



Our Health
Our Future

RWANDA SOCIAL SECURITY BOARD

Annual Performance REPORT

July 2012 - June 2013



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ABBREVIATIONS

AGL	: Akagera Game Lodge
BHR	: Banque de l'Habitat du Rwanda
BK	: Bank of Kigali
BMI	: Building Material Investment
BRALIRWA	: Brasseries et Limonaderies du Rwanda
BRD	: Banque Rwandaise de Développement
CIMERWA	: Cimenterie du Rwanda
CSR	: Caisse Sociale du Rwanda
GPD Ltd	: Gaculiro Property Developers Limited
KCB	: Kenya Commercial Bank
RAMA	: La Rwandaise d'Assurance Maladie
REIC	: Rwanda Enterprise Investment Company
RFI	: Rwanda Foreigner Investment
RFTZ	: Rwanda Free Trade Zone
RIG	: Rwanda Investment Group
RRA	: Rwanda Revenue Authority
RSE	: Rwanda Stock Exchange
RSSB	: Rwanda Social Security Board
Rwf	: Rwandan Francs
SONARWA	: Société Nouvelle d'Assurance du Rwanda
SOYCO	: Soy Company



STATEMENT BY THE BOARD CHAIRMAN



Dr. NTEZIRYAYO Faustin
Chairman Board of Directors

On behalf of the Board of Directors, I am delighted to present the RSSB Annual Report for the financial year ending 30th June 2013.

RSSB aims essentially at providing high quality pension and medical insurance services. It efficiently supervises contribution collection and prudently invests the surplus funds so as to guaranty provision of benefits to its members.

I would therefore like to commend the RSSB Management and Staff for their diligence and commitment in achieving this demanding mission. My deep appreciation also goes to my fellow Board Members for the invaluable guidance they have extended to RSSB.

During the year under review, the institution recorded considerable and commendable achievements in its operations. The annual contribution collection continued to exhibit an upward trend registering 23%

growth from the previous year. Regarding benefits payment for both medical and pension schemes, there was an increase of 17% compared to previous year. During this period the investment portfolio grew from Rwf 301.1bn to Rwf 371.4bn and the investmet income also increased by 22%. New membership increased by 40% and 102% in pension and medical schemes respectively.

I am convinced that this trend of improvement will continue thanks to the visionary leadership and commitment of the RSSB Director General.

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. NTEZIRYAYO Faustin
Chairman Board of Directors

OVERVIEW BY THE DIRECTOR GENERAL



KANTENGWA Angelique

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 2013. I am delighted to report that during 2012/2013, RSSB recorded striking performance in its key operational areas. Regarding the institution's core business, there was a remarkable improvement in the area of contributions collection, registration of new members, benefits payment and judicious investment of surplus funds as well as service delivery.

During the period under review, the collected contributins amounted to Rwf 82.96bn, registering a growth rate of 23% from the previous year. The benefits paid out to members from both medical and Pension schemes increased from Rwf 17.8 bn in 2011/212 to Rwf 20.96bn in 2012/2013. In addition, the institution also managed to make strategic investments of its members' funds which brought substantial income

during the period 2012/2013. Investment income amounted to Rwf 25.02bn and the investment portfolio has considerably increased originating from Rwf 301.1bn in 2011/2012 to Rwf 371.4bn reflecting a growth of 23.3%. In terms of new members registered, 28,476 new affiliates were registered in the medical secheme and 1,546 new employers with 89,399 employees in the pension scheme. In extending medical coverage to pensioners , 549 new pensioners were registered.

These achivements reflect the hardwork of our Board of Directors, Management and staff in the continued implementation of the institution's business and strategic plans. The Board of Directors played a crucial role in strategically overseeing RSSB's business during the year and has been instrumental in giving guidance and strengthening relationships with clients and stakeholders. I would like to extend my sincere thanks to each BOD member for their support, as well

as for their individual contribution to the success of the institution.

I am very grateful to the hard-working, dedicated management and staff who continue to execute their duties diligently enabling the institution to reach its objective. Without doubt, the noteworthy achievement would not have been possible if it was not for the dedication and commitment of the RSSB management and staff.

I would also like to pay tribute to all our stakeholders especially employers and employees for their unwavering support and patience as we make every effort to provide quality service to all.

Despite the great achievements however, the institution encountered a number of challenges while striving to fully achieve the objectives

set for the year. The challenges comprise mainly employers non-compliance, high staff turnover, fraud and database errors. The strategies to eradicate the challenges will be given much attention in the coming year.

With support and commitment from the Board of Directors and other stakeholders, we are committed to ensure that the good performance is improved further in the coming year as we continue to work diligently in providing quality services while executing our mission and working towards our vision.

KANTENGWA Angelique
Director General

EXECUTIVE SUMMARY

The performance of RSSB in the key areas during the year 2012/2013 (July 2012 – June 2013) is presented in the table here below. The table indicates planned output compared to actual output (**percentage of achievement is indicated in brackets**).

N°	Activities	Planned output	Actual output
1.	Collection of Contributions	Rwf 77.619 billion	Rwf 82.96 billion (107%)
2.	Payment of Benefits	Rwf 22.969 billion	Rwf 20.937 billion (91.2%)
3.	Budget Execution (Expenditure)	Rwf 137.225 billion	Rwf 143.070 billion (104.26%)
4.	Registration of New Employers and Employees	9,500 new employers (Pension Scheme), 20,000 affiliates (Medical scheme)	Registered 10,703 new employers (112.6%) of which 1,546 are active and 9,358 non active (RDB), 89,399 new employees of whom 8 were in the voluntary insurance under Pension scheme. Under the Medical scheme, 28,476 new affiliates (142.38%) were registered in the year ending 30th June 2013.
5.	Strengthen Employers' inspection	At least 640 audit cases finalized and reports produced	90 audited cases were finalized (14.06%) totaling Rwf 4.680 billion to be remitted.
6.	Processing Customer requests	100% of requests received and responded to within 2 working days	8,693 customer requests were received and 8,452 (97.2%) processed within the time limit during the year 2012/2013. The remaining 292 requests were sent to concerned departments for clarifications.
7.	Net returns on Investments	Rwf 24.4 billion	Rwf 40.63 billion (166.5%)
8.	Conducting sensitization seminars	At least 60 sensitization campaigns conducted.	Carried out 69 (115%) sensitization campaigns





INTRODUCTION

This report covers the financial year ending 30th June 2013. RSSB's overall performance was positive as illustrated in the chapters that follow.

Based on the annual action plan for 2012/2013, RSSB activities were grouped into three main objectives of:

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

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

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

2

CORPORATE STATEMENTS

2.1 Vision, Mission statement, Corporate value and Slogan

Vision

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

Mission Statement

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

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:

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

Funding

Rwanda Social Security Board is financed by employees' and employers' contributions. For the pension and Occupational hazard scheme, the total contribution is 8% of the employees' gross salary, of which 5% is paid by the employer and 3% is paid by the employee.

