



BRITAM MONEY MARKET FUND UNIT TRUST SCHEME

**UNAUDITED REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

Britam Money Market Fund
Unaudited Report and Financial Statements
For the period ended 30 June 2023

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TRUSTEE AND ADVISORS TO THE FUND

FUND MANAGER

Britam Asset Managers Company (Uganda) Limited
Britam Centre
Plot 24A, Akii-Bua Lule Road
P.O. Box 36583
Kampala, Uganda

TRUSTEE

KCB Bank Uganda Limited
Commercial plaza, 7th Floor
Plot 7 Kampala Road
P.O. Box 7399
Kampala, Uganda

CUSTODIAN

Standard Chartered Bank Uganda Limited
Standard Chartered House
Plot 5 Speke Road
P O Box 7111
Kampala, Uganda

AUDITOR

Ernst & Young
Certified Public Accountants
Ernst & Young House
18 Clement Hill Road
P.O Box 7215
Kampala, Uganda

LAWYER

OS Kagere Advocates
Soliz House, Third Floor
Plot 23, Lumumba Ave
Kampala, Uganda

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FUND MANAGER'S REPORT

The Fund Manager submits its report together with the unaudited financial statements for the period ended 30 June 2023 that discloses the state of financial affairs of Britam Money Market Fund Unit Trust Scheme ("the Fund").

INVESTMENT OBJECTIVES

The objective of the Britam Money Market Fund is to achieve a reasonable level of current income and enhance capital growth. This is achieved by investing in money market securities with a maturity of more or less than 12 months which are usually available to the wholesale or institutional investors. Investments include interest-bearing securities such as bank deposits and other short-term money market instruments including short-dated treasury bills, whether listed or unlisted, including money or cash funds, as well as other debt securities, whether listed or unlisted.

FUND PERFORMANCE

The highest and lowest absolute yields were as per the table below:

	Period ended 30 June 2023	Period ended 30 June 2022
Highest price (%)	11.27	12.83
Lowest price (%)	9.82	6.16

INCOME DISTRIBUTION

The profit realised by the Fund for the period is Shs 2,355 million (2022: Shs 2,414 million). This profit has been distributed to the unit holders.

TOTAL VALUE OF THE FUND

The total book value of the Fund as at 30 June 2023 Shs 48,355 million (December 2022: Shs. 49,074 million).

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STATEMENT OF FUND MANAGER'S RESPONSIBILITIES

The Capital Markets Authority Act and the Collective Investment Schemes (Unit Trusts) Regulations, 2003 requires the Fund Manager to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Fund as at the end of the year and of the results of its operations. It also requires the Fund Manager to keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Fund.

The Fund Manager accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies in conformity with International Financial Reporting Standards, the requirements of the Capital Markets Authority Act and the Collective Investment Schemes (Unit Trusts) Regulations, 2003. The Fund Manager is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Fund and of its profit in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority Act and the Collective Investment Schemes (Unit Trusts) Regulations, 2003. The Fund Manager further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

DECLARATION STATEMENT

- The Britam Money Market Fund Unit Trust Scheme is an approved Unit Trust Scheme within the meaning of the Capital Markets Authority Act.
- The unitholders are not liable for the debts of the Unit Trust Scheme.
- The Britam Money Market Fund Unit Trust Scheme is a securities fund investing in income securities at attractive yields to ensure the return of the fund is maximised.

In preparing the financial statements, the Fund Manager has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of the going concern basis of preparation of the financial statements. Nothing has come to the attention of the Fund Manager to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

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Statement of comprehensive income

	Notes	June 2023 Shs '000	June 2022 Shs '000
Income			
Interest income	7(i)	2,978,060	2,979,352
Realised gains on investments	7(vii)	-	2,505
Total income		<u>2,978,060</u>	<u>2,981,857</u>
Expenses			
Service fees	5	(590,252)	(629,890)
Expected credit loss on investments	7(iv)	(39,866)	62,289
Total operating expenses		<u>(622,251)</u>	<u>(567,601)</u>
Profit before tax		2,355,809	2,414,256
Income tax expense	6	-	-
Profit for the year		<u>2,355,809</u>	<u>2,414,256</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>2,355,809</u>	<u>2,414,256</u>

The notes on pages 9 to 21 are an integral part of these financial statements.

