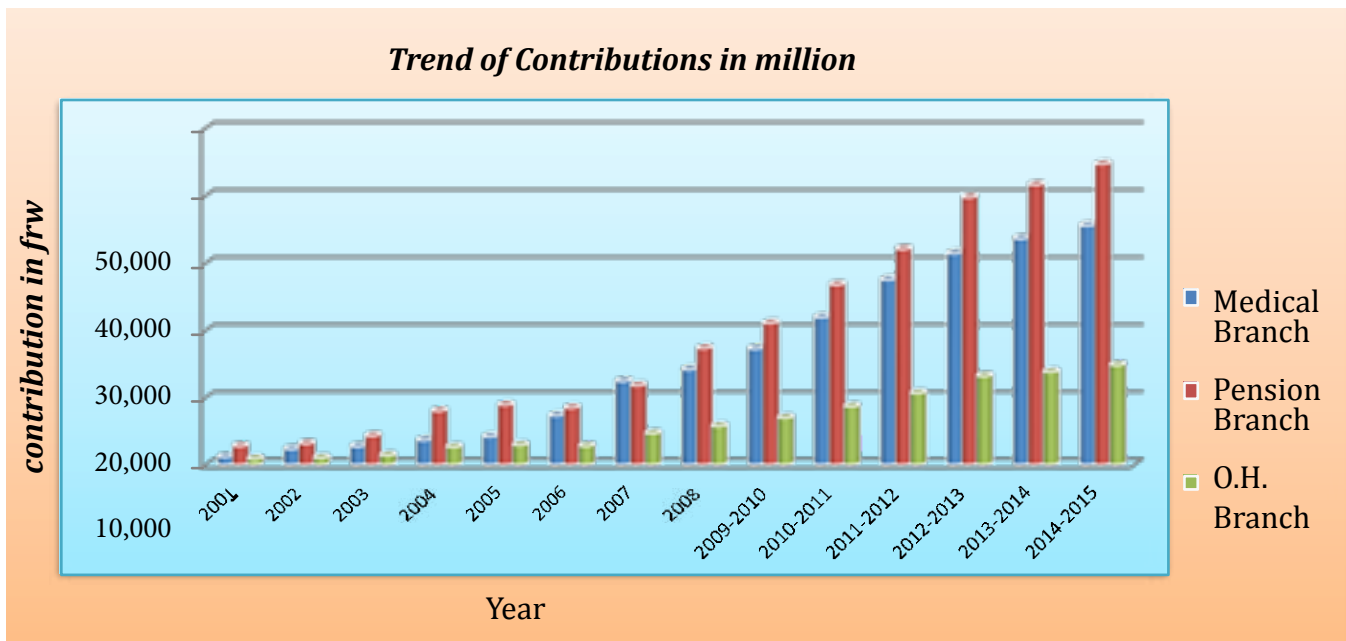
According to the 2014-2015 revenue projections, RSSB expected to collect Rwf 100 bn as contributions during the year in all schemes, Medical, Pension and Occupational Hazards. The contributions collected during the year amounted to Rwf Rwf 98.447 bn (98.4%) divided as follows; the Pension branch Rwf 45.9 bn; Occupational Hazard Rwf 15.3 bn and the Medical scheme Rwf 37.3 bn respectively.

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

Table 1: Trend of contributions (Rwf) 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
2014-2015	37,305,626,662	45,855,891,965	15,285,297,322	98,446,815,949

Graph 1: RSSB contributions' trend by branch (January 2001 to June 2015)



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 both schemes

Benefits payment is the most vital activity and requires excellence in its execution. During the financial year under review, an amount equivalent to Rwf 29.52 billion was paid out of the 30.78 billion budgeted, that is a realization of (95.9%).

Under Pension and Occupational Hazard schemes, Rwf 14.46 billion was paid out of the Rwf 14.98 billion targeted and Rwf 14.79 billion was paid out as Medical benefits. Pension benefits were paid to 30,817 files while Occupational Hazards Benefits to 1,724 files, totaling 34,110 files for 37,907 beneficiaries. A total of 1,208,981 medical vouchers were also paid out under the Medical scheme during the year.

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

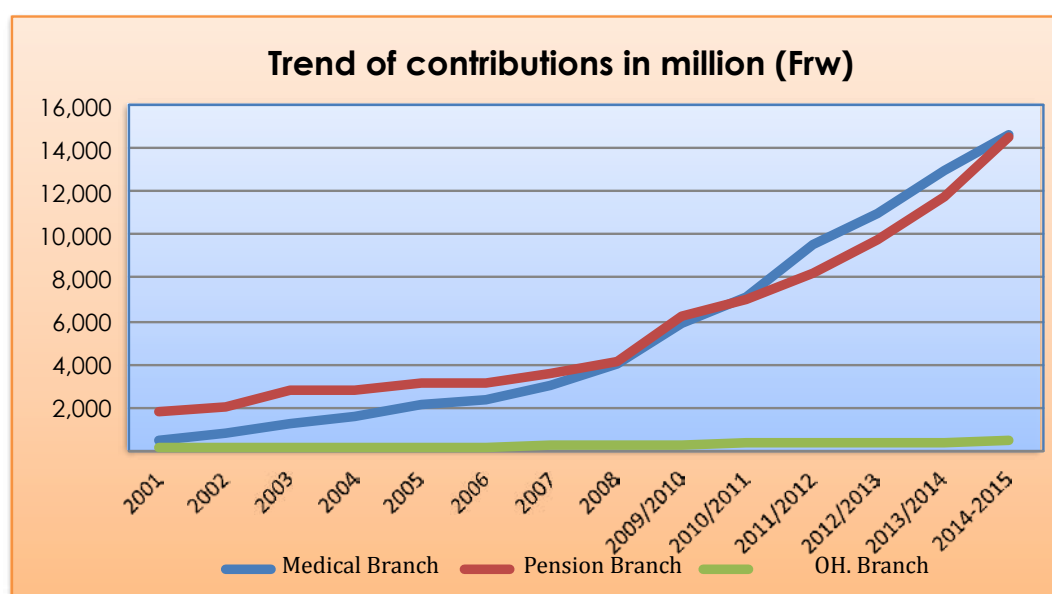
Nature of benefits	2013 - 2014				2014 - 2015			
	Dossiers/ Vouchers served	Nber of benefi- ciaries	Nber of benefi- ciaries	% of G.T	Dossiers/ Voucher s served	Nber of benefi- ciar ies	Amount paid	% of G. T
Pension								
Old age pension	13,759	13,631	8,220,833,300	32.91%	16,062	16,062	10,363,631,141	35.1%
Invalidity pension	311	308	239,907,650	0.96%	377	377	376,510,521	1.3%
Survivors pension	13,931	16,997	1,482,630,745	5.94%	13,012	15,791	1,621,348,720	5.5%
Old age lump sum	2,062	2,046	1,338,686,328	5.36%	2,149	2,149	1,612,324,761	5.5%
Survivors lump sum	754	1,366	444,716,092	1.78%	735	1,300	479,077,388	1.6%
Sub Total	30,817	34,348	11,726,774,115	46.95%	32,335	32,335	14,452,892,805	49.0%
Occupational Hazards								
Incapacity benefits	683	682	682	0.64%	742	742	216,789,915	0.7%
Incapac- ity lump sum	7	7	7	0.00%	7	7	1,406,314	0.0%
Survivors benefits	1,034	1,459	1,459	0.65%	1,026	1,026	246,023,294	0.8%
Sub Total	1,724	1,724	324,701,708	1.30%	1,775	2,228	464,228,523	1.6%
Pension Benefits	32,541	32,541	12,051,147,823	48.25%	34,110	37,907	14,917,121,328	50.5%
Medical Benefits								
Medical Benefits	1,052,727	416,072	12,926,182,271	51.75%	1,208,981	379,725	14,598,922,903	49.5%
General Total			24,977,658,094	100%			29,516,044,231	100%

Table 2 above illustrates benefits paid under all schemes for the two consecutive years, showing that for the year 2014–2015; all indicators, Pension files, Occupational Hazards files and the number of vouchers served under Medical scheme served have increased.

Table 3: Benefits payment trend since 2001

Year	Medical	Pension	OH. Branch	Total Branch
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	14,327,016,23
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	14,497,544,900	11,714,931,184	324,701,708	26,537,177,792
2014-2015	16,553,904,538	14,641,757,865	464,228,523	31,659,890,926

Table 3 above shows the trend of benefits payment for the previous 14 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

Strategic human resource is key to RSSB success as it helps the institution in achieving its mission, vision, strategy, and goals. RSSB considers that, to make efficient use of existing personnel, effective human resource management is vital.

To this end, RSSB has heavily invested in the development of its personnel and retention strategies to improve the staff skills and reduce recruitment and training costs. The institution has also embarked on creating a healthy working environment and ensuring workplace safety.

In an effort to ensure that, the institution workforce has the right skills for its long-term success; RSSB trained 14 staff in Association of chartered Certified Accounts (ACCA), 1 CFA, 52 various masters programs, 3 employees, seat for professional actuarial exams, 109 benefited short courses and 1 staff undertaking a PhD. The total cost for capacity building and career development during the year amounted to Frw 156,703,833

Regarding the process of reinforcing its personnel, the institution recruited 13 permanent and skilled staff and 83 casual workers. On the other hand the institution had a staff turnover problem whereby 14 employees resigned from their duties and 1 died.

Concerning employees' welfare, the management has set up a number of 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.

Furthermore, the institution developed human resources policy which enabled RSSB to have effective strategies for human resources development and retention.

3.4 Corporate Social Responsibility

RSSB consider Corporate Social responsibility as strategic approach to give consideration to the impact of its businesses and operations on Rwandan communities in which it operates. CSR also promotes positive social and environmental change and create value for the institution. As social security institution, RSSB give back to society by prioritizing corporate social responsibility initiatives intended to improve the welfare of Rwandans.

Since 2012, RSSB has significantly invested in Rwandan community through voluntary donations and sponsorships supporting different initiatives related to education, health, sports, housing and the private sector development. During the course of 2014-2015, RSSB continued to provide support to children of former CSR staff who lost their lives in the 1994 Genocide against Tutsi, extended support to Bigogwe Genocide Memorial site, IBUKA, Unity Club, Agahozo shalom youth village, Genocide survivors of ex Mutura,

Rwanda Military Hospital, PSF, Institute of Engineers and many more. The institution is also rehabilitation 58 houses of 1994 Genocide against Tutsi survivors in Bigogwe sector. In general, RSSB sponsored 13 initiatives with a support equivalent to Rwf 34,546,000 to different group of people and associations.

3.5 Service delivery

Delivering quality services to esteemed customer is one of RSSB's Values since excellent service is at the core of institution success, as it provides incentive to keep existing customers and bringing new ones. The institution is committed to continuously providing quality service exceeding customer expectations. RSSB considers that its financial sustainability is closely linked to its ability to deliver excellent services to its existing and potential customers.