Of the 5% paid by the employer, 2% goes to occupational hazards and the remaining 3% goes to pension. The total contribution rate under Medical scheme is 15% of employees' basic salary, of which 7.5% is paid by employer and the other 7.5% paid by employee.

Coverage

The scheme is mandated to cover all employees working in the private and public sectors. However, an individual may voluntarily register and save with RSSB under the Pension scheme. For private individuals to be registered under the medical scheme, a minimum of 7 is required.

Benefits

In the event that any of the contingencies occurs, RSSB members or their dependants are entitled to receive benefits as provided by

the law. For old age benefits, members aged at least 55 are entitled to pension benefits.

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.

1

PERFORMANCE ASSESSMENT

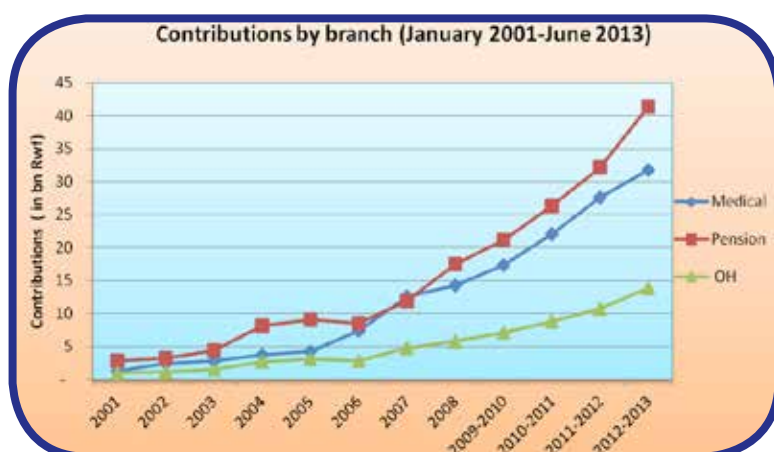
3.1 Contribution Collection

According to the 2012/2013 revenue projections, RSSB expected to collect Rwf 77.619 bn as contributions during the year in both the Medical and Pension schemes. The contributions collected during the twelve months period amounted to Rwf 82.96 bn (107%) divided as follows; the Pension branch Rwf 39.84 bn; Occupational Hazard Rwf 13.28 bn and the Medical Scheme Rwf 29.83 bn respectively. This performance can be attributed to efforts of enforcement being put in place along with employers' inspection and sensitization made during the period in review. The trend of contributions since 2001 is presented in the table below:

Table 1: Trend of contributions (Rwf) since 2001

Years	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	14,220,453,615	4,740,151,205	31,487,715,310
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	26,254,030,952	8,751,343,651	57,029,544,600
2011-2012	27,607,121,723	32,167,809,578	10,722,603,193	70,497,534,494
2012-2013	29,839,281,506	39,842,478,804	13,280,826,260	82,962,586,570

Graph 1: RSSB contributions' trend by branch (January 2001 to June 2013)



From the graphical presentation above, it can be observed that contributions have been increasing for all branches. The year under review witnessed a far-reaching increment in contributions collection, which is mainly attributed to efforts made in enforcement, employers' inspection and sensitization within public as well as private institutions.

3.2 Benefits Payment under both schemes

Benefits payment is among the most prominent activities and requires excellence in its execution. During the financial year under review, an amount equivalent to Rwf 20.9 billion was paid out of the 22.2 billion budgeted, that is a realization of 94.3%. Under Pension scheme, Rwf 10.01 billion was paid out of the Rwf 9.4 billion targeted and Rwf 10.9 billion was paid out as Medical benefits. These Pension benefits were paid on 30,133 files and Occupational Hazards Benefits were paid on 1,697 files totaling 31,758 files for 35,968 beneficiaries. A total of 1,470,015 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	2011 - 2012				2012 - 2013			
	Dossiers/ Vouchers served	Number of benefic iaries	Amount paid	% of Grand Total	Dossiers/ Vouchers served	Number of beneficiaries	Amount paid	% of Grand Total
Pension								
Old age pension	12,528	12,528	5,314,158,112	32.1%	13,454	13,454	6,648,376,506	31.8%
Invalidity pension	294	294	171,420,794	1.0%	304	304	218,232,108	1.0%
Survivors pension	14,290	17,018	1,253,597,798	7.6%	13,622	16,777	1,382,411,141	6.6%
Old age lumpsum	2,048	2,048	1,097,784,346	6.6%	2,016	2,019	1,107,821,778	5.3%
Survivors lumpsum	488	1,426	292,528,672	1.8%	737	1,348	334,491,561	1.6%
Sub Total	29,648	33,314	8,129,489,722	49.1%	30,133	33,902	9,691,333,094	46.3%
Occupational Hazards								
Incapacity benefits	680	797	117,652,959	0.7%	672	672	126,775,782	0.6%
Incapacity lumpsum	13	13	2,419,133	0.0%	7	7	758,859	0.003%
Survivors benefits	1,039	1,386	173,432,355	1.0%	1,018	1,438	196,411,599	0.9%
Sub Total	1,732	2,196	293,504,447	1.8%	1,697	2,117	323,946,240	1.5%
Total for Pension	31,380	35,510	8,422,992,219	50.9%	31,830	36,019	10,015,279,334	47.8%
Medical Benefits								
Medical Benefits	1,230,953	366,426	9,435,099,253	56.2%	1,470,015		10,922,130,627	52.2%
General Total			17,858,091,472	100%			20,937,409,961	100%

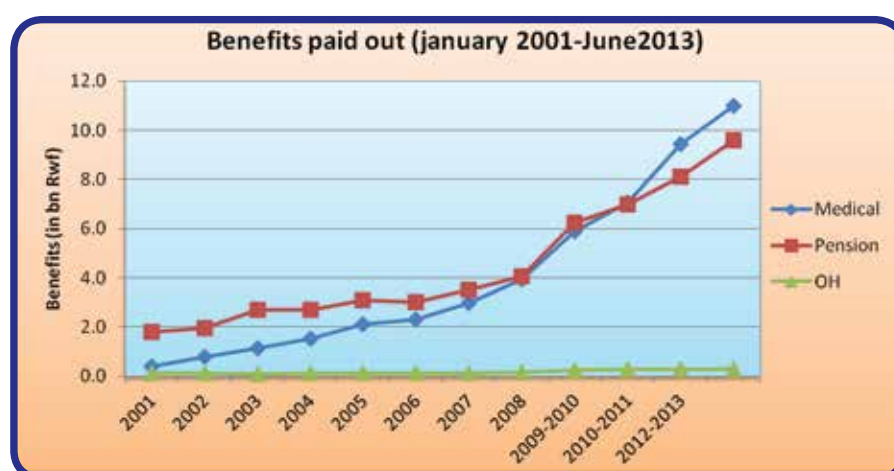
Table 2 above illustrates benefits paid under both schemes for the two consecutive years, showing that for the year 2012–2013; almost all indicators increased except the files served under the Occupational Hazards branch.