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Statement of financial position

	Notes	June 2023 Shs '000	December 2022 Shs '000
Assets			
Government securities at amortized cost	7(iii)	40,527,483	39,699,774
Investment with related parties at amortized cost	7(iii)	3,488,091	4,982,969
Deposits with financial institutions at amortized cost	7(iii)	3,998,265	4,305,426
Cash and bank balances	7(iv)	438,456	189,684
Total assets		<u>48,452,295</u>	<u>49,177,853</u>
Liabilities			
Current liabilities			
Accrued expenses	9	<u>96,612</u>	<u>103,492</u>
Total liabilities		<u>96,612</u>	<u>103,492</u>
Net assets attributable to unit holders	8	<u>48,355,683</u>	<u>49,074,361</u>

The notes on pages 9 to 21 are an integral part of these financial statements.


 Finance Business Partner

Britam Money Market Fund
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Statement of changes in net assets attributable to unitholders

	Notes	June 2023 Shs '000	June 2022 Shs '000
Net assets attributable to unitholders at 1 January		<u>49,074,361</u>	<u>47,758,573</u>
Transactions with unit holders			
Additional units purchased	8	14,732,582	22,545,387
Units liquidated	8	<u>(17,807,069)</u>	<u>(21,160,581)</u>
Net (decrease)/ increase from transactions with unit holders		<u>(3,074,487)</u>	<u>1,384,806</u>
Total comprehensive income for the year		<u>2,355,809</u>	<u>2,414,256</u>
Net assets attributable to unitholders at 30 June		<u><u>48,355,683</u></u>	<u><u>51,557,635</u></u>

The notes on pages 9 to 21 are an integral part of these financial statements.

Britam Money Market Fund
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Statement of cash flows

	Notes	June 2023 Shs'000'	June 2022 Shs'000'
Cash flows from operating activities			
Service fees	5	(590,252)	(629,890)
Increase in accrued expenses		(6,879)	556
Service fees paid		(597,131)	(629,334)
Purchase of government securities	7(iii)	(4,749,193)	(7,871,842)
Purchase of other investments	7(iii)	(7,487,836)	(5,956,721)
Interest received	7(viii)	3,128,536	2,793,859
Proceeds from sale of investments	7(iii)	12,724,358	11,007,570
Net cash used in operating activities		3,018,734	(656,468)
Cash flows from financing activities			
Net contribution from unit holders	8	14,732,582	22,545,387
Liquidations by unit holders	8	(17,807,069)	(21,160,581)
Net cashflows (used in)/ generated from financing activities		(3,074,487)	1,384,806
Net increase/ (decrease) in cash and cash equivalents		(55,753)	728,338
Movement in cash and cash equivalents			
At beginning of the year		4,497,058	2,715,183
Increase/ (decrease) in cash and cash equivalents		(55,753)	728,338
Cash and cash equivalents at end of year	7(vi)	4,441,305	3,443,521

The notes on pages 9 to 21 are an integral part of these financial statements.