During the course of 2014 - 2015 financial year, the institution implemented the following activities to improve service delivery to meet customer needs:

- The online services were used, such as online pension and send SMS to retirees at the opening of file and the date of benefits payment.
- The Pension and Occupational hazard benefits monthly payment was done not later than 30th of each month;
- Received and processed all customers' request in accordance with service delivery standards.

3.6 Sensitization

Sensitization and Public awareness campaigns are among the most effective strategies to increase the coverage and improve employers' compliance. RSSB constantly strives to educate employers and employees about their obligations and rights respectively as far as social security is concerned. It is believed that successful stakeholder's outreach requires consistent and repeated awareness through different mass communication channels.

RSSB considers also that in a bid to build strong relation with its members, education is vital, as these members will be strongly supportive of ongoing efforts of extending social security coverage to all rightful persons.

During 2014 - 2015 financial year, 88 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 176 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

In order ensure long-term financial sustainability and provide adequate benefits to all beneficiaries, RSSB invests judiciously member's funds in diversified areas. The investments made by RSSB are driven by cost effectiveness and profitability objectives. Over the last years, the Board has heavily invested in productive sectors of the economy such as real estate, bank term deposits, corporate bonds, loans, treasury bonds/bills, foreign as well as local equity and mortgage.

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 2015 stood at **Rwf 518.1 billion**. The major contributor is bank term deposits that stood at **Rwf 189.25 billion** (36.53% of total portfolio).

Table 4: Investment Portfolio in Rwf as at 30/06/2015

NATURE OF INVESTMENT	Assets amount as of 1st July 2014	Variations during the year 2014 - 2015	Cumulative Assets as of 30th June 2015
Kacyiru recreation center	565,048,093	34,729,827	599,777,920
K E A	6,746,703,543	47,833,068	6,794,536,611
Land For Dvt (Gac & Kiny)	28,649,096,698	799,907,223	29,449,003,921
Land (Rugenge)	8,328,298,645	109,205,628	8,437,504,273
Former Umutara & CVL's buildings	2,100,000,000	-	2,100,000,000
Doctor's Plaza 1	180,629,453	364,897,096	545,526,549
Kiyovu house	529,098,704	-	529,098,704
Doctor's Plaza 2	7,512,349,575	340,944,905	7,853,294,480
Grand Pension Plaza	15,594,455,800	6,724,637,848	22,319,093,648
Muhanga Pension Plaza	5,912,990	-	5,912,990
Nyanza Pension Plaza	3,948,062,345	-	3,948,062,345
Karongi Pension Plaza	4,077,406,583	9,784,072	4,087,190,655
Musanze Pension Plaza	4,251,682,498	85,351,466	4,337,033,964
Rwamagana Pension Plaza	4,330,254,440	-	4,330,254,440
Batsinda Project 1.	1,578,790,105	(6,182,600)	1,572,607,505
Batsinda Project phase 2.	33,209,400	-	33,209,400
Nyagatare Housing Project	182,706,857	-	182,706,857
Sub Total	88,613,705,729	8,511,108,533	97,124,814,262
Local Equity (Pension)	80,308,598,993	25,694,078,379	106,002,677,372
Foreign Equity (Pension)	10,928,924,780	3,187,853,666	14,116,778,446
Local Equity (Medical)	4,849,237,200	11,203,858,279	16,053,095,479
Foreign Equity (Medical)	2,889,605,580	4,299,905,416	7,189,510,996
Sub Total	98,976,366,553	44,385,695,740	143,362,062,293
Total Non Fixed Income	187,590,072,282	52,896,804,273	240,486,876,555
Fixed Income			
Mortgage Loans	1,679,668,018	(262,820,486)	1,416,847,532
C loan: BRD (Pension)	457,920,419	(457,920,419)	-
C loan (CSS ZIGAMA)	766,056,883	(766,056,883)	-

C loan (BRD: Dignity Centre)	409,213,298	(409,213,298)	-
C loan NFC (Pension)	439,297,728	(439,297,728)	-
Loans to BRD (Medical)	468,050,841	(468,050,841)	-
Loans to RDB (Medical)	2,500,000,000	-	2,500,000,000
Fixed Deposits (Pension)	106,000,000,000	9,250,000,000	115,250,000,000
Fixed deposits (Medical)	77,500,000,000	(3,500,000,000)	74,000,000,000
Corporate Bond (Pension)	280,000,000	(70,000,000)	210,000,000
T Bond (Pension)	34,000,000,000	-	34,000,000,000
T Bond PS (3 BUILDINGS)	19,398,000,258	(3,943,842,030)	15,454,158,228
IFC Bond (Pension)	2,500,000,000	-	2,500,000,000
T Bond (Medical)	1,076,900,000	-	1,076,900,000
3 year Treasury Bond (Feb 2014/ Pension)	2,490,675,000	-	2,490,675,000
7 year Treasury Bond(Pension)		2,500,000,000	2,500,000,000
7 year Treasury Bond (Medical)		2,500,000,000	2,500,000,000
5 year Treasury Bond (Pension)		3,500,000,000	3,500,000,000
3 year Treasury Bond (Feb 2014/ Medical)	2,490,675,000	-	2,490,675,000
3 year Treasury Bond (Feb 2015/ Pension)		3,486,945,000	3,486,945,000
3 year Treasury Bond (Feb 2015/ Medical)		2,490,675,000	2,490,675,000
10 year Treasury Bond (Pension)	3,092,650,000	2,605,100,000	2,605,100,000
10 year Treasury Bond (Medical)	4,754,247,760	1,042,100,000	1,042,100,000
Treasury Bills (Pension scheme)	260,303,355,205	4,068,228,500	7,160,878,500
Treasury Bills (Medical scheme)	447,893,427,487	(3,821,517,760)	932,730,000
Total Fixed Income	14,455,678,043	17,304,329,055	277,607,684,260
Total Fixed and Non Fixed Income	4,405,503,832	70,201,133,328	518,094,560,815
Cash and current accounts (Pen- sion)	466,754,609,362		21,945,967,445
Cash and current accounts (Medi- cal)			21,564,208,930
G. Total (Inv. Portfolio & Income)		70,201,133,328	561,604,737,190

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 **Rwf 35 billion**. The table below shows trend of investment income since 2003. It is clear that 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
2014/2015	22,040,166,763	9,943,018,566	35,624,562,888

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 **Rwf 175.9billion** while the amount of shares paid for is **Rwf 143.4billion** (81.5%).

Table 6 illustrates the details

Table 6: RSSB Shareholding status as at 30/06/2015

COMPANY	SHARE CAPITAL	SHARE CAPITAL	RSSB SHARES	PER VALUE OF RSSB SHARES	% OF RSSB HLDG	AMOUNT PAID
Pension and Medical Schemes						
SONARWA	3,140,095,000	314,095	51,040	510,040,375	16.25%	510,040,375
BK	6,673,370,000	667,337,000	218,132,300	12,783,867,763	32.69%	12,783,867,763
COGEBANQUE	7,000,000,000	70,000	21,375	9,137,500,000	30.54%	9,137,500,000
B.R.D	7,808,931,000	7,808,931	2,585,960	3,265,407,685	33.12%	3,265,407,685
RWANDATEL	2,420,000,000	242,000	48,400	484,000,000	20%	484,000,000
A.G.L	3,030,000,000	3,030,000	3,030,000	3,032,385,631	100%	3,032,385,631
REIC	1,100,000,000	10,000	2,652	291,720,000	26.52%	291,720,000
RIG	13,805,000,000	13,805	3,120	3,120,000,000	22.60%	3,120,000,000
CIMERWA Ltd	35,160,976,000	35,160,976	7,115,303	7,115,303,000	20.24%	7,115,303,000
ULTIMATE Concept	12,758,517,675	5,316	2,316	5,558,517,675	43.57%	5,558,517,675
HOSTELS 2020	7,091,380,000	78,793	63,793	5,741,378,096	80.96%	4,100,000,000
PRIME ECONOMIC ZONES Ltd	11,441,579,000	1,144,158	164,748	1,647,480,000	14.40%	1,647,480,000
B.M.I	16,000,000,000	16,000	8,000	7,618,934,721	50%	7,618,934,721
SOYCO	3,000,000,000	10,000	2,000	817,858,297	20%	817,858,297

GACULIRO PROP-ERTY DEVELOPERS Ltd	3,855,000,000	3,855,000	3,855,000	3,855,000,000	100%	3,855,000,000
UDL	52,000,000,000	5,200	5,200	52,000,000,000	100%	36,510,891,275
RWANDA FOREIGN INVESTMENT	10,120,856,000	10,120,856	9,564,606	9,564,605,580	94.50%	9,564,605,580
SAFARICOM	454,673,070,000	40,000,000,000	47,307,100	2,130,792,222	0.12%	2,130,792,222
BRALIRWA	87,500,000,000	1,028,570,000	28,823,000	3,116,144,308	2.80%	3,116,144,308
NEW FOREST COMPANY	621,571,200	1,000,000	200,000	482,157,120	20%	482,157,120
NEW FOREST COMPANY HOLDINGS LONDON	85,684,814,237	9,361,076	110,370	1,011,080,808	1.18%	1,011,080,808
BROLL RWANDA	110,000,000	110,000	44,000	44,000,000	40%	44,000,000
RWANDA STOCK EXCHANGE	100,000,000	100	10	10,000,000	10%	10,000,000
EPIC	5,988,023,952	59,880	10,000	1,000,000,000	16.70%	1,000,000,000
PTA BANK	177,718,145,792	42,073	2,044	8,599,810,832	4.86%	8,599,810,832
SOPYRWA	27,946,127,946	27,946	8,300	8,300,000,000	29.70%	4,160,000,000
INYANGE INDUSTRIES	40,350,000,000	4,200,000	1,680,000	16,140,000,000	40.00%	4,884,000,000
CRYSTAL TELECOM LTD	28,368,618,600	270,177,320	81,053,000	8,510,565,000	30.00%	8,510,565,000
TOTAL				175,888,549,113		143,362,062,292

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 2014/2015, 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	Expenses	Occupancy rate
Nyanza Pension Plaza	87,021,931	73,347,120	52,414,975	54%
Musanze Pension Plaza	68,497,790	28,167,048	44,103,061	27%
Karongi Pension Plaza	116,316,460	75,128,441	91,824,549	54%
Rwamagana Pension Plaza	68,100,262	25,978,719	51,462,120	22%

Grand Pension Plaza	1,182,182,842	1,230,864,978	303,830,286	97%
Doctors Plaza (Tower I)	41,621,584	37,756,606	1,133,724	100%
Doctors Plaza (Tower II)	657,525,525	114,592,617	38,281,490	21%
Kiyovu House	-	38,465,406	2,281,441	100%
Mutara Entreprises & Crystal Buildings	299,688,399	161,575,964	30,833,807	61%
KEA	746,827,702	668,173,452	205,495,211	78%
Kacyiru Estate	609,000,000		677,320	
Gaculiro 2020 Estate	174,374,388	133,314,120	26,849,630	100.00%
TOTAL	4,051,156,883	2,587,364,471	849,187,614	

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 1,386 with 81,284 new employees in mandatory insurance and 369 in voluntary insurance. In the Medical Scheme, 11,064 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	
	2013-2014	2014-2015	2013-2014	2014-2015
Kigali City	678	620	3,087	3,488
Eastern	226	227	2,203	3,311
Western	185	158	3,149	2,289
Northern	117	167	2,013	1,557
Southern	190	214	2,676	2,630
Total	1,396	1,386	13,128	13,275

In terms of employers' registration by sector, the private sector registered a much higher number. Out of the **1,386** new employers registered under the Pension Scheme, **1,278 (92.2%)** were from the private sector. However, as shown in the table above, new employers' registration witnessed a decrease of **0.7%** 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.