Table 3 below shows the trend of benefits payment for the previous 12 years.

Table 3: Benefits payment trend since 2001

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

Graph 2: RSSB benefits payment trends



The graph above 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.

3.3 Human Resource Management

Human Resources Management is one of the key factors in organizational success as effective personnel play a prominent role in helping an organization achieve its objectives. It is upon this background that human resource management was given a lot attention at RSSB by investing in the development of its personnel and developing retention strategies, recruiting suitable candidates, ensuring employees' welfare and creating a healthy working environment.

Concerning capacity building and career development, more than 269 employees were trained in various fields both within and outside the country. For the year 2012-2013, RSSB trained 21 staff in Association of chartered Certified Accounts (ACCA), 4 in CIA, 1 in CPA, 3 in Msc in Social protection financing, 73 pursuing MBA and other related masters programs and 167 in short professional courses and training. As a new initiative, RSSB sponsored 5 employees to seat for professional actuarial exams.

Regarding the process of reinforcing its personnel, the institution recruited 40 permanent and skilled staff and 11 casual workers. On the other hand the institution had a staff turnover problem whereby 40 employees resigned from their duties.

In terms of enhancing employees' welfare, RSSB management has set up varied staff advantages such as medical fees and hospitalization abroad (including the ticket

and stay), sponsorship for sports with various service providers, medical checkup and many other advantages.

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

3.4 Corporate Social Responsibility

Corporate Social Responsibility as a process aiming at embracing responsibility for encouraging positive change through institution's actions has assumed great importance in social security sector. RSSB has actively been involved in promoting corporate social responsibility by providing funding and resources to programs that improve people's welfare and services that are in the best interests of community.

In 2012-2013, RSSB initiated a project to support childred of former CSR staff who lost their lives in the 1994 Genocide against Tutsi by sponsoring their education. The institution also extended support to Ntarama and Nyamata memorial sites, CNLG, AVEGA, IBUKA, women and children living in Nyamagabe refuge camp, genocide survivors, sports association, gender promotion, education and medical association.

Morover, RSSB supported African Tea convention and exhibition and participated in community work meant to protect the environment.

In general, RSSB offered support equivalent to Rwf 60,490,000 to different group of people and associations.

3.5 Service Delivery

RSSB is always committed to providing quality services to its esteemed customers. For the 2012-2013 financial year, the institution implemented the following activities to improve service delivery to meet customer needs:

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

3.6 Sensitization

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

social security programs managed by RSSB, they will be strongly supportive of ongoing efforts of extending social security coverage to all rightful persons. During 2012-2013 financial year, 86 sensitization seminars were carried out in various institutions and districts across the country.

In addition, RSSB has had significant presence in the media whereby 49 radio talk shows were aired, 18 TV short magazines were produced and aired on Rwanda Television, 48 serial mini drama, 2 documentary films and 24 feature stories in Umwezi newspaper.

3.7 Investment of Funds

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

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

3.7.1 Investment Portfolio

RSSB's investment portfolio is mainly composed of real estate projects, bank term deposits, bonds, loans and foreign as well as local equity. As detailed in table 4 below, the total portfolio at the end of June 2013 stood at Rwf 371.4bn. The major contributor is bank term deposits that stood at Rwf 103bn (27.7% of total portfolio).

Table 4: Investment Portfolio in Rwf as at 30/06/2013

Nature of Investment	Assets Amount as 30 June 2012	Investment variation 2012-2013	Assets Amount as at 30 June 2013
Real Estate			
Kacyiru recreation center	565,048,093		565,048,093
K E A	5,240,482,114	40,163,017	5,280,645,131
Former head quarter CSR	6,900,000,000		6,900,000,000
Land For Dvt (Gac&Kiny)	21,561,239,916	482,769,566	22,044,009,482
Land (Rugenge)	7,240,584,967	394,580,261	7,635,165,228
Land nyarutarama	448,480,093		
Dignity Center	999,146,799	(999,146,799)	
House No 232 (Former American Club)	284,000,000	(284,000,000)	
Doctor's Plaza 1	66,481,380	112,542,847	179,024,227
Doctor's Plaza 2	5,226,497,597	1,942,102,540	7,168,600,137
Grand Pension Plaza	15,412,316,837	68,681,863	15,480,998,700
Nyarugenge Pension Plaza	8,987,355,443	2,774,467,738	11,761,823,181
Muhanga Pension Plaza		5,912,990	5,912,990
Nyanza Pension Plaza	3,189,813,697	639,198,747	3,829,012,444
Karongi Pension Plaza	3,123,894,248	744,303,430	3,868,197,678
Musanze Pension Plaza	3,343,923,817	907,758,681	4,251,682,498
Rwamagana Pension Plaza	2,471,493,189	1,064,447,115	3,535,940,304
Kicukiro Pension Plaza	3,926,769,851	860,841,383	4,787,611,234
Batsinda Project 1.	1,650,533,238	(6,687,000)	1,643,846,238
Batsinda Project phase 2.	33,209,400		33,209,400
Nyagatare Housing Project	124,147,461	58,559,396	182,706,857
Shoping Mall	250,171,800		250,171,800
Umucyo Estates	1,625,190,039		1,625,190,039
Vision City (Master plan)	696,190,000		696,190,000
Sub Total	93,366,969,979	8,806,495,774	101,724,985,661
Equity Pension scheme (Local)	42,806,786,308	4,027,676,796	46,834,463,104
Equity Pension scheme (Foreign)	10,903,419,565	4,000,462,133	14,903,881,698
Equity Medical scheme (Local)	5,266,595,600	(417,348,500)	4,849,247,100
Equity Medical scheme (Foreign)	2,889,605,580		2,889,605,580
Sub Total	61,866,407,053	7,610,790,429	69,477,197,482