Notes

1 General information

The Fund started operations in June 2019. The Fund is governed by a trust deed and rules and is registered under the Capital Markets Authority Act and is domiciled in Uganda. The address of its registered office is:

Britam Centre
Plot 24A, Akii-Bua Lule Road
P.O. Box 36583
Kampala, Uganda

2 Summary of significant accounting policies

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

(a) Basis for preparation

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS), interpretations issued by the IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS and the requirements of the Capital Markets Authority Act. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Uganda Shillings (Shs), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Fund

The Fund has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2022.

a) Amendment to IAS 37, Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

b) Reference to the Conceptual Framework – Amendments to IFRS 3

There were minor amendments made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

Notes (continued)

2 Summary of significant accounting policies (continued)

(a) Basis for preparation (continued)

(ii) *New and amended standards adopted by the Fund (continued)*

a) *Annual Improvements to IFRS Standards 2018-2020 Cycle*

The following improvements make amendments to the following standards and were finalised in May 2020:

IFRS 9: Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 1: First-time Adoption of International Financial Reporting Standards – The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

None of the above amendments had a significant impact on the Fund's financial statements.

(ii) *New standards and interpretations not yet effective and have not been early adopted*

At the date of authorisation of these financial statements, the Fund had not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

New standards and Amendments to standards	Effective for annual periods beginning on or after
Amendment to IAS 1, Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates	1 January 2023

a) *Amendment to IAS 1, Classification of Liabilities as Current or Non-Current*

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

Notes (continued)

2 Summary of significant accounting policies (continued)

(a) Basis for preparation (continued)

(ii) New standards and interpretations not yet effective and have not been early adopted (continued)

b) Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

c) Amendments to IAS 8 - Definition of Accounting Estimates

The amendment clarifies how Funds should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Fund manager does not plan to apply the above standards, until they become effective. Based on their assessment of the potential impact of application of the above. There are no other standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on near future transactions.

iii) Early adoption of standards

The Fund did not early adopt any new or amended standards in the financial year.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Uganda Shillings ("Shs"), rounded to the nearest thousand, which is the Fund's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary asset and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Revenue recognition

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset. Interest income includes interest from cash and cash equivalents, fixed deposits, government securities and investments with related parties.

Notes (continued)

2 Summary of significant accounting policies (continued)

(d) Financial instruments

(i) Classification

The Fund classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value through profit or loss, and those to be measured at amortised cost.

(ii) Recognition and derecognition

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depends on:

- (i) the Fund's business model for managing the financial assets; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments as those held at amortised costs.

Under amortised costs the assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(iv) Impairment

The Fund assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Notes (continued)

2 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(iv) Impairment (continued)

The Fund will recognise loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised will be 12-month ECLs:

- a. Debt instruments that are determined to have low credit risk at the reporting date. The Fund will consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment-grade' and investments in government securities; and
- b. Other financial instruments for which credit risk has not increased significantly since initial recognition.

In applying IFRS 9 impairment requirements, the Fund follows the general approach for all its financial assets.

The General Approach

Under the general approach, at each reporting date, the Fund determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised.

- Stage 1 - where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Fund will recognise 12 month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.
- Stage 2 - where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, the Fund will recognise lifetime ECL, but interest income will continue to be recognised on a gross basis.
- Stage 3 - where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Fund will continue to recognise lifetime ECL, but they will now recognise interest income on a net basis. As such, interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

(f) Distribution

All income or loss arising from operations is distributed to unit holders after provision for expenses. All distributions including unclaimed distributions are reinvested in the unit holders' account.

Notes (continued)

2 Summary of significant accounting policies (continued)

(g) Unit holder balances

Unit holders' funds are redeemable on demand at an amount equal to a proportionate share of the unit portfolio's net asset value. The balances are carried at the redemption amount that is payable at the financial reporting date if the holder exercised their right to redeem the balances.

(h) Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at cost. For the purposes of the statement of cash flow, cash and cash equivalents comprise cash at bank and deposits held at call with banks maturing within three months from the contract dates.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. Areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements relate to classification of and valuation of assets. In addition, judgement is required in determination of whether the assets are impaired and tax status of the Fund as disclosed in Note 6.

4 Financial risk management objectives and policies

The Fund's activities expose it to a variety of financial risks, including credit risk, liquidity risk and the effects of changes in market prices and interest rates. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

Risk management is carried out by the Fund Manager, Britam Asset Managers Company (Uganda) Limited. Britam Asset Managers Company (Uganda) Limited identifies, evaluates and manages financial risks, with emphasis on specific areas such as interest rate risk, credit risk and investing excess liquidity.