Sector	Medical Scheme		Pension and OH Schemes	
	2013 - 2014	2014 - 2015	2013 - 2014	2014-2015
Public	10,284	9,775	11,472	14,840
Private	2,844	3,500	57,517	67,419
Total	13,128	13,275	68,989	82,259

Table 10: Trend of contributing employees and affiliates since July 2011

Year	Pension and OH Schemes		Medical Scheme	
	Contributing employees	Growth rate	Affiliates	Growth rate
2011/2012	332,888		54,702	
2012/2013	352,085		118,661	
2013/2014	380,001		131,389	
2014-2015	394,367		136,617	

The table 10 above clearly reveals remarkable performance from July 2011 to June 2015 from both schemes, 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 2015, 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 table11 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	92	31	97%
NYABIHU	169	139	82%	KICUKIRO	30	89	97%
NYANZA	253	208	82%	NYANZA	30	29	97%
NGOMA	253	207	82%	RUBAVU	29	29	97%
GATSIBO	269	216	80%	NYAMASHEKE	26	28	97%
BUGESERA	227	180	79%	RUSIZI	32	25	96%
NYARUGURU	188	148	79%	NYARUGENGE			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 Rwf 3,600,913,144 (contributions, penalties and interests to be remitted), 28 audits were reviewed and discussed, 27 cases were at initial stage, 27 cases were in draft phase while 64 audits were finalized in District Branches.

Concerning the enforcement of arrears, the institution recovered Rwf 6,276,095,153 for the two schemes i.e. Rwf 3,296,125,100 for the Pension Scheme and Rwf 522,465,059 for the Medical Scheme. Amount recovered by branch enforcement was worth Rwf 2,457,505,002. 587 employers under the Pension and occupational hazard Schemes and 199 under the Medical Scheme 45 were visited by the Enforcement and Debt Recovery team. In addition, 84 warning letters and statements of arrears to be paid were issued.

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 RSSB 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 2014-2105.

3.10 Other activities performed during the year

During the year 2014/2015, 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 5 year Strategic Plan 2015/2020, Action Plan 2015/2016, Budget for the year 2015/2016 and producing performance monitoring reports regularly
- Coordinating external audit for RSSB financial account year 2013/2014,
- Updating the RSSB 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 2014/2015 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.

ANNEX

ANNEX 1: SUMMARY ON BUDGET EXECUTION

Revenues and Expenditure	Projections (Frw) (a)	Realizations (Frw) (b)	Rate (b/a)
Revenues			
Members' contributions	100,000,000,000	95,313,175,550	95.31%
Investment Income (Returns)	38,552,734,423	36,464,758,596	94.58%
Investment Income (Principal)	6,209,929,523	6,390,733,644	102.91%
Other incomes		125,838,986	-
Total	144,762,663,946	138,294,506,776	95.53%
Expenditures			
Benefits	30,777,821,126	29,516,044,231	95.90%
Operations	11,925,895,705	8,525,622,855	71.49%
Equipment	3,351,842,168	487,029,745	14.53%
Investment	290,550,000,000	120,336,128,970	41.42%
Total	336,605,558,999	336,605,558,999	47.20%

ANNEX 2: PROGRESS OF RSSB PROJECTS AS AT 30th June 2014

Ref.	NAME	PROGRESS
1.	MUSANZE PENSION PLAZA	Project close out, everything was successfully done.
2.	GRAND PENSION PLAZA	<ul style="list-style-type: none"> • Water proofing leaking areas completed, still attending identified snags. • Repair of general snags is at 95% of completion. • The replacement of broken glasses delayed to start due to the delay in manufacturing them.
3.	RSSB TOWER 1	Repair all leakages and renovation of the executive. Works at 95% of completion.
4.	RSSB TOWER 2	<ul style="list-style-type: none"> • Follow up pending snags. • Finalizing verification of tax exemption on imported materials
5.	CBD1 BASIC INFRASTRUTURES	<ul style="list-style-type: none"> • Preparation of final account and final handover. • Finalization of exemption on imported construction materials. • Correction of identified snags is finished except the roundabout.
6.	KEA	<ul style="list-style-type: none"> • Completed the rehabilitation of both 1st and 2nd phases. • The identified snags will be corrected during defect liability period.
7.	VISION CITY	<p>Construction works:</p> <ul style="list-style-type: none"> • 4 and 5 BHK villa (36 units): cumulative achieved works: 69.2%. • 4 and 3 bedroom semi detached villas (58 units): cumulative achieved works: 19.5%. • Town houses: cumulative achieved works (106 units): 27%. • Apartments (304 units): cumulative achieved works: 22.5%. • Cumulative achieved for work mobilisation: 93.5%.

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). In process of selecting best partners in the project
9.	CONSTRUCTION OF NYARU-TARAMA – KINYINYA ROAD	<ul style="list-style-type: none"> The first axis was completed. The 2nd and 3rd axis is still ongoing at 35% The overall progress of project is at 68.5%.
10.	BATSINDA LOW COST HOUSING	The design and building contract is to be made before signing the supervision contract and is to be submitted in June 2015.
11.	CONSTRUCTION OF LOW COST HOUSING	<ul style="list-style-type: none"> Acquired land to construct 300 low cost housing units in Kicukiro and Nyarugenge. Valuation works to start after demarcation of two plots.
12.	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.
13.	RUBAVU MIXED USE BUILDING	RSSB has requested for a new plot to implement this project otherwise to be compensated.
14.	MUHANGA MIXED USE BUILDING	Hiring a firm to carry out supervision works: the tender evaluation is ongoing through UDL.
15.	RSSB BRANCHES	Renovation works were done successfully in Rulindo, Gicumbi, Rubavu, Ngororero, Rusizi, Muhanga, Huye, Nyamagabe, Ngoma and Nyagatare RSSB District Branches.
16.	RSSB TOWER 3	<ul style="list-style-type: none"> Hiring a construction and a consultancy firm for design, build and supervision. Tendering process is ongoing: evaluation is being done through UDL.
17.	4 MIXED USE BUILDINGS IN CBD1	Preliminary works: Final concept design is done and approved and Consulting firms are preparing their offers for design and project management.
18.	MIXED USE BUILDING – FORMER CENTRE CULTUREL FRANCO -RWANDAIS	<ul style="list-style-type: none"> Hiring a firm to do the design and supervise the construction works: the tender evaluation is being done through UDL. Fencing and cleaning the plot: completed.

FINANCIAL REPORT

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

1.3.1 Board of Directors

NAMES	POSITION
Dr. NTEZILYAYO Faustin	Chairman
MUGABO Anna	Director
MANZI Eric	Director
NDENGEYINGOMA Louise	Director
Dr.HATEGEKIMANA Theobald	Director
Dr. UFITIKIREZI Daniel	Secretary to the Board (From 28 March 2014 to 05 August 2015)

The Board of Directors who served during the year up to 05 August 2015

NAMES	POSITION
Dr. GAKWAYA Innocent	Chairperson
Madam KANYANGEYO Agnes	Vice Chairperson
Mr KABERA Godfrey	Director
Dr. NZAYIRAMBAHO Manasse	Director
Madam KARAKE Doreen	Director
Madam TENGERA KAYITARE Françoise	Director
Madam TWAGIRIMANA Sandrine	Director
Mr GATERA Jonathan	Secretary to the Board From 05 August 2015

Current Board of Directors (from 05 August 2015 up 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 2015 were:

NAMES	POSITION
Dr. UFITIKIREZI Daniel	Director General, Rwanda Social Security Board from 24 February 2014 to 05 August 2015
Dr. GAKWAYA Innocent	Deputy Director General – Benefits up to 05 August 2015
SEBABI John Bosco	Deputy Director General Fund Management from 29 July 2014
MUNYANDEKWE Oswald	Director of Pension and Occupational Hazards department
MPUNIKIRA BAHATI	Director of Investment Department up to 13 th April 2015
GASANA KWIZERA Eric	Director of Investment Department from 13 th April 2015
RULISA Alexis	Director of Medical Department
MURINDABIGWI Innocent	Director of Finance and Contributions Department

N.B The current Director General of Rwanda Social Security Board, Mr GATERA Jonathan was appointed on 5 th August 2015.

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 250/6655 Kigali
 Kigali-Rwanda

1.5. Auditors

Office of the Auditor General of State Finances.

2. DIRECTORS' REPORT

Members of the Board of Directors

Dr. GAKWAYA Innocent	- Chairperson
Madam KANYANGEYO Agnes	- Vice Chairperson
Mr KABERA Godfrey	- Director
Dr. NZAYIRAMBA Manasse	- Director
Madam KARAKE Doreen	- Director
Madam TENGERA KAYITARE Françoise	- Director
Mr GATERA Jonathan	- Director General and Secretary to the Board from 05 August 2015
Dr. NTEZIRYAYO Faustin	- Chairman up to 05 August 2015
Mr KABERA Godfrey	- Director up to 05 August 2015
MUGABO Anna	- Director up to 05 August 2015
MANZI Eric	- Director up to 05 August 2015
NDENGEYINGOMA Louise	- Director up to 05 August 2015
Dr. HATEGEKIMANA Theobald	- Director up to 05 August 2015
Dr. UFITIKIREZI Daniel	- Director General and Secretary to the Board up to 05 August 2015

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

The directors submit their report together with the audited financial statements for the year ended 30 June 2015 which discloses the state of affairs of Rwanda Social Security Board (RSSB).