Fixed income			
Mortgage Loans	2,217,267,974	(272,660,027)	1,944,607,947
C loan: BRD (Pension scheme)	2,669,724,719	(1,601,193,711)	1,068,531,008
C loan NFC(Pension sheme)	439,297,728		439,297,728
Corporate loan (CSS ZIGAMA)	3,391,350,203	(1,234,372,025)	2,156,978,178
Corporate loan (BRD:Dignity center)		770,000,000	770,000,000
UCT Building	121,193,767		121,193,767
Loans to BRD (Medical scheme	2,245,327,231	(1,372,059,794)	873,267,437
Loans to RDB (Medical scheme	2,500,000,000		2,500,000,000
Sharholder's loan AGL		177,189,317	177,189,317
Fixed Deposits (Pension scheme)	39,000,000,000	18,000,000,000	57,000,000,000
Fixed deposits (Medical scheme)	46,500,000,000	(500,000,000)	46,000,000,000
Corporate Bond (Pension scheme)	350,000,000	(17,500,000)	332,500,000
Treasury bond pension scheme	45,000,000,000		45,000,000,000
Treasury bond (Medical scheme)	1,446,500,000	(369,600,000)	1,076,900,000
Treasury bills(Pension scheme		23,687,425,500	23,687,425,500
Treasury bills (Medical scheme)		17,015,108,428	17,015,108,428
Sub total	145,880,661,622	54,282,337,688	200,162,999,311
Grand Total	301,114,038,655	70,699,623,892	371,365,182,453

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 25.02bn. 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	Medical scheme	Total
2003	2,738,904,821	370,097,878	3,109,002,699
2004	3,420,712,539	800,195,014	4,220,907,553
2005	4,027,783,991	795,273,257	4,823,057,248
2006	2,754,700,123	904,549,522	3,659,249,645
2007	8,888,650,199	1,375,652,446	10,264,302,645
2008	7,076,400,000	1,720,323,055	8,796,723,055
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

3.7.3 Shareholding

RSSB holds shares in 18 local companies and 2 foreign companies (Rwanda Foreign investment and SAFARICOM) under the Pension Scheme and in 4 local and 1 foreign companies under the Medical Scheme.

The biggest percentage in RSSB's shareholding status is attributed to RSSB's full ownership of Akagera Game Lodge and Gaculiuro Property Developers (GPD) which was initially supposed to be owned with other partners. The value of RSSB shareholding in BK is also subject to change after the Bank announces its total share capital. The total value of shareholding in all these companies for both the Pension and Medical scheme is Rwf 71.1bn while the amount of shares paid for is Rwf 69.4bn. Table 6 illustrates the details.

Table 6: RSSB Shareholding status as at 30/06/2013

COMPANY	Share Capital (RWF)	No.of Shares	RSSB SHARES	Par Value of RSSB Shares (RWF)	%	Amount paid
Pension scheme						
SONARWA	2,200,000,000	220,000	35,750	357,500,000	16.25%	357,500,000
BK	6,673,370,000	667,337,000	200,844,600	7,578,061,800	30.10%	7,578,061,800
B.R.D	7,000,021,000	7,000,021	2,230,137	3,265,407,685	31.86%	3,265,407,685
RWANDATEL	2,420,000,000	242,000	48,400	484,000,000	20.00%	484,000,000
A.G.L	1,250,000,000	1,250,000	1,250,000	1,820,000,000	100.00%	1,820,000,000
REIC	1,100,000,000	10,000	2,652	291,720,000	26.52%	291,720,000
RIG sa	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	3,557,652	3,557,652,000	10.12%	3,557,652,000
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

RFTZ	11,000,000,000	1,100,000	164,748	1,647,480,000	14.98%	1,647,480,000
B.M.I	11,729,086,992	11,729	5,865	5,864,543,496	50.00%	5,864,543,496
SOYCO	3,000,000,000	10,000	2,000	665,783,507	20.00%	665,783,507
GACULIRO PROPERTY DEVELOPERS Ltd	4,500,000,000	4,500,000	4,500,000	7,200,000,000	100.00%	7,200,000,000
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	96,622,300	4,328,195,310	0.24%	4,328,195,310
BRALIRWA	87,500,000,000	514,285,000	8,709,400	1,251,639,820	1.69%	1,251,639,820
NEW FOREST COMPANY	621,571,200	1,000,000	100,000	62,157,120	10.00%	62,157,120
NEW FOREST COMPANY HOLDINGS LONDON		9,361,076	110,370	1,011,080,808	1.18%	1,011,080,808
RWANDA STOCK EX- CHANGE	100,000,000	100	10	10,000,000	10.00%	10,000,000
SUB TOTAL				63,379,722,898		61,738,344,802
Medical scheme						
BK	6,673,370,000	667,337,000	11,000	100,100	0.002%	110,000
RIG sa	13,805,000,000	13,805	720	720,000,000	5.22%	720,000,000
CIMERWA Ltd	35,160,976,000	35,160,976	3,557,652	3,557,652,000	10.12%	3,557,652,000
RWANDA FOREIGN INVESTMENT	10,120,856,000	10,120,856	2,889,606	2,889,605,580	28.55%	2,889,605,580
BRALIRWA	87,500,000,000	514,285,000	4,202,100	571,485,600	0.82%	571,485,600
SUB TOTAL				7,738,843,280		7,738,853,180
GRAND TOTAL				71,118,566,178		69,477,197,982

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.

Table 7: Real estate property and mortgage investments income

Commercial Buildings	Expected revenues	Revenues	Expenses	Net income
Nyanza Pension Plaza	72,000,000	75,036,060	22,970,880	52,065,180
Musanze Pension Plaza	26,344,200	27,451,430	22,970,880	4,480,550
Karongi Pension Plaza	117,940,320	57,042,533	22,970,880	34,071,653
Rwamagana Pension Plaza	51,446,400	38,071,986	22,970,880	15,101,106
Kicukiro Pension Plaza	313,344,000	489,278,210	73,987,122	415,291,088
Grand Pension Plaza	1,300,252,560	1,609,117,456	203,432,053	1,405,685,403
Doctor's Plaza 1	20,000,000	47,064,170	3,840,906	43,223,264
Dignity Center	111,143,340	6,966,591	-	6,966,591
Former American Club	18,000,000	17,669,000	16,499,314	1,169,686
KEA	753,000,000	806,912,714	141,691,326	665,221,388
Gaculiro 2020 Estate	300,000,000	191,632,423	13,840,108	177,792,315
Kacyiru Estate	1,409,460,000	39,435,852	2,555,152	36,880,700
Total	4,492,930,820	3,405,678,425	547,729,501	2,857,948,924

Ongoing Projects

At the end of 2012/2013, RSSB had 12 real estate projects in progress, some being finalized while others were at preliminary stage (Annex 2 provides further details).