The Fund's risk management policies include the use of guidelines governing the acceptance of clients and investment policies are in place which help manage liquidity and seek to maximise return within an acceptable level of interest rate risk.

Market risk

(i) Foreign exchange risk

In the year 2023, the Fund did not have exposure to investments that are denominated in foreign currencies, therefore, the Fund had no exposure to foreign exchange risk.

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Notes (continued)

4 Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Price risk

The Fund invests in financial instruments that are subject to price risk. These are monitored closely by the management team to ensure risks are mitigated. As at 30 June 2023, if the Uganda Securities Exchange index had increased/decreased by 1% with all other variables held constant and all the Fund's bonds moved according to the historical correlation to the index, the unit holder balance for the period ended 30 June 2023 would have been Shs 405,274,834 (2022: Shs 395,061,487) higher/lower

(iii) Cash flow and fair value interest rate risk

The Fund's interest-bearing financial assets are corporate bonds, government securities and deposits with financial institutions, which are at fixed rate, and on which it is therefore not exposed to cash flow interest rate risk

The Fund manager regularly monitors financing options available to ensure optimum interest rates are obtained.

Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. In accordance with the Funds' policy, the Fund manager monitors the Funds' credit position on a daily basis, and it is reviewed on a quarterly basis by the Funds' Investments Committee.

The amount that best represents the Fund's maximum exposure to credit risk at 30 June 2023 is made up as follows:

June 2023	Gross Carrying value Shs'000	Credit loss allowance Shs'000	Total Shs'000
Government securities	40,532,685	(5,202)	40,527,483
Deposits with financial institutions	4,002,844	(4,578)	3,998,265
Investment with related parties	3,518,172	(30,081)	3,488,091
Bank balance	438,461	(5)	438,456
	<u>48,053,701</u>	<u>(39,861)</u>	<u>48,452,296</u>
December 2022			
Government securities	39,704,870	(5,096)	39,699,774
Deposits with financial institutions	4,307,370	(1,944)	4,305,426
Investment with related parties	4,983,791	(822)	4,982,969
Bank balance	189,688	(4)	189,684
	<u>49,185,719</u>	<u>7,866</u>	<u>49,177,853</u>

No collateral is held for any of the above assets. All assets that are considered to be impaired are carried at their estimated recoverable value. None of the above assets are past due, past due and impaired or impaired.

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Notes (continued)

4 Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily withdrawal of funds by investors. The Fund does not maintain cash balances to meet all of these needs as experience shows that a certain amount of withdrawals are requested daily and can be predicted with a high level of certainty. Management closely monitors the proportion of maturing funds available to meet such calls and on the minimum level of funds that should be in place to cover withdrawals at unexpected levels of demand. The table below analyses the Fund's financial liabilities and unit holder balances that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Due on demand Shs '000	Due within 3 months Shs '000	Total Shs '000
As at June 2023			
Unit holders' balances	48,355,683	-	48,355,683
Accrued expenses	-	96,613	96,613
Total	48,355,683	96,613	48,452,296
As at June 2022			
Unit holders' balances	51,557,635	-	51,557,635
Accrued expenses	-	104,697	104,697
	51,557,783	104,697	51,662,333

Capital management

The capital of the Fund is represented by unit holders' balances. The amount of unit holder liabilities can change significantly daily as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders.

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders.

5 Service fees

The management fees relate to service fees paid to Britam Asset Managers Company (Uganda) Limited for the professional management of the Fund (Note 10). This is charged at 2% per annum, computed on the daily fund balances. Trustee fees and custody fees are computed on the daily Fund balances at a rate of 0.15% and 0.125% respectively. Audit fees, annual general meeting (AGM) fees and license fees are charged based on amounts agreed between the Fund Manager and the service providers. The audit fees for the period amounted to Shs 11,002 million (2022: 10,962 Shs million).