Establishment

RSSB was established and is governed by Law No. 45/2010 of December 14, 2010. RSSB was established after a review of Law No. 60/2008 of 10/09/2008 determining the responsibilities, 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	2015	2014
Contributing members	397,664	380,001
Pensioners	38,613	36,345
Deferred members	611,689	558,740
	<u>1,047,966</u>	<u>975,086</u>
b) Contributing members		
At start of year	380,001	352,085
Joiners	68,456	69,057
	<u>448,457</u>	<u>421,142</u>
Less:		
Retired with pension	(4,494)	(3,465)
Died in service	-	-
Other secessionists	(46,299)	(37,676)
	<u>(50,793)</u>	<u>(41,141)</u>
At end of year	397,664	380,001

Membership of the defined benefit fund (continued)

a) Pensioners	2014	2014
At start of the year	36,345	36,019
Contributing members who retired	2,276	1,494
Widows or widowers pension and orphans becoming payable	1,299	1,263
Members who got lump sum	3,646	3,237
	43,566	42,013
Less: Deaths and other secessionists	4,953	5,668
At end of year	38,613	36,345

Results from operations

The financial statements for the year ended 30th June 2015 are set out on pages 40 to 47 .

Directors

The Directors who held office during the year ended 30 June 2015 are set out on page 35.

3. 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.

Approval of the financial statements

The financial statements of Rwanda Social Security Board, as indicated above, were approved by the meeting of directors on and were signed on its behalf by:

For the directors

Mr GATERA Jonathan
Director General

Dr. GAKWAYA Innocent
Chairman

..... 2016

.....2016

4. FINANCIAL STATEMENTS

4.1 Statement Of Comprehensive Income

a) Statement of comprehensive income for the year ended 30th June 2015

	Note	Pension Scheme 2015 Frw	Medical Scheme 2015 Frw	Total 2015 Frw
Dealings with members				
Contributions	1	61,141,189,287	37,305,626,662	98,446,815,949
Pharmacy sales	2	-	54,368,591	54,368,591
Benefits paid	3	(15,105,986,388)	(16,553,904,538)	(31,659,890,926)
Pharmaceutical inventory expensed	3	-	(44,611,860)	(44,611,860)
Net operating income		46,035,202,899	20,761,478,855	66,796,681,754
Returns on investments				
Investment income	4	25,040,166,763	9,943,018,566	34,983,185,329
Change in fair value of financial assets at fair value through profit or loss	5	3,851,512,930	1,808,102,585	5,659,615,515
Realized gain on disposal of assets	5	238,136,117	(12,028,081)	226,108,036
Less: investment management expenses	6	(1,131,778,684)	(10,598,326)	(1,142,377,010)
Net returns on investments		27,998,037,126	11,728,494,744	39,726,531,870
Other income	7	383,851,833	308,256,017	692,107,850
Expenditures				
Staff costs	8	(2,869,764,498)	(2,869,764,547)	(5,739,529,045)
Administrative expenses	9	(1,706,827,113)	(1,673,137,593)	(3,379,964,706)
Depreciation and amortization charge	12	(330,722,189)	(1,470,868,647)	(1,801,590,836)
Other expenses	10	(416,561,435)	(848,676,728)	(1,265,238,163)
Total expenses		(5,323,875,235)	(6,862,447,515)	(12,186,322,750)
Net income for the period		69,093,216,623	25,935,782,101	95,028,998,724

The notes on pages 48 to 93 are an integral part of these financial statements.

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

	Note	Pension Scheme 2014 Frw (Restated)	Medical Scheme 2014 Frw	Total 2014 Frw (Restated)
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		43,460,338,759	18,657,630,951	62,117,969,710
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		59,849,965,593	11,430,184,486	71,280,150,079
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		(6,128,444,967)	(6,817,377,767)	(12,945,822,734)
Net income for the period		98,240,639,861	23,287,474,235	121,528,114,096

The notes on pages 48 to 93 are an integral part of these financial statements.

4.2 Statement of financial position

a) Statement of financial position as at 30th June 2015

		Pension Scheme	Medical Scheme	Total
		2015	2015	2015
		Rwf	Rwf	Rwf
	Notes			
Assets				
Investment properties in the process of construction	11	667,404,400	10,037,768,302	10,705,172,702
Property and equipment	12	1,428,842,137	14,672,732,528	16,101,574,665
Intangible assets	13	33,927,879	16,011,442	49,939,321
Investment properties	14	96,147,823,036	-	96,147,823,036
Assets held for sale	15	410,838,236	-	410,838,236
Equity investments	16	205,598,412,516	34,387,529,584	239,985,942,100
Government of Rwanda				
Development bond	17	49,760,532,893	-	49,760,532,893
Corporate and treasury bonds	18	17,901,609,642	9,779,358,201	27,68,967,843
Treasury bills	19	7,582,953,855	984,106,538	8,567,060,393
Loan and advances to third parties	20	1,232,413,062	3,605,679,778	4,838,092,840
Mortgage loans	21	577,754,824	-	577,754,824
Inventory	22	163,847,133	163,847,134	327,694,267
Other assets	23	3,033,78,497	2,418,779,897	5,452,563,394
Deposits with financial institutions	24	119,716,554,795	79,336,903,845	199,053,458,640
Cash and bank balances	25	25,655,956,874	20,136,158,313	45,792,115,187
Total assets		529,912,654,779	175,538,875,562	705,451,530,341
Less: Liabilities				
Amounts retained on construction contracts	26	386,369,854	466,923,365	853,293,219
Medical benefits payable	27	-	1,960,640,657	1,960,640,657
Other payables	28	7,851,332,659	1,529,848,856	9,381,181,515
Total liabilities		8,237,702,513	3,957,412,878	12,195,115,391
Net assets available for benefits		521,674,952,266	171,581,462,684	693,256,414,950
Represented by				
Share capital	29	53,393,658	1,179,070,491	1,232,464,149
Retained earnings	30	111,905,019,752	156,054,907,601	267,959,927,353
Revaluation reserve	31	253,735,415	3,892,577,905	4,146,313,320
Fair value reserve	32	42,525,233,230	10,454,906,687	52,980,139,917
Accumulated members funds	33	81,275,471,897	-	81,275,471,897
Statutory reserves	34	285,662,098,314	-	285,662,098,314
Total reserves		521,674,952,266	171,581,462,684	693,256,414,950

The notes on pages 48 to 93 are an integral part of these financial statements

b) Statement of financial position as at 30 June 2014

	Notes	Pension Scheme 2014 Rwf	Medical Scheme 2014 Rwf	Total 2014 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 payables	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 notes on pages on 48 to 93 are an integral part of these financial statements.

4.3 Statement of changes in reserves and accumulated members' fund - Pension scheme

	Occupational Hazards Reserves		Pensions reserves				Total Reserves	Accumulated members' fund	Fair Value reserve on Equities	Revaluation reserve	Totals
	Capital	Occupational hazard Technical reserve	Occupational hazard Working capital reserve	Technical reserve	Working capital reserve	Rwf					
At 30 June 2013 & 1 July 2013	53,393,797	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	-	(465,741,531)
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	24,625,053,174	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	247,975,971,758	173,330,276,234	38,673,720,300	692,653,000	460,672,621,292
At 30 June 2014 & 1 July 2014	53,393,658	6,247,421,484	4,600,162,181	1,556,229,232	231,453,742,699	4,065,022,504	247,975,971,758	173,330,276,234	38,673,720,300	692,653,000	460,672,621,292
Adjustment during the year	-	-	-	-	-	-	-	(7,651,968,063)	-	(438,917,585)	(8,090,885,648)
Increase in net assets for the year	-	4,948,655,352	232,315,935	85,675,427	29,548,640,704	2,924,232,796	37,739,520,214	27,502,183,479	3,851,512,780	-	69,093,216,623
At 30 June 2015	53,393,658	11,196,076,836	4,832,478,116	1,641,904,659	261,002,383,403	6,989,255,300	285,715,491,972	193,180,491,644	42,525,242,230	253,735,415	521,674,952,266

The notes on pages 48 to 93 are an integral part of these financial statements.

4.4 Statement of changes in equity - Medical scheme

	Share capital Rwf	Retained earnings Rwf	Revaluation Reserve Rwf	Fair Value Reserve Rwf	Total Rwf
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
Year ended 30 June 2015					
At start of year:	1,179,070,491	128,454,055,192	4,499,072,138	8,646,804,102	142,779,001,923
Profit for the year	-	24,127,679,516	-	1,808,102,585	25,935,782,101
Adjustment for prior year	-	3,473,172,893	(606,494,233)	-	2,866,678,660
At end of year	1,179,070,491	156,054,907,601	3,892,577,905	10,454,906,687	171,581,462,684

The notes on pages 48 to 93 are an integral part of these financial statements.

4.5 Statement of cash flows

a) Statement of cash flows for the year ended 30 June 2015

Note	Pension Scheme	Medical Scheme	Total
	2015	2015	2015
	Rwf	Rwf	Rwf
Cash flows from operating activities			
Increase in net assets for the year	69,093,216,623	25,935,782,101	95,028,998,724
Adjusted for:			
Depreciation and amortization	330,722,189	1,470,868,647	1,801,590,836
Investment income	(25,040,166,763)	(9,943,018,566)	(34,983,185,329)
Realised gain on disposal	(238,136,117)	(12,028,081)	(250,164,198)
Change in fair value of equity investments	(3,851,512,930)	(1,808,102,585)	(5,659,615,515)
Increase/(Decrease) in interdivisional balances	9,201,568,109	(9,201,568,109)	-
Increase/(Decrease) in other assets	2,751,929,523	373,014,437	3,124,943,960
Increase/(Decrease) in inventory	166,666,338	232,553,622	399,219,960
Increase/(Decrease) in medical claims payables		(1,478,530,136)	(1,478,530,136)
Increase/(Decrease) in sundry creditors	2,263,123,324	162,095,643	2,425,218,967
Increase/(Decrease) in contract retentions	(2,313,564,035)	(381,457,979)	(2,695,022,014)
Increase/(Decrease) in contributions	5,641,217,636	4,190,960,295	9,832,177,931
Net cash flows from operating activities	49,914,178,249	12,846,316,146	62,760,494,395
Cash flows used in investing activities:			
Investment in corporate /treasury bonds	(12,148,957,484)	(6,025,262,738)	(18,174,220,222)
Investment in Government Bond	-	-	-
Investment in treasury bills/bonds	(9,680,190,100)	(4,350,668,880)	(14,030,858,980)
Net loans advanced to Development Bank of Rwanda	-	-	-
Net investment in deposits with Banks	(9,728,042,471)	1,166,412,212	(8,561,630,259)
Proceeds from disposal		-	-
Dividend income received	3,819,720,260	186,168,228	4,005,888,488
Rent received	2,608,523,297	194,688,950	2,803,212,247
Interest income received	27,722,670,477	13,874,131,811	41,596,802,288
(Decrease) in mortgages	1,555,713,423	-	1,555,713,423
Purchase of investment properties	(2,445,576,874)	-	(2,445,576,874)
Purchase of CWP investment properties	(40,000,000)	(5,831,246)	(45,831,246)
Purchase of equity investments	(39,642,310,613)	(4,993,999,625)	(44,636,310,238)
Purchase of intangible asset	(26,214,075)	(26,214,075)	(52,428,150)
Purchase of property and equipment	(465,428,833)	(475,576,833)	(941,005,666)
Net cash used in investing activities	(38,470,092,993)	-(456,152,196)	(38,926,245,189)
Net increase in cash and cash equivalents	11,444,085,256	12,390,163,950	23,834,249,206
Cash and cash equivalents at 1 July 2014	14,211,871,618	7,745,994,363	21,957,865,981
Cash and cash equivalents at 30 June	25,655,956,874	20,136,158,313	45,792,115,187

The notes set out on pages 48 to 93 form an integral part of these financial statements.