3.8 Membership Status

3.8.1 Registration of new employers and employees/affiliates

The number of new employers registered in the Pension Scheme is 1,546 with 89,399 new employees in mandatory insurance and 9 in voluntary insurance. In the Medical Scheme, 28,476 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 Scheme		Medical Scheme		Pension Scheme	
	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013
Kigali City	1,048	787	5,861	6,516	14,290	20,142
Eastern	301	208	2,528	5,115	11,197	12,343
Western	352	233	1,819	6,873	15,390	22,871
Northern	148	148	1,389	4,429	7,829	16,795
Southern	315	171	2,502	5,543	14,954	17,248
Total	2,164	1,546	14,099	28,476	63,660	89,399

In terms of employers' registration by sector, the private sector registered a much higher number. Out of the 1,546 new employers registered under the Pension Scheme, 1,440 (93%) were from the private sector. Table 9 below shows that new employers' registration witnessed a decrease of 28% from previous year.

Table 9: New employers by Sector of activity

Sector	Pension Scheme	
	2011-2012	2012-2013
Public	435	106
Private	1,729	1,440
Total	2,164	1,546

Table 10 below shows the number of new employees and affiliates registered by sector of activity under both Medical and Pension schemes.

Table 10: New affiliates / employees registered by Sector of activity during the year (July 2012 - June 2013)

Sector	Medical Scheme		Pension Scheme	
	2011-2012	2012-2013	2011-2012	2012-2013
Public	2,115	22,275	15,587	15,198
Private	11,984	6,201	48,073	74,201
Total	14,099	28,476	63,660	89,399

Table 11: Trend of contributing employees and affiliates since 2003

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

The table 11 above clearly reveals remarkable performance from January 2003 to June 2013

from both schemes, except for a drop in 2005 in Pension scheme caused by retrenchment of employees in public service.

3.8.2 Contributor's Compliance

There is a major challenge regarding employer compliance in declaration and payment of the area of contributions. By 30th June 2012 the total number of registered and active employers who had complied was only 11,194 out of 16,891 (66%). The declaration level of contribution at 66% means that the contribution level would have been higher if declarations had been made as expected. The table 11 below shows the declaration status under the Pension Scheme according to Districts across the country. The compliance level stands at 66% on average this year. More emphasis needs to be put in sensitization, audit of employers and debt recovery.

Table 12: Declaration Status under Pension Scheme

NO	District	Active Employers	Complied Employers	Compliance in %
1	NYANZA	243	212	87%
2	BURERA	232	199	86%
3	KIREHE	204	169	83%
4	GISAGARA	205	169	82%
5	BUGESERA	207	170	82%
6	KAMONYI	228	180	79%
7	RUBAVU	532	420	79%
8	NYAGATARE	320	252	79%
9	RUTSIRO	213	166	78%
10	KAYONZA	287	218	76%
11	MUSANZE	426	323	76%
12	RWAMAGANA	244	184	75%
13	KARONGI	393	293	75%
14	HUYE	531	393	74%
15	GICUMBI	312	227	73%
16	NYAMAGABE	376	270	72%
17	RUHANGO	248	178	72%
18	GATSIBO	263	188	71%
19	RULINDO	268	188	70%
20	NYARUGURU	221	145	66%
21	NGOMA	301	196	65%
22	MUHANGA	429	275	64%
23	NGORORERO	286	183	64%
24	GASABO	2,827	1,788	63%
25	NYARUGENGE	4,328	2,612	60%
26	KICUKIRO	1,500	893	60%
27	NYABIHU	197	116	59%

28	RUSIZI	479	270	56%
29	NYAMASHEKE	313	173	55%
30	GAKENKE	277	144	52%
TOTAL		16,890	11,194	66%

3.8.3 Employers' inspection, audits and enforcement

During the year under review, significant efforts were made whereby, 90 audits were finalized totaling to Rwf 4,680,438,323 (contributions, penalties and interests to be remitted), 42 audits were reviewed and discussed, 40 cases were in draft phase while 57 audits were in progress.

Concerning the enforcement of arrears, the institution recovered Rwf 3,226,163,510 for the two schemes i.e. Rwf 2,630,896,417 for the Pension Scheme and Rwf 581,806,163 for the Medical Scheme. Rwf 13,460,931 was recovered from 2020 estate; 558 employers under the Pension Scheme and 292 under the Medical Scheme were visited by the Enforcement and Debt Recovery team. In addition, 77 warning letters were issued and an amount of Rwf 1,376,740,944 is expected to be recovered.

3.9 Policy developments and legislative changes

The main achievement made in the process of ensuring a conducive legal framework was the review and drafting of all pending laws and related orders on Pension, maternity, occupation hazard and health. It also started reviewing procedure law concerning collection, audit and enforcement of its contributions by RRA. 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 2013-2104.

3.11 Other activities performed during the year

During the year 2012/2013, other important activities were performed and some of these include; Preparation of the Action Plan 2013/2014, Preparation of the Budget for the year 2013/2014, granting internships to 30 students from different universities, Training users on the working of the RSSB medical contributions and registration module, Coordinating external audit for RSSB financial account year 2011/2012, Organizing and hosting ECASSA conference, Updating the RSSB statistical database and preparation of various data requested by different partners (BNR, NISR, MINECOFIN, and many others).



CONCLUDING REMARKS

In conclusion, the performance of the Institution during the year 2012/2013 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 2013 / 2014 it is imperative that the following major issues are addressed with great vigor:

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

ANNEX

ANNEX 1: SUMMARY ON BUDGET EXECUTION

Budget Line	Projections (in Rwf)	Realization – Cumulative June 2013 (Rwf)	Annual realization rate
Members' contributions	77,619,503,070	87,058,355,673	112.2 %
Investment Income (Returns)	24,833,278,272	21,565,150,930	86.8%
Investment Income (Principal)	10,652,566,805	4,803,935,654	45.1%
Other income	82,000,000	559,462,358	682.3%
Total	113,187,348,147	113,986,904,615	100.7%
Operations	11,270,485,743	8,587,484,185	76.2%
Investments	101,944,231,455	113,109,291,479	111.0%
Equipment & Rehabilitation	1,779,329,826	408,595,008	23.0%
Benefits	22,231,726,050	20,964,734,556	94.3%
Total	137,225,773,074	143,070,105,228	104.3%

ANNEX 2: PROGRESS OF RSSB PROJECTS AS AT 30th June 2013

Ref.	NAME	PROGRESS	PROJECT COST	OBSERVATION
1.	PENSION PLAZAS (Rwamagana, Kicukiro, Musanze, Nyanza and Karongi)	<ul style="list-style-type: none"> Correction of defects and snags (Karongi & Rwamagana). Valuation of defect and snags, procuring the company to attend them and installing the cleaning cradle at Musanze Pension Plaza. 	Rwf 20,272,444,158	Installation of signs was completed
2.	GRAND PENSION PLAZA	<ul style="list-style-type: none"> Preparation of the final account by hiring a QS expert. The recruitment is ongoing through RDB which is now receiving expressions of interest. Construction of canopy to cover the ramps. Procuring the company to attend defects and snags. 	Rwf 15,455,611,498	Installation of signs was completed.
3.	RSSB TOWER 1	<ul style="list-style-type: none"> Attending to many snags. Verification of the final accounts for both CCECC and VFL. Follow up the commencement of DNA works. 	Rwf 10,134,544,496	
4.	RSSB TOWER 2	Supervise the construction: finishes and external works.	Rwf 6,225,916,680	The provisional handover is due end of August 2013.