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Notes (continued)

5 Service fees (continued)

	June 2023 Shs '000	June 2022 Shs '000
Management fees	485,171	504,025
Audit fees	11,002	10,962
Trustee fees	35,451	44,925
Custody fees	33,741	44,108
Annual general meeting fees	23,634	24,617
Licence fees	1,253	1,253
	<u>(590,252)</u>	<u>(629,890)</u>

6 Taxation

The Fund is registered as a collective investment scheme under the Capital Markets Authority Act. The Fund is therefore exempt from income tax under the Ugandan Income Tax Act.

7 Investments

(i) Interest income

	June 2023 Shs '000	June 2022 Shs '000
Government securities	2,547,380	2,650,214
Deposits with financial institutions	196,300	60,032
Investment with related parties	234,380	269,106
	<u>2,978,060</u>	<u>2,979,352</u>

ii) Maturity profile of investments in the money market

	Up to 3 months Shs'000	6-12 months Shs'000	Due within 1-5 years Shs'000	Due after 5 years Shs'000	Totals Shs'000
30 June 2023					
Deposits with financial institutions	3,998,265	-	-	-	3,998,265
Government securities	-	2,153,943	23,310,592	15,062,947	40,527,483
Investment with related parties	-	3,488,091	-	-	3,488,091
Total	<u>3,998,265</u>	<u>5,998,524</u>	<u>23,310,592</u>	<u>15,062,947</u>	<u>48,013,839</u>
30 June 2022					
Government securities	-	-	28,828,674	10,139,449	38,968,123
Investment with related parties	-	4,991,927	-	-	4,991,927
Total	<u>(0.01)</u>	<u>4,991,927</u>	<u>28,828,674</u>	<u>10,139,449</u>	<u>43,960,050</u>

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Notes (continued)

7 Investments (continued)

(iii) Movement in investments

Period ended 30 June 2023

Government securities
Deposits with financial institutions
Investment with related parties

At start of year Shs '000	Purchases at cost Shs '000	Accrued Interest Shs '000	Sales/ maturity Shs '000	Provision for ECL Shs '000	At end of year Shs '000
39,699,774	4,749,193	43,925	(3,965,304)	(5,201)	40,527,483
4,305,426	50,150,000	(4,527)	(50,450,000)	(4,578)	3,998,265
4,982,969	7,487,836	(194,402)	(8,759,054)	(30,080)	3,488,091
48,988,169	62,387,030	(155,002)	(23,209,413)	(39,860)	48,013,839

Year ended 31 December 2022

Government securities
Deposits with financial institutions
Investment with related parties

At start of year Shs '000	Purchases at cost Shs '000	Accrued Interest Shs '000	Sales/ maturity Shs '000	Provision for ECL Shs '000	At end of year Shs '000
38,964,775	11,464,129	240,124	(10,984,830)	(5,095)	39,699,774
1,523,092	62,130,000	4,259	(59,350,000)	(1,943)	4,305,426
6,182,770	9,021,460	166,036	(10,387,638)	(822)	4,982,969
46,670,637	82,615,589	410,419	(80,722,468)	(7,862)	48,988,169

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Notes (continued)

7 Investments (continued)

(iv) Expected credit loss on investments

The expected credit loss on investments relates to the Fund's investment in bank deposits, government securities, bank balances and investments in related parties. The Fund is holding a provision of Shs 39.8 million (2022: Shs 21.8 million) on the investments. The table below displays the movement of credit loss as at 30 June 2023 and 30 June 2022.