Rwanda Social Security Board Financial statements for the year ended 30 June 2015

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

	Pension Scheme 2014 Rwf	Medical Scheme 2014 Rwf	Total 2014 Rwf
Cash flows from operating activities			
Increase in net assets for the year	98,786,634,243	25,447,770,383	124,234,404,626
Adjusted for:			
Depreciation and amortization	336,035,400	1,397,169,533	1,733,204,933
Investment income	(22,131,920,947)	(10,755,476,149)	(32,887,397,096)
Impairment gain	(2,980,265,171)	(9,386,392)	2,989,651,563
Change in fair value of equity investments	(33,849,050,064)	(1,265,594,703)	(35,114,644,767)
Increase/(Decrease) in interdivisional balances	8,362,877,490	(8,362,877,490)	-
Increase/(Decrease) in other assets	(282,044,193)	817,596,087	535,551,894
Increase/(Decrease) in sundry creditors	(5,268,796,806)	92,750,083	(5,176,046,723)
Net cash flows from operating activities	42,973,469,952	7,361,951,352	50,335,421,304
Cash flows used in investing activities:			
Investment in corporate /treasury bonds	(5,064,852,662)	(2,582,017,892)	(7,646,870,554)
Investment in Government Bond	(8,515,260,681)	-	(8,515,260,681)
Investment in treasury bills/bonds	21,823,946,829	12,539,648,867	34,363,595,696
Net loans advanced to Development Bank of Rwanda	1,363,415,579	79,390,694	1,442,806,273
Net investment in deposits with Banks	(33,607,563,891)	(10,566,648,867)	(83,886,659,286)
Proceeds from disposal	1,460,260,652	-	1,460,260,652
Dividend income received	2,839,977,366	251,350,247	3,091,327,613
Rent received	2,628,549,624	40,802,712	2,669,352,336
Interest income received	15,667,018,205	3,519,829,666	19,186,847,871
(Decrease) in mortgages	879,048,650	-	879,048,650
Purchase of investment properties	(8,451,733,463)	-	(8,451,733,463)
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	(259,327,328)	(941,294,178)	(1,200,621,506)
Net cash used in investing activities	(36,425,210,556)	(8,249,295,556)	(44,674,506,112)
Net increase in cash and cash equivalents	6,548,259,396	(887,344,204)	7,045,161,750
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	14,645,654,816	7,312,046,658	23,341,948,032

The notes set out on pages 48 to 93 form 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, all pharmacy outlets have been progressively sold to private business operators.

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.

	2015	2014
	Frw	Frw
Cash sales	51,265,086	95,525,482
Sales in RSSB pharmacies (85%)	3,103,505	21,878,755
Pharmacy sold through auction	-	-
	54,368,591	117,404,237

3. Benefit payments**(a) Pension benefits paid**

	2015	2014
	Frw	Frw
Benefits paid to pensioners	10,889,495,091	9,954,926,315
Benefits paid to deceased members' beneficiaries	3,713,243,419	1,742,004,869
Incapacity benefits	166,245,331	121,879,329
Other occupational hazards	337,002,547	220,822,379
	15,105,986,388	12,039,632,892

Rwanda Social Security Board Financial statements for the year ended 30 June 2015

Notes (Continued)

4. Investment income

Note	Pension Scheme		Medical Scheme		Total	
	2015 Frw	2014 Frw	2015 Frw	2014 Frw	2015 Frw	2014 Frw
Dividend income	3,819,720,260	2,839,977,366	186,168,228	251,350,247	4,005,888,488	4,192,056,716
Rental income	2,608,523,297	2,611,879,624	194,688,950	40,802,712	2,803,212,247	2,997,901,197
Interest income:						
- Treasury Bills	580,349,943	775,660,398	185,123,584	887,764,069	765,473,527	950,597,111
- Term deposits with financial institutions	12,156,998,637	10,124,179,987	8,178,104,497	7,983,845,426	20,335,103,134	28,513,207,631
- Government bond	3,620,683,040	4,219,221,797	-	-	3,620,683,040	3,620,683,040
- Loan to Development Bank of Rwanda Limited	45,085,866	174,849,495	-	94,545,754	45,085,866	45,085,866
- Loan to RDB/ BSC	-	-	248,832,795	271,840,168	248,832,795	497,665,590
- Corporate bonds/ Treasury bonds	1,397,761,766	163,901,747	637,756,281	216,051,662	2,035,518,047	2,673,274,328
- Mortgage loans	159,940,299	657,799,418	-	-	159,940,299	159,940,299
- Current accounts	651,103,655	651,556,279	312,344,230	410,634,057	963,447,885	1,275,792,115
	25,040,166,763	22,219,026,111	9,943,018,565	10,156,834,095	34,983,185,328	44,926,203,893

Notes (Continued)**4.1 Dividend income**

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Frw	2014 Frw	2015 Frw	2014 Frw	2015 Frw	2014 Frw
Safaricom Limited	-	233,278,692	-	-	-	233,278,692
Rwanda Investment Group Limited	-	90,000,000	-	27,000,000	-	117,000,000
Rwanda Development Bank Limited	232,438,898	-	-	-	232,438,898	-
Bank of Kigali Limited	3,441,798,421	2,209,209,324	126,287,294	81,157,222	3,568,085,715	2,290,366,546
Bralirwa Limited	145,482,941	307,489,350	59,880,934	143,193,025	205,363,875	450,682,375
	3,819,720,260	2,839,977,366	186,168,228	251,350,247	4,005,888,488	3,091,327,613

4.2 Rental income

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Frw	2014 Frw	2015 Frw	2014 Frw	2015 Frw	2014 Frw
Kacyiru Executive Apartments	631,253,780	687,992,289	-	-	631,253,780	687,992,289
Grand Pension Plaza	1,453,026,558	1,362,868,286	-	-	1,453,026,558	1,362,868,286
Kacyiru estate	251,899,673	226,218,090	-	-	251,899,673	226,218,090
Kicukiro Pension Plaza	-	94,029,485	-	-	-	94,029,485
Nyanza Pension Plaza	87,670,548	93,547,668	-	-	87,670,548	93,547,668
Karongi Pension Plaza	117,759,384	101,998,642	-	-	117,759,384	101,998,642
Musanze Pension Plaza	37,173,646	15,485,456	-	-	37,173,646	15,485,456
Ex-USA Embassy	-	-	-	-	-	-
Rwamagana Pension Plaza	29,739,708	29,739,708	-	-	29,739,708	29,739,708
Doctors' plaza	-	-	45,034,970	40,802,712	45,034,970	40,802,712
Twin Tower	-	-	149,653,980	149,653,980	149,653,980	-
	2,608,523,297	2,611,879,624	194,688,950	40,802,712	2,803,212,247	2,652,682,336

Notes (Continued)

4.3 Interest on treasury bills

Note	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Frw	2014 Frw	2015 Frw	2014 Frw	2015 Frw	2014 Frw
18	580,349,943	775,660,398	185,123,584	887,764,069	765,473,527	1 663,424,467

National Bank of Rwanda

4.4 Interest on term deposits

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Frw	2014 Frw	2015 Frw	2014 Frw	2015 Frw	2014 Frw
Access Bank Limited	-	-	-	118,043,835	-	118,043,835
Banque Populaire S.A	571,978,082	818,638,358	830,975,342	840,243,838	1,402,953,424	1,658,882,196
Cogebanque	1,266,558,904	939,353,424	955,159,293	884,771,518	2,221,718,197	1,824,124,942
Development Bank of Rwanda	1,947,150,685	1,381,616,442	1,744,931,507	1,115,295,060	3,692,082,192	2,496,911,502
Bank of Kigali Limited	4,215,694,527	3,158,216,425	870,986,301	1,151,712,326	5,086,680,828	4,309,928,751
Ecobank Rwanda Limited	890,783,562	612,895,889	894,000,000	839,786,303	1,784,783,562	1,452,682,192
Guaranty Trust Bank (Rwanda) Limited	650,778,083	992,526,572	590,191,781	485,066,523	1,240,969,864	1,477,593,095
KCB Rwanda Limited	1,395,191,781	729,301,368	604,136,986	655,890,409	1,999,328,767	1,385,191,777
I&M Bank Rwanda Limited	495,397,260	510,790,410	223,013,698	825,673,969	718,410,958	1,336,464,379
Zigama CSS	723,465,753	453,060,276	1,078,986,302	874,813,699	1,802,452,055	1,327,873,975
Equity bank limited	-	527,780,823	183,890,410	192,547,946	183,890,410	720,328,769
Unguka Bank	-	-	201,832,877	-	201,832,877	-
Other interest income	-	-	-	-	-	-
	12,156,998,637	10 124 179 987	8,178,104,497	7,983,845,426	20,335,103,134	18,108,025,413

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:	2015 Rwf	2014 Rwf
Vision 2020 Estate	22,100,800	4,252,000
Kacyiru executive apartments	230,506,715	111,589,320
Kacyiru Estate	2,600,556	1,957,980
Charges d'investissement (imisoro)	429,124,148	45,548,535
Ex-USA embassy(Dignity House)	-	169,465
Ex-American Club	-	-
Grand insurance Pension Plaza	218,015,505	139,582,365
Kicukiro insurance Pension Plaza	-	5,192,812
Nyanza insurance Pension Plaza	43,554,551	6,247,873
Karongi insurance Pension Plaza	74,796,244	20,165,370
Musanze insurance Pension Plaza	37,635,232	1,938,295
Rwamagana insurance Pension Plaza	38,549,647	1,622,888
Nyarugenge insurance Pension Plaza	-	5,645,877
EX-CVL buildings	34,895,286	299,981
	1,131,778,684	344,212,761

b) Medical management fees incurred on:	2015 Rwf	2014 Rwf
Management fees Rssb Headquarters	373,000	1,121,490
Management fees TOWER I	1,031,050	-
Management fees TOWER II	9,194,276	532,104
	10,598,326	1,653,594