5.	CBD1 BASIC INFRASTRUCTURES	<ul style="list-style-type: none"> Adjustment and correction along the road B, AB and D. Construction of storm water drainage near Rugenge Cell. Approval of 4 embranchments by the CoK. Approval by CoK of road connecting road F to others. Start construction of embranchments and road connecting road F to road AB. 	The actual value is Rwf 4,276,436,265, whereas the initial contract was Rwf 5,357,100,457	
6.	NYAGATARE HOUSING PROJECT	<ul style="list-style-type: none"> Requesting MININFRA to provide basic infrastructures such as roads, water, electricity and waste water drainage system to the site. 		
7.	UMUCYO ESTATE , KEA, and GACULIRO 2020 ESTATE	<ul style="list-style-type: none"> Testing the effluent from the WWTP of Umucyo Estate before the handover to the tenants as agreed between RSSB and Residents and Gasabo District authority. Rehabilitation of bathrooms and kitchens, construction of water tank and follow up the construction of water tank and WWTP at KEA. Maintenance of the existing WWTP and terminating agreements between RSSB and house owners who do not pay their monthly installments. 		

8.	VISION CITY	<ul style="list-style-type: none"> Designing the master plan for three sites. These plans have been approved by the One Stop Center (OSC). Preparing and submission of the detailed designs to OSC and hiring the contractor. Roads formation, grading and leveling in Phase 1 and commercial center. Evaluation of bids, hiring the contractor. This is under analysis, three foreign offers were received. Construction works of 1st Phase will start in September 2013 and finish at the end of December 2014. 		
9.	CONSTRUCTION OF KINYINYA AND BATSINDA ESTATES.	<ul style="list-style-type: none"> Hiring the Project Manager. Design and approval of the Master Plan. Submission of detailed designs for infrastructure, villa and apartments to OSC for approval Floation of tender for hiring the contractor: August 2013. Road formation, grading and leveling 		
10.	MUHANGA SHOPPING MALL	<ul style="list-style-type: none"> Detailed designs, preparation of BOQ and costing will follow. 		
11.	AKAGERA GAME LODGE	<ul style="list-style-type: none"> Follow up study for rehabilitation of the entire hotel. Preparation of required BOQ. Preparation of tender documents. Tender is to be floated at the end of August 2013. 		
12.	5 MIXED USE BUILDINGS IN CBD1	<ul style="list-style-type: none"> Preliminary concept designs were presented. Full designs will be made after agreeing on concept. Construction works to start in December 2013. 		
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FINANCIAL REPORT

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*Rwanda Social Security Board
Directors' report for the year ended 30 June 2013*

Members of the Board of Directors

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

Registered office

RSSB Building
P O Box 250
Kigali, Rwanda

Bankers

Bank of Kigali Limited
P O Box 175
Kigali, Rwanda

GT Bank (Rwanda) Limited
P O Box 331
Kigali, Rwanda

I & M Bank (Rwanda) Limited
P O Box 354
Kigali, Rwanda

Access Bank (Rwanda) Limited
P O Box 2059
Kigali, Rwanda

National Bank of Rwanda
P O Box 531
Kigali, Rwanda

Zigama Credit and Saving Society
P O Box 4772
Kigali, Rwanda

Bank Populaire du Rwanda Limited
P O Box 1348
Kigali, Rwanda

Development Bank of Rwanda Limited
P.O Box 1341
Kigali, Rwanda

Ecobank Rwanda Limited
P O Box 3268
Kigali, Rwanda

Cogebanque Limited
P.O. Box 5230
Kigali, Rwanda

KCB Rwanda Limited
P O Box 5620
Kigali, Rwanda

Equity Bank Rwanda Limited
P O Box 494
Kigali, Rwanda

The directors submit their report together with the audited financial statements for the year ended 30 June 2013 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 is organized into 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, RSSB provides medical insurance services to public sector employees.

Membership of the defined benefit fund

a) Total members at 30 June

	2013	2012
Contributing members	352,085	332,888
Pensioners	36,019	35,500
Deferred members	500,274	450,574

888,378

819,962

b) Contributing members

At start of year	332,888	298,376
Joiners	25,589	36,628

358,477

335,004

Less:

Retired with pension	(1,679)	(1,947)
Died in service	(175)	(134)
Other secessionists	(1,538)	(35)
	(3,392)	(2,116)

At end of year

355,085

332,888

*Rwanda Social Security Board
Directors' report for the year ended 30 June 2013*

Membership of the defined benefit fund (continued)

c) Pensioners	2013	2012
At start of year	32,023	31,130
Contributing members who retired	1,679	1,947
Widows or widowers pension becoming payable	905	923
Members who got lump sum	2,760	2,549
	<hr/>	<hr/>
	37,367	36,549
Less:	<hr/>	<hr/>
Deaths and other secessionists	(1,348)	(1,049)
	<hr/>	<hr/>
At end of year	36,019	35,500
	<hr/>	<hr/>
 d) Deferred members		
At start of the year	450,574	388,160
Deferred contributing employees	49,700	62,414
	<hr/>	<hr/>
At end of year	500,274	450,574
	<hr/>	<hr/>

Results from operations


The statements of changes in net assets and comprehensive income for the year ended 30 June 2013 are set out on pages 41 to 42.

Directors

The Directors who held office during the year ended 30 June 2013 are set out on page 35

Auditor

In accordance with the applicable auditor rotation rules, the term of RSSB's current auditor, Price water house Coopers Rwanda Limited, has ended.



Director

..... 09/10/..... 2014

*Rwanda Social Security Board
Statement of Management's Responsibilities for the year ended 30 June 2013*


Law No. 60/2008 of 10/09/2008 requires the management to prepare annual financial statements in accordance with public accounting regulations that show the financial position of RSSB and the use of its resources. It also requires the management to ensure that RSSB keeps proper accounting records of its income, expenditure, liabilities and assets in accordance with the rules of the entity. The management is also responsible for safeguarding the assets of RSSB.

The management 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 management is 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 management 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.