	Government Securities Shs'000	Deposits with financial institutions Shs'000	Bank balances Shs'000	Investment with related parties Shs'000	Total Shs'000
As at 1 January 2022	20,672	19	14	1,163	21,868
Increase/ (decrease) in loss allowance	(20,672)	(4)	(14)	(41,747)	(62,437)
As at 30 June 2022	0	15	0	(40,584)	(40,569)
As at 1 January 2023	5,096	1,944	4	822	7,867
Increase/ (decrease) in loss allowance	106	2,634	1	29,257	31,999
As at 30 June 2023	5,202	4,578	8	30,081	39,866

(v) Bank balances

	2023 June Shs '000	2022 December Shs '000	2022 June Shs '000
Bank balance	438,461	189,688	3,443,616
Expected credit loss	(5)	(4)	(95)
At end of year	438,456	189,684	3,443,521

(vi) Cash and cash equivalents

For the purposes of the statement of cashflows, cash and cash equivalents is presented as follows:

	June 2023 Shs '000	December 2022 Shs '000	June 2022 Shs '000
Deposits held with financial institutions – maturity of up to 3 months from contract date	4,002,844	4,307,370	-
Cash and Bank balance	<u>438,461</u>	<u>189,688</u>	<u>3,443,616</u>
	4,441,305	4,497,058	3,443,616
Expected credit loss	<u>(4,583)</u>	<u>(1,948)</u>	<u>(95)</u>
At end of year	4,436,721	4,495,110	3,443,521

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Notes (continued)

7 Investments (continued)

	June 2023 Shs '000	June 2022 Shs '000
(vii) Realised gains		
Treasury bonds	-	3,755
Deposits with financial institutions	-	378
Investment with related parties	-	(1,628)
At end of year	-	2,505
(viii) Income Received		
Treasury bonds	2,547,380	1,265,969
Deposits with financial institutions	196,300	31,661
Investment with related parties	234,380	109,601
Realised gains	-	2,505
	<u>2,978,060</u>	<u>1,409,736</u>

8 Unit holders' balances

	June 2023		June 2022	
	No. of units	Value Shs '000	No. of units	Value Shs '000
At beginning of the year	389,841	49,074,361	425,329	47,758,573
Creations	147,326	14,732,582	225,454	22,545,387
Liquidations	(178,071)	(17,807,069)	(211,606)	(21,160,581)
Profit distribution	-	2,355,809	-	2,414,256
At end of the year	<u>359,096</u>	<u>48,355,683</u>	<u>439,178</u>	<u>51,557,635</u>

9 Accrued expenses

	June 2023 Shs '000	December 2022 Shs '000
Management fees payable	79,365	85,081
Custody fees payable	5,557	5,958
Trustee fees payable	5,799	6,217
Annual general meeting payables	3,866	4,144
Licence fees payable	208	215
Audit fees payable	1,816	1,877
	<u>96,612</u>	<u>103,492</u>

10 Related party transactions

The Fund is managed by Britam Asset Managers Company (Uganda) Limited. Britam Asset Managers Company (Uganda) Limited is controlled by Britam Holdings Plc, a company incorporated in Kenya. There are other companies that are related to Britam Asset Managers Company (Uganda) Limited through common shareholdings or common directorship.

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Notes (continued)

10 Related party transactions (continued)

a) Unit holder's balances	June 2023 Shs '000	June 2022 Shs '000
Britam Umbrella Fund Uganda Unit Trust Scheme	<u>2,356,099</u>	<u>1,331,867</u>
	<u>2,356,099</u>	<u>1,331,867</u>
b) Purchases of goods and services		
Britam Asset Managers Company (Uganda) Limited	<u>485,171</u>	<u>504,025</u>
c) Payables to related parties		
Britam Asset Managers Company (Uganda) Limited	<u>77,322</u>	<u>83,930</u>
d) Investment with related parties		
Britam Fixed Income Money Market Fund	<u>3,518,172</u>	<u>4,951,411</u>

11 Contingent liability

Uganda Revenue Authority in a letter to the fund managers indicated that distributions to the unit holders are dividends subject to withholding tax. This matter has been taken up by the industry and engagements are ongoing to streamline the position. The crystallization of this liability is considered low and dependent on the outcome of these ongoing discussions.