Rwanda Social Security Board Financial statements for the year ended 30 June 2015

Notes (continued)

7. Other income

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Issue of clearing certificates and others income	98,818,133	162,744,528	26,921,120	-	125,739,253	162,744,528
Issue of card duplicates and others income	159,707	-	7,912,379	8,101,712	8,072,086	8,101,712
Exchange rate gain	78,990,390	142,744,441	36,153,547	-	115,143,937	142,744,441
Penalties received	205,883,603	17,293,721	237,268,971	7,682,034	443,152,574	24,975,755
Total	383,851,833	322,782,690	308,256,017	15,783,746	692,107,850	338,566,436

8. Staff costs

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Basic salaries	1,960,800,774	1,733,742,066	1,960,800,775	1,724,870,963	3,921,601,549	3,458,613,029
Overtime	-	-	-	-	-	-
Paid leave	-	-	-	-	-	-
Technical allowances	23,361,981	27,320,941	23,361,982	26,875,786	46,723,963	54,196,727
Responsibility allowances	2,194,040	2,063,620	2,194,041	2,063,440	4,388,081	4,127,060
Social security contributions	113,394,067	97,642,132	113,394,067	97,072,841	226,788,134	194,714,973
Medical insurance contributions	136,965,668	116,368,609	136,965,669	116,368,609	273,931,337	232,737,218
Transport allowances	197,564,118	174,780,727	197,564,118	173,297,469	395,128,236	348,078,196
House allowances	238,457,212	212,745,858	238,457,213	211,628,133	476,914,425	424,373,991
Retirement benefits	-	2,689,620	-	-	-	2,689,620
Medical expenses	-	11,753,777	-	10,786,077	-	22,539,854
Death indemnities	-	-	-	-	-	-

Notes (continued)

Training expenses	84,495,538	92,564,485	84,495,539	93,373,485	168,991,077	185,937,970
Personnel social activities	47,007,018	9,682,944	47,007,019	9,682,944	94,014,037	19,365,888
Other allowances	65,524,082	30,624,195	65,524,124	48,954,876	131,048,206	79,579,071
Benefits in kind	-	8,750,000	-	8,750,000	-	17,500,000

Total	2,869,764,498	2,520,728,974	2,869,764,547	2,523,724,623	5,739,529,045	5,044,453,597
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9. Administrative expenses

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Water and electricity	70,455,133	50,692,272	70,455,134	70,071,906	140,910,267	120,764,178
Fuel	22,004,648	24,918,350	22,004,649	24,908,350	44,009,297	49,826,700
Office supplies	81,666,634	52,579,667	81,666,634	100,180,667	163,333,268	152,760,334
Other supplies	129,177,975	55,470,277	129,120,976	55,499,877	258,298,951	110,970,154
Transport on duty	211,646,245	196,376,832	211,646,247	200,046,972	423,292,492	396,423,804
Maintenance expenses	113,498,835	38,414,629	116,823,487	36,029,597	230,322,322	74,444,226
Travel expenses in the country	58,753,853	43,535,456	58,753,852	44,605,456	117,507,705	88,140,912
Travel expenses abroad (mission fees)	6,470,372	15,224,842	6,470,371	15,224,842	12,940,743	30,449,684
Entertainment	3,176,007	1,993,760	3,090,607	1,993,760	6,266,614	3,987,520
Reception activities	1,460,300	5,343,750	1,460,300	5,343,750	2,920,600	10,687,500
Rent	69,120,595	58,390,750	69,120,595	60,377,941	138,241,190	118,768,691
Publicity costs	117,100,691	122,595,202	117,100,691	122,595,202	234,201,382	245,190,404
Service hire	57,419,381	30,154,451	52,189,881	40,633,603	109,609,262	70,788,054
Postage	13,715,129	7,332,050	13,715,129	7,332,050	27,430,258	14,664,100
Telephone expenses	101,756,515	94,271,698	101,756,516	94,271,698	203,513,031	188,543,396
Fax expenses	-	933	-	933	-	1,866

Rwanda Social Security Board Financial statements for the year ended 30 June 2015

Notes (continued)

Internet costs	159,873,244	86,474,976	159,873,244	86,474,976	319,746,488	172,949,952
Consultancy fees	136,102,203	46,486,116	139,952,203	46,486,116	276,054,406	92,972,232
Casual work wages	486,859	83,665	270,800	86,665	757,659	170,330
Commissions and bank charges	54,614,666	76,578,648	19,338,446	30,424,503	73,953,112	107,003,151
Documentation and subscription	8,497,110	4,033,422	8,497,110	4,033,422	16,994,220	8,066,844
Other administration costs	-	31,570,349	-	31,570,349	-	63,140,698
Security services	95,372,829	90,487,665	95,372,830	96,218,265	190,745,659	186,705,930
Cleaning services	45,107,215	38,890,662	45,107,216	38,867,662	90,214,431	77,758,324
Audit fees	149,350,674	20,990,837	149,350,675	20,918,037	298,701,349	41,908,874
Total	1,706,827,113	1,192,890,326	1,673,137,593	1,234,195,666	3,379,964,706	2,427,085,992

10. Other expenses

	Pension Scheme		Medical Scheme		Total	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Insurance	68,737,664	53,884,477	68,737,664	53,884,477	137,475,328	107,768,954
Directors' fees	335,000	1,740,000	335,000	3,440,000	670,000	5,180,000
Corporate social responsibility	16,597,500	110,389,714	16,597,500	427,909,044	33,195,000	538,298,758
Legal fees	8,007,621	1,894,649	8,007,622	1,849,198	16,015,243	3,743,847
Seminars and conferences	9,426,760	28,095,120	9,426,760	27,995,120	18,853,520	56,090,240
Other charges and losses	6,921,293	275,462,585	21,380,147	60,321,049	28,301,440	335,783,634
Taxes incurred on interest income	280,693,590	1,125,986,017	251,167,332	1,034,140,101	531,860,922	2,160,126,118
Exchange losses	-	89,035	10,609,433	-	10,609,433	89,035
Other miscellaneous expenses	-	195,508,373	439,068,198	405,940,208	439,068,198	601,448,581
Comprehensive all risks	6,131,609	-	3,636,674	-	9,768,283	-
Travel insurance	19,710,398	-	19,710,398	-	39,420,796	-
Total	416,561,435	1,793,049,970	848,676,728	2,015,479,197	1,265,238,163	3,808,529,167

Notes (continued)

11. Investment properties in the process of construction**a. For Pension scheme**

	At 1 July 2014	Additions during the year at cost	Transfers to or from investment properties & PPE	Dispose off during the period	Balance at 30 June 2015
	Rwf	Rwf	Rwf	Rwf	Rwf
2020 Estate 2nd Phase	337,717,600	-	-	-	337,717,600
2020 vision trade center	250,171,800	-	-	-	250,171,800
Land for Development Kinyinya	-	40,000,000	-	-	40,000,000
Batsinda Pipeline	39,515,000	-	-	-	39,515,000
	627,404,400	40,000,000			667,404,400
	At 1 July 2013	Additions during the year at cost	Fair value gains/(loss)	Transfers to investment properties & PPE	Balance at 30 June 2014
	Rwf	Rwf	Rwf	Rwf	Rwf
Office out of Kigali	12,511,858,236	-	(246,500,000)	(12,265,358,236)	-
2020 Estate 2nd Phase	309,400,000	28,317,600	-	-	337,717,600
2020 vision trade center	250,171,800	-	-	-	250,171,800
Nyagatare projects	60,087,032	-	(60,087,032)	-	-
Batsinda Pipeline			39,515,000		39,515,000
	13,131,517,068	28,317,600	(267,072,032)	(12,265,358,236)	627,404,400

Rwanda Social Security Board Financial statements for the year ended 30 June 2015

Notes (continued)

b. For Medical scheme

	At 1 July 2014	Additions during the year at cost	Transfers to or from investment properties & PPE	Dispose off during the period	Balance at 30 June 2015
	Rwf	Rwf	Rwf	Rwf	Rwf
Twin tower plot	90,928,162	-	-	-	90,928,162
Twin tower	9,941,110,894	5,831,246	-	-	9,946,942,140
	10,031,937,056	5,831,246			10,037,768,302

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 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 to/ 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

Notes (continued)

12. Property and equipment - Pension Scheme (continued)

	Land and Buildings	Motor vehicle	Office equipment	Furniture, fixtures & fittings	Computers	Total
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
At 1 July 2014						
Cost	1,250,206,468	-	1,279,203,130	565,078,306	978,526,016	4,073,013,920
Accumulated depreciation	(175,213,898)	-	(1,179,107,894)	(550,930,580)	(921,190,420)	(2,826,442,792)
Net book value At 30 June 2014	1,074,992,570	-	100,095,236	14,147,726	57,335,596	1,246,571,128
Opening net book value	1,074,992,570	-	100,095,236	14,147,726	57,335,596	1,246,571,128
Additions	-	70,002,000	187,277,893	86,189,265	121,959,675	465,428,833
Depreciation charge	(5,725,446)	(15,059,095)	(193,051,680)	(3,731,908)	(58,131,813)	(275,699,942)
Disposal - cost	-	-	(30,838,504)	-	(828,500)	(31,667,004)
Disposal - Accumulated depreciation	9,744,288	-	13,636,339	-	828,495	24,209,122
Closing net book value	1,079,011,412	54,942,905	77,119,284	96,605,083	121,163,453	1,428,842,137
At 30 June 2015						
Cost	1,250,206,468	70,002,000	1,435,642,519	651,267,571	1,099,657,191	4,506,775,749
Accumulated depreciation	(171,195,056)	(15,059,095)	(1,358,523,235)	(554,662,488)	(978,493,738)	(3,077,933,612)
Net book value At 1 July 2015	1,079,011,412	54,942,905	77,119,284	96,605,083	121,163,453	1,428,842,137

Notes (continued)

12. Property and equipment (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
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)	(10,853,708)	-	-	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

Notes (continued)

12. Property and equipments (medical scheme)

Year ended 30 June 2015	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 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)	(76,594,095)	(213,664,932)	(161,445,948)	(105,528,007)	(201,306,492)	(28,639,417)	(2,276,075,707)								
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 2015																
Opening 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								
Additions	-	70,002,000	243,810,358	132,107,675	29,656,800	-	-	475,576,833								
Adjustments opening depreciation						(48,450,183)										
Depreciation charge	(746,761,149)	(40,717,617)	(326,552,652)	(58,131,814)	(86,496,124)	(130,945,626)	(31,116,250)	(1,420,721,232)								
Disposals - Cost	-	(1,141,607)	(20,597,739)	(1,374,121)	(11,715,675)	-	(3,200,000)	(38,029,142)								
Disposals - Accumulated cost	(9,565,000)	1,148,281	13,178,891	1,374,118	11,674,728	-	1,536,320	19,347,338								
Closing net book value	13,222,309,545	55,351,067	845,904,289	153,923,944	189,117,799	143,080,231	63,045,653	14,672,732,528								
At 30 June 2014																
Cost	15,457,967,510	171,514,498	1,372,942,982	372,127,588	369,467,202	523,782,532	121,265,000	18,389,067,312								
Accumulated depreciation	(2,235,657,965)	(116,163,431)	(527,038,693)	(218,203,644)	(180,349,403)	(380,702,301)	(58,219,347)	(3,716,334,784)								
Closing net book value	13,222,309,545	55,351,067	845,904,289	153,923,944	189,117,799	143,080,231	63,045,653	14,672,732,528								