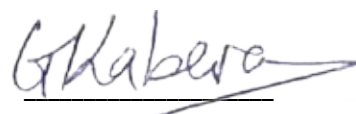
Approval of the financial statements

The financial statements of RSSB, as indicated above, were approved by the meeting of directors on 09/10/14 and were signed on its behalf by:

For the directors



 Chairman



 Director

..... 09/10/ 2014

..... 09/10/ 2014



REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF THE RWANDA SOCIAL SECURITY BOARD

Report on the financial statements

We have audited the accompanying financial statements of the Rwanda Social Security Board (“RSSB”) set out on pages 6 to 74. These financial statements comprise the statement of financial position at 30 June 2013, the statements of comprehensive income, changes in reserves and accumulated members’ fund / equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and, for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Basis for qualified opinion

RSSB has not determined the fair value of its pension scheme's investment properties amounting to Rwf 91,566,529,181, out of the total portfolio of investment properties of Rwf 117,864,167,709 as at 30 June 2013. The investment properties were last fair valued as at 30 June 2012. This practice is not in accordance with IAS 40, Investment Properties, which requires an entity to measure all of its investment property at fair value at each balance sheet date, where that entity has elected to use fair value model of the standard. The Directors have not provided to us the information that would allow the determination of the fair value of these investment properties as at 30 June 2013. Consequently, we were unable to quantify the fair value adjustments that would be required to comply with the requirements of IAS 40 in respect of the investment properties.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of RSSB as at 30 June 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

For Price water house Coopers Rwanda Limited, Kigali



Bernice Kimacia

Director

14 October 2014

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Statement of comprehensive income for the year ended 30 June 2013¹

		Pension Scheme	Medical scheme	Total
		2013	2013	2013
	Note	Rwf	Rwf	Rwf
Dealing with members				
Contributions	1	53,123,305,064	29,839,281,506	82,962,586,570
Pharmacy sales	2	-	549,682,977	549,682,977
Benefits payable	3	(10,015,279,334)	(10,922,130,627)	(20,937,409,961)
Pharmaceutical inventory expensed	3	-	(503,463,835)	(503,463,835)
Net operating income		43,108,025,730	18,963,370,021	62,071,395,751
Returns on investments				
Investment income	4	16,951,824,195	8,076,669,056	25,028,493,251
Change in fair value of investment properties	15	(368,314,612)	-	(368,314,612)
Change in fair value of financial assets at fair value through profit or loss	16	13,840,155,681	2,199,924,552	16,040,080,233
Realised gain on disposal of equity investments		111,624,625	-	111,624,625
Realised gain on disposal of investment properties		960,352,133	-	960,352,133
		31,495,642,022	10,276,593,608	41,772,235,630
Less: investment management expenses	6	(1,132,847,786)	-	(1,132,847,786)
Net returns on investments		30,362,794,236	10,276,593,608	40,639,387,844
Other income	7	322,782,690	15,783,746	338,566,436
Expenditure				
Staff costs	8	(2,520,728,974)	(2,523,724,623)	(5,044,453,597)
Administrative expenses	9	(1,193,652,641)	(1,215,984,981)	(2,409,637,622)
Depreciation expense	13	(149,792,583)	(2,559,681,760)	(2,709,474,343)
Amortisation charge	14	(28,203,428)	(28,203,428)	(56,406,856)
Other expenses	10	(1,793,049,970)	(2,015,479,197)	(3,808,529,167)
Total expenses		(5,685,427,596)	(8,343,073,989)	(14,028,501,585)
Net income before tax		68,108,175,060	20,912,673,386	89,020,848,446
Income tax expense	11	-	-	-
Net income for the period		68,108,175,060	20,912,673,386	89,020,848,446
Other comprehensive income				
Fair value gain on property and equipment	13	-	853,431,218	853,431,218
Loss in fair value of available for sale equity investments	16	-	(2,187,934,154)	(2,187,934,154)
Total comprehensive income for the year		68,108,175,060	19,578,170,450	87,686,345,510

The notes on pages 50 to 109 are an integral part of these financial statements.

¹ The statement of comprehensive income also represents the statement of changes in net assets available for benefits for the pension scheme.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Statement of comprehensive income for the year ended 30 June 2012

		Pension Scheme	Medical Scheme	Total
		2012	2012	2012
	Note	Rwf (Restated)	Rwf	Rwf (Restated)
Dealing with members				
Contributions	1	42,890,412,771	27,607,121,723	70,497,534,494
Pharmacy sales	2	-	659,507,382	659,507,382
Benefits payable	3	(8,422,992,219)	(9,435,099,253)	(17,858,091,472)
Pharmaceutical inventory expensed	3	-	(699,754,225)	(699,754,225)
		<u>34,467,420,552</u>	<u>18,131,775,627</u>	<u>52,599,196,179</u>
Returns on investments				
Investment income	4	10,591,944,530	5,181,403,301	15,773,347,831
Change in fair value of investment properties	15	30,822,929,571	-	30,822,929,571
Change in fair value of financial assets at fair value through profit or loss	16	10,231,562,098	533,665,920	10,765,228,018
		<u>51,646,436,199</u>	<u>5,715,069,221</u>	<u>57,361,505,420</u>
Less: investment management expenses	6	(468,897,030)		(468,897,030)
Net returns on investments		<u>51,177,539,169</u>	<u>5,715,069,221</u>	<u>56,892,608,390</u>
Other income	7	101,559,502	1,983,827	103,543,329
Expenditure				
Staff costs	8	(2,140,947,270)	(2,127,385,054)	(4,268,332,324)
Administrative expenses	9	(970,439,747)	(737,446,287)	(1,707,886,034)
Depreciation expense	13	(1,331,627,659)	(500,290,910)	(1,831,918,569)
Amortisation charge	14	(6,009,239)	(6,009,239)	(12,018,478)
Other expenses	10	(798,259,120)	(961,052,794)	(1,759,311,914)
Total expenses		<u>(5,247,283,035)</u>	<u>(4,332,184,284)</u>	<u>(9,579,467,319)</u>
Net income before tax		<u>80,499,236,188</u>	<u>19,516,644,391</u>	<u>100,015,880,579</u>
Income tax expense	11	-	-	-
Net income for the period		<u>80,499,236,188</u>	<u>19,516,644,391</u>	<u>100,015,880,579</u>
Other comprehensive income				
Fair value gains on property and equipment	13	692,653,000	6,066,776,659	6,759,429,659
Gain in fair value of available for sale equity investments	16	-	7,769,181,884	7,769,181,884
Total comprehensive income for the year		<u>81,191,889,188</u>	<u>33,352,602,934</u>	<u>114,544,492,122</u>

The notes on pages 50 to 109 are an integral part of these financial statements

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Statement of financial position as at 30 June 2013²