Notes (continued)

13. Intangible assets

	Pension Scheme		Medical Scheme		Total	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Cost						
At start of year	376,805,893	352,518,778	136,229,061	205,932,775	513,034,954	558,451,553
Additions	26,215,075	24,287,114	26,215,075	24,287,116	52,430,150	48,574,230
Adjustment of opening Balance			(93,990,829)			(93,990,829)
	403,020,968	376,805,892	162,444,136	136,229,062	565,465,104	513,034,954
Amortization						
At start of year	(318,945,674)	(256,873,062)	(96,285,279)	(129,356,186)	(415,230,953)	(386,229,248)
Charge for the year	(50,147,415)	(62,072,612)	(50,147,415)	(62,072,612)	(100,294,830)	(124,145,224)
Adjustment of opening Balance			-	95,143,519	-	95,143,519
	(369,093,089)	(318,945,674)	(146,432,694)	(96,285,279)	(515,525,783)	(415,230,953)
Closing net book value	33,927,879	57,860,218	16,011,442	39,943,783	49,939,321	97,804,001

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**

	2015 Rwf	2014 Rwf
Cost		
Net book value at 1 July	97,919,332,105	104,732,650,641
Adjustment of Prior FS	-	(1,553,418,407)
Addition	2,445,576,874	2,52,499,873
Adjustments and reclassification from PPE	(4,167,015,943)	6,032,451,102
Disposals	(50,070,000)	(14,044,851,104)
Fair value Gains/losses	-	-
Net book value at 30 June	96,147,823,036	97,919,332,105

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.

Disclosures:

At 25/10/2013 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 years bond payable on a quarterly basis at an interest rate of 5%. See Note 17.2 on page 41

Notes (continued)

15. Assets held for sale

	2015 Rwf	2014 Rwf
Cost		
Net book value at 1 July	463,419,896	0
Addition	0	0
Transfers from property and equipment	0	580,503,043
Transfers to/from Investment works in progress	0	94,161,197
Depreciation for the year	(4,874,832)	22,921,950
Disposals	(47,706,828)	0
Fair value Gains/losses	0	0
Total cost at 30 June	580,503,043	580,503,043
Cost	532,796,215	117,083,147
Accumulated Depreciation charge	(121,957,979)	
Net book value at 30 June 2015	410,838,236	463,419,896

Note:

RSSB's assets held for sale contains houses H1, H33 and centre socio-recreatif remained at Kacyiru Estate.

Notes (Continued)

16. Equity investments – Pension

Company particulars	Balance at 30 June Rwf	Fair value gains/(loss) Rwf	Additions Rwf	Disposals/ Transfers Rwf	Balance at 30 June 2015 Rwf
Akagera Game Lodge	4,925,611,163	(2,091,498,711)	450,000,000	-	3,284,112,452
Development Bank of Rwanda Limited	14,040,976,000	3,247,309,170	-	-	17,288,285,170
Bank of Kigali Limited	62,866,245,000	214,744,722	70,354,713	-	63,151,344,435
Ultimate Concepts	5,351,226,112	(1,506,270,340)	-	-	3,844,955,772
Hostels 2020	6,192,943,899	(1,005,630,511)	-	-	5,187,313,388
Building Materials Investments (BMI)	4,388,909,139	(787,197,639)	1,500,000,000	-	5,101,711,500
Sonarwa Holdings Limited	1,321,427,487	479,935,063	-	-	1,801,362,550
Rwanda Investment Group Limited	2,560,506,018	337,029,367	-	-	2,897,535,385
Rwanda Enterprise Investment Company	43,403,945	(2,784,322)	-	-	40,619,623
RFHI Co (Merrimack pharmaceuticals)	11,773,272,195	8,095,291,712	-	-	19,868,563,907
Safaricom Limited	7,001,850,960	(578,192,973)	-	(1,239,272,898)	5,184,385,089
Rwanda Stock Exchange	36,420,173	(6,134,947)	-	-	30,285,226
Bralirwa Limited	9,086,366,000	(2,164,392,800)	-	-	6,921,973,200
Rwanda Free Trade Zone	1,303,930,242	104,699,421	-	-	1,408,629,663
SOYCO	618,110,116	(89,750,123)	-	-	528,359,993
CIMERWA Limited	7,171,313,581	(914,490,454)	-	-	6,256,823,127
Gaculiro Property Development Limited	2,557,960,970	(512,601,600)	-	-	2,045,359,370
Broll Rwanda Limited	25,567,409	-	-	-	25,567,409
New Forest Company Holdings UK Limited	1,092,886,850	29,170,318	-	-	1,122,057,168
Ultimate Developers Ltd	21,079,686,652	-	14,710,891,275	-	35,790,577,927
New Forest Rwanda Company	68,300,000	1,002,277,700	-	-	1,070,577,700
CRYSTAL TELECOM	-	-	8,510,565,000	-	8,510,565,000
SOPYRWA	-	-	4,160,000,000	-	4,160,000,000
INYANGE INDUSTRIES	-	-	4,884,000,000	-	4,884,000,000

Notes (Continued)

EPIC	-	-	1,000,000,000	-	1,000,000,000
PTA BANK	-	-	4,356,499,625	-	4,356,499,625

Total **163,506,913,911** **3,851,513,053** **39,642,310,613** **(1,239,272,898)** **205,761,464,679**

Company particulars	At 1 July 2013		Fair value gains/(loss)		Additions		Disposals/ Transfers		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		
Gacuiro 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		

Notes (Continued)

Ultimate Developers Ltd	(720,313,348)	21,800,000,000	21,079,686,652
New Forest Rwanda Company	64,780,000	-	68,300,000
	33,849,050,064	27,164,402,320	163,506,913,911

16. Equity investments – Medical Scheme (Continued)

	Balance at 30 June 2014		Fair value gains/(loss)		Additions		Disposals/Transfers		Balance at 30 June 2015	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	
Bralirwa Limited	3,739,869,000	(890,845,200)	-	-	-	-	-	-	2,849,023,800	
Bank of Kigali Limited	2,309,446,100	7,879,465	-	-	-	-	-	-	2,317,325,565	
Rwanda Investment Group Limited	768,151,805	101,108,811	-	-	-	-	-	-	869,260,616	
Cogebanque SA.	8,500,000,000	637,500,000	-	-	-	-	-	-	9,137,500,000	
Rwanda Foreign Holding Investment Company	5,096,646,888	3,504,449,963	-	-	-	-	-	-	8,601,096,851	
Cimerwa Limited	7,171,313,581	(914,490,454)	-	-	-	-	-	-	6,256,823,127	
PTA BANK	-	-	-	-	4,356,499,625	-	-	-	4,356,499,625	
	27,585,427,374	1,808,102,585	4,993,999,625	-	-	-	-	-	34,387,529,584	

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	
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	

Notes (Continued)					
Company	Available-for-sale-equity investments:				
	2012	2013	2012	2013	2013
	Rwf	Rwf	Rwf	Rwf	Rwf
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	1,265,594,703	27,585,427,374
Company	2012	2013	2012	2013	2013
	Rwf	Rwf	Rwf	Rwf	Rwf
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	2012	2013	2012	2013	2013
	Rwf	Rwf	Rwf	Rwf	Rwf
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)	(2,055,035,578)	6,935,623,482
	16,790,758,084	(1,049,277,125)	(35,082,897)	(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 Rwf	Impairment provision Rwf	Net Carrying Amount 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	2014 Rwf
Governments bonds from 2006	17.1	34,000,000,000	46,288,480,619
Government bonds through			
Ministry of Finance	17.2	19,606,124,636	26,297,638,528
MININFRA	17.3	149,285,693	149,285,693
Interest accrued		3,620,683,040	4,219,221,797
Repayments		(7,615,560,476)	(21,910,735,689)
Adjustement of opening balance		0	(1,288,480,619)
		49,760,532,893	53,755,410,329

17.1 Government of Bond from 2006

	2014 Rwf	2014 Rwf
Balance as at 1 July	34,000,000,000	46,288,480,619
Interest accrued	2,775,000,000	3,490,455,451
Repayments	(2,775,000,000)	(14,490,455,451)
Adjustement of opening balance	0	(1,288,480,619)
	34,000,000,000	34,000,000,000
Current	7,000,000,000	7,000,000,000
Non-current	27,000,000,000	27,000,000,000
Total	34,000,000,000	34,000,000,000

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

	2015 Rwf	2014 Rwf
Balance as at 1 July	19,606,124,636	26,297,638,528
Interest accrued	845,683,040	728,766,346
Interest paid	(896,718,447)	
Repayments	(3,943,842,029)	(7,420,280,238)
	15,611,247,200	19,606,124,636
Current	4,301,851,363	4,840,560,476
Non-current	11,309,397,837	14,765,564,160,
Total	15,611,247,200	19,606,124,636

17.3 Government Bond through MININFRA

	2015 Rwf	2014 Rwf
Balance as at 1 July	149,285,693	149,285,693
Interest accrued	0	0
Repayments	0	0
	149,285,693	149,285,693
Current	0	0
Non-current	149,285,693	149,285,693
Total	149,285,693	149,285,693

During the year 2014 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

a) Corporate bonds for Pension scheme

	2015 Rwf	2014 Rwf
Balance as at 1 July	5,407,570,392	344,759,394
Additions	0	4,990,675,000
Interest accrued	331,048,083	158,607,912
Transfers to Governments Bonds	(2,582,017,892)	
Prior year interest under casted	0	5,293,835
Repayments	(404,180,000)	(91,765,749)
Balance as at 30 June	2,752,420,583	5,407,570,392

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) Treasury Bonds for Pension scheme

	2015 Rwf	2014 Rwf
Balance as at 1 July	0	0
Transfert from Corporate bonds	2,582,017,892	
Additions	12,148,957,484	-
Interest accrued	1,066,713,683	0
Payments of interests	(648,500,000)	0
Balance as at 30 June	15,149,189,059	0

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

c) Treasury Bonds for Medical scheme

	2015 Rwf	2014 Rwf
Balance as at 1 July	3,676,609,767	1,094,601,273
Additions	6,025,262,738	2,490,675,000
Interest accrued	637,756,281	216,051,662
Repayments	(560,270,585)	(124,718,168)
Balance as at 30 June	9,779,358,201	3,676,609,767

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

Notes (continued)**19. Treasury bill**

	2015	2014
	Rwf	Rwf
a) Pension		
Balance as at 1 July	3,152,425,614	24,901,279,102
Additions	9,680,190,100	13,104,163,050
Interest accrued	580,349,943	775,660,398
Interest accrued from prior period	0	115,233,678
Maturities	(5,830,011,802)	(35,743,910,614)
Balance as at 30 June	7,582,953,855	3,152,425,614
b) Medical		
Balance as at 1 July	4,890,984,128	17,430,632,995
Additions	4,350,668,880	20,001,939,144
Interest accrued	185,123,584	887,764,069
Maturities	(8,442,670,054)	(33,429,352,080)
Balance as at 30 June	984,106,538	4,890,984,128

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	0	0
- 91 days to 1 year from the date of acquisition	7,582,953,855	984,106,538
	7,582,953,855	984,106,538

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.

Notes (continued)

20. Loans and Advances to third parties

	Pension Scheme		Medical Scheme		Total	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Development Bank of Rwanda Limited	0	896,988,024	0	478,908,438	0	1,373,679,891
Rwanda Development Board	-	-	3,605,679,778	3,370,482,215	3,605,679,778	3,370,482,215
New Forest Company	438,273,748	438,273,748	-	-	438,273,748	438,273,748
City of Kigali	794,139,314	-	-	-	794,139,314	-
	1,232,413,062	1,335,261,772	3,605,679,778	3,849,390,653	4,838,092,840	5,184,652,425

20.1. Loan to Development Bank of Rwanda Limited

The loans to development bank of Rwanda limited were 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. All loans were repaid to RSSB by BRD.

The loan to City of Kigali is from the agreement for Kibagabaga-Kinyinya road project between City of Kigali, RSSB and Horizon Group where City of Kigali shall be responsible of contribution of the 60% of the total expropriation cost evaluated for the branch connecting to RSSB and 50% for the branch connecting to Horizon Group LTD investment sites, contribution of 100% cost for the study of road and contract management of all contracts related to this project which is road study and supervision services, road construction works and the expropriation related services.

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

	2015 Rwf	2014 Rwf
At 1 July:	2,133,468,247	3,533,771,146
Interest accrued during the year	159,940,299	657,799,418
Repayments during the period	(1,224,802,929)	(1,536,848,383)
Unallocated mortgages paid	(490,850,793)	(521,253,934)
Balance at the 30 June	577,754,824	2,133,468,247
Impairment provision	-	-
Net balance at 30 June	577,757,824	2,133,468,247

Notes (continued)

22. Inventory

	Pension Scheme		Medical Scheme		Total	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Office suppliers	161,043,869	329,943,655	161,043,869	329,943,655	322,087,738	659,887,310
Medical inventories	-	-	-	65,887,284	-	65,887,284
Fuel Inventory	2,803,265	569,816	2,803,265	569,817	5,606,530	1,139,633
Total	163,847,134	330,513,471	163,847,134	396,400,756	327,694,268	726,914,227

23. Other assets

	Pension Scheme		Medical Scheme		Total	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Advances to contractors	1,995,082,464	5,147,249,987	108,240,187	23,831,256	2,103,322,651	5,171,081,243
Staff loans and advances	263,700,182	257,404,703	274,352,247	275,084,375	538,052,429	532,489,078
Rent receivable	572,925,924	317,955,075	7,120,820	-	580,046,744	317,955,075
Receivable from medical scheme	-	7,248,515,359	1,953,052,750	-	1,953,052,750	7,248,515,359
Other debtors	202,074,927	63,103,255	76,013,893	539,825,952	278,088,820	539,825,952
Total	3,033,783,497	13,034,228,379	2,418,779,897	838,741,583	5,452,563,394	13,872,969,962

Notes (continued)

24. Deposits with Financial Institutions

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Bank of Kigali	41,552,910,962	41,478,333,967	8,132,178,084	8,091,963,013	49,685,089,046	49,570,296,980
Banque Populaire du Rwanda Limited	6,289,438,358	5,194,191,237	8,371,143,832	10,519,918,222	14,660,582,190	15,714,109,459
Zigama CSS	8,369,671,233	6,243,274,658	11,424,301,370	9,246,767,776	19,793,972,603	15,490,042,434
Guaranty Trust Bank Rwanda Limited	3,123,287,669	8,255,358,902	3,141,753,427	6,089,145,207	6,265,041,096	14,344,504,109
KCB Rwanda Limited	13,704,876,711	12,433,686,300	6,260,219,176	6,229,569,863	19,965,095,887	18,663,256,163
Ecobank Rwanda Limited	8,417,232,875	8,320,831,915	4,083,013,698	8,058,661,644	12,500,246,573	16,379,493,559
Cogebanque Limited	12,474,246,575	12,465,902,468	9,325,814,806	9,318,317,459	21,800,061,381	21,784,219,927
Development Bank of Rwanda Limited	21,332,424,657	12,564,656,163	21,182,589,041	13,749,024,656	42,515,013,698	26,313,680,819
I&M Bank Rwanda Limited	4,452,465,755	3,032,276,714	2,134,246,576	5,435,945,203	6,586,712,331	8,468,221,917
Access Bank (Rwanda) Limited	-	-	3,145,205,479	1,600,337,260	3,145,205,479	1,600,337,260
Equity Bank Rwanda Limited	-	-	2,136,438,356	2,163,665,754	2,136,438,356	2,163,665,754
Total	119,716,554,795	109,988,512,324	79,336,903,845	80,503,316,057	199,053,458,640	190,491,828,381

Notes (continued)

25. Cash and bank balances

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Cash at bank	25,653,829,416	14,209,900,327	20,134,030,852	7,743,873,065	45,787,860,268	21,953,773,392
Cash at hand	2,127,458	1,971,291	2,127,461	2,121,298	4,254,919	4,092,589
Total	25,655,956,874	14,211,871,618	20,136,158,313	7,745,994,363	45,792,115,187	21,957,865,981

Notes (continued)**26. 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 386,369,854 for pension scheme and Rwf 466,923,365 for medical scheme.

27. Medical claims payable

	2015 Rwf	2014 Rwf
Claims incurred but not reported	1,960,640,657	3,439,170,793

28. Other Payables

	<u>Pension Scheme</u>		<u>Medical Scheme</u>		<u>Total</u>	
	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf	2015 Rwf	2014 Rwf
Suppliers	2,313,589,678	755,282,293	1,179,703,486	400,025,910	3,493,293,164	1,155,308,203
Payable to pension scheme	1,953,052,750	-	-	7,248,515,359	1,953,052,750	7,248,515,359
Unallocated contributions	984,404,192	1,034,346,281	-	-	984,404,192	1,034,346,281
Pay As You Earn (PAYE)	65,772,373	53,454,173	65,772,373	53,454,173	131,544,746	106,908,346
Pension Benefits payable	161,019,982	59,984,252	-	-	161,019,982	59,984,252
Other creditors	2,373,493,684	1,732,089,585	284,372,997	475,204,932	2,657,866,681	2,207,294,517
Total	7,851,332,659	3,635,156,584	1,529,848,856	8,177,200,374	9,381,181,515	11,812,356,958

Notes (continued)

29. Share Capital

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

30. Retained earnings

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

31. 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.

32 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.

33. 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.

34. 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.

Notes (continued)**35. Contingent liabilities**

In 2010, a dispute arose between RSSB and Thomas and Piron Grand Iacs 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.

At the year-end 30 th June 2015, a dispute between RSSB and NYIRAMUGWERA Dantier Seraphine relating to the expropriation of land located at GACULIRO had not been concluded.

Other than the liability to pay future pensions and other benefits, there were no contingent liabilities of the Board at 30 June 2015.

36. 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:

- 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.
- 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;
- 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.

Notes (continued)**37. 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:

- Membership profile and how this is likely to change over the next 50 years
- The contribution rate required to balance contribution income and expenditure
- 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.

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

Notes (continued)**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.

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%

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

Notes (continued)

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

- Produce a comprehensive actuarial valuation report including IAS 26 disclosures of the medical benefit insurance scheme.
- 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.
- Provide advice on increasing medical benefit coverage within Rwanda whilst protecting the scheme from selection.
- 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 methods of funding:

- Pay-as-you-go method
- 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.

The results of the Base scenario were also tested under alternative scenarios that involve the provisions

Notes (continued)

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:

- **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.

- **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)

- **Privatization of the RSSR'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:

- **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 improve the quality of its medical Insurance Benefits scheme data.

- **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%.

- **Splitting Fund into two**

The RSSB medical benefit Insurance fund should be split into two: a fund earmarked for active

Notes (continued)

members and their dependents and another fund earmarked for the retirees and their spouses

- **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.

- **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 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.

38. 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:

- to comply with the capital requirements as set out in the Insurance Regulations;
- to comply with regulatory solvency requirements as set out in the Insurance Regulations; and
- 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.

Notes (continued)

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

39. 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.

Notes (continued)**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.

40. 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.

b. 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:

Notes (continued)

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.

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.

Notes (continued)

- 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%

(e) 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

Notes (continued)

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).

(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.

Notes (continued)**(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.

Recognition

The entity recognizes available-for-sale financial assets on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognized in equity.

Measurement

Financial instruments are measured initially at cost, including transaction costs. Held to maturity financial instruments which include term deposits, treasury bills and bonds are measured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method.

Available for sale financial instruments include, unquoted equities which are stated at cost. Loans and receivables financial instruments held by the entity include; mortgages, contributions and other receivables, loans to government and personnel.

De-recognition

A financial asset is derecognized when the Board loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the balance sheet when there is a legally enforceable right to set-off the recognized amount and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(k) Impairment

The carrying amounts of the entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount is estimated and an impairment loss recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Notes (continued)**(l) Provisions**

A provision is recognized in the balance sheet when the entity has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Statutory reserves

The statutory reserves are set up under article 11 of law number 06/2004 of 22 March 2004 modifying and completing law of 22/08/1974. The article stipulates that the National Social Security Institutions provide the following reserves for both the occupational hazards and pensions branches.

Pension's branch

Working capital reserve is equivalent to a quarter of the total expenses of the pension's branch previous year. Technical reserve should not be lower than the total expenses of the branch for the last three years.

Occupational Hazards branch

Technical reserve must be equal to twelve times the total amount of occupational hazards paid during the year. Security reserve is equal to a quarter of the expenses incurred during the last three years. Working capital reserve should be equal to a quarter of the expenses of the previous year. Taxation

(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.

Notes (continued)**(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.

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