		Pension Scheme	Medical Scheme	Total
		2013	2013	2013
Notes		Rwf	Rwf	Rwf
<u>Assets</u>				
Investment properties in the process of construction	12	13,131,517,068	-	13,131,517,068
Property and equipment	13	909,555,951	26,967,306,910	27,876,862,861
Intangible assets	14	95,645,716	76,576,589	172,222,305
Investment properties	15	104,732,650,641	-	104,732,650,641
Equity investments	16	106,741,768,306	15,753,473,393	122,495,241,699
Government of Rwanda Development Bond	17	46,288,480,619	-	46,288,480,619
Treasury bonds	18	-	1,094,591,875	1,094,591,875
Treasury bills	19	25,006,372,443	17,430,632,995	42,437,005,438
Amounts due from the Government of Rwanda	20	32,239,285	-	32,239,285
Loan and Advances to third parties	21	2,764,806,297	3,928,781,347	6,693,587,644
Mortgage loans	22	3,533,771,146	-	3,533,771,146
Corporate bond	23	344,759,394	-	344,759,394
Other assets	24	4,725,017,866	2,105,604,034	6,830,621,900
Inventory	25	204,652,648	347,420,285	552,072,933
Deposits with financial institutions	26	57,922,979,685	48,682,189,410	106,605,169,095
Cash and bank balances	27	8,097,395,420	8,199,390,862	16,296,786,282
		<hr/>	<hr/>	<hr/>
Total assets		374,531,612,485	124,585,967,700	499,117,580,185
Less: Liabilities		<hr/>	<hr/>	<hr/>
Other payables	28	7,638,990,902	1,195,706,730	8,834,697,632
Medical benefits payable	29	-	1,619,250,735	1,619,250,735
Amounts retained on construction contracts	30	3,994,898,680	1,202,467,505	5,197,366,185
		<hr/>	<hr/>	<hr/>
		11,633,889,582	4,017,424,970	15,651,314,552
		<hr/>	<hr/>	<hr/>
Net assets available for benefits		362,897,722,903	120,568,542,730	483,466,265,633
Represented by		<hr/>	<hr/>	<hr/>
Share capital	31	-	1,179,070,491	1,179,070,491
Retained earnings		-	106,888,016,632	106,888,016,632
Revaluation reserve	32	692,653,000	6,920,207,877	7,612,860,877
Fair value reserve	33	-	5,581,247,730	5,581,247,730
Accumulated members' funds		138,854,151,318	-	138,854,151,318
Statutory reserves	34	223,350,918,585	-	223,350,918,585
		<hr/>	<hr/>	<hr/>
Total reserves		362,897,722,903	120,568,542,730	483,466,265,633

The notes on pages on 50 to 109 are an integral part of these financial statements.

² The statement of financial position also represents the statement of net asset available for benefits for the pension scheme.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Statement of financial position as at 30 June 2012

	Notes	Pension Scheme		Total
		2012	2012	2012
		Rwf (Restated)	Rwf	Rwf (Restated)
Assets				
Investment properties in the process of construction	12	14,835,426,550	-	14,835,426,550
Property and equipment	13	1,121,484,785	25,049,803,985	26,171,288,770
Intangible assets	14	94,178,470	82,499,393	176,677,863
Investment properties	15	97,908,925,205	-	97,908,925,205
Equity investments	16	87,930,461,841	16,790,758,084	104,721,219,925
Government of Rwanda Development Bond	17	46,369,516,855	-	46,369,516,855
Treasury bonds	18	-	1,504,640,781	1,504,640,781
Amounts due from the Government of Rwanda	20	32,239,285	-	32,239,285
Loan and Advances to third parties	21	3,183,351,990	5,030,406,526	8,213,758,516
Mortgage loans	22	4,872,111,204	-	4,872,111,204
Contributions receivable		-	1,927,089,631	1,927,089,631
Corporate bonds	23	363,285,330	-	363,285,330
Other assets	24	4,731,904,698	2,383,178,331	7,115,083,029
Inventory	25	179,304,805	441,627,613	620,932,418
Deposits with financial institutions	26	40,471,948,767	48,571,645,479	89,043,594,246
Cash and bank balances	27	7,496,918,882	4,607,681,758	12,104,600,640
Total assets		309,591,058,667	106,389,331,581	415,980,390,248
Less: Liabilities				
Other payables	28	10,154,499,203	1,986,101,102	12,140,600,305
Medical benefits payable	29	-	1,904,218,312	1,904,218,312
Amounts retained on construction contracts	30	4,647,011,621	1,508,639,887	6,155,651,508
		14,801,510,824	5,398,959,301	20,200,470,125
Net assets available for benefits		294,789,547,843	100,990,372,280	395,779,920,123
Represented by				
Share capital	31	-	1,179,070,491	1,179,070,491
Retained earnings		-	85,975,343,246	85,975,343,246
Revaluation reserve	32	692,653,000	6,066,776,659	6,759,429,659
Fair value reserve	33	-	7,769,181,884	7,769,181,884
Accumulated members' funds		115,752,637,940	-	115,752,637,940
Statutory reserves	34	178,344,256,903	-	178,344,256,903
Total reserves		294,789,547,843	100,990,372,280	395,779,920,123

The notes on pages on 50 to 109 are an integral part of these financial statements.

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

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

	Occupational Hazards Reserves				Pensions reserves					
	Other Reserves	Technical reserve	Security reserve	Working capital reserve	Technical reserve	Working capital reserve	Total Reserves	Accumulated members' fund	Revaluation reserve	Totals
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Year ended 30 June 2012	53,393,658	3,597,552,936	4,493,191,301	1,507,443,560	117,908,346,133	2,057,071,918	129,616,999,506	83,980,659,149	83,980,659,149	
At start of the year	-	-	-	-	43,225,396,992	-	43,225,396,992	27,480,266,610	-	70,705,663,602
Increase in net assets (as previously stated)	-	-	-	-	-	-	-	-	692,653,000	692,653,000
Change in fair value of property and equipment (as previously stated)	-	-	-	-	5,501,860,405	-	5,501,860,405	4,291,712,181	-	9,793,572,586
Prior period adjustment (Note 35)	-	-	-	-	-	-	-	-	-	-
At end of the year (as restated)	53,393,658	3,597,552,936	4,493,191,301	1,507,443,560	166,635,603,530	2,057,071,918	178,344,256,903	115,752,637,940	692,653,000	294,789,547,843

The notes on pages 50 to 109 are an integral part of these financial statements

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Statement of changes in reserves and accumulated members' fund - Pension scheme (continued)

	Occupational Hazards Reserves				Pensions reserves				Totals	
	Other Reserves	Technical reserve	Security reserve	Working capital reserve	Technical reserve	Working capital reserve	Total Reserves	Accumulated members' fund		Revaluation reserve
Year ended 30 June 2013										
At start of the year	53,393,658	3,597,552,936	4,493,191,301	1,507,443,560	166,635,603,530	2,057,071,918	178,344,256,903	115,752,637,940	692,653,000	294,789,547,843
Increase in net assets for the year	-	-	-	-	45,006,661,682	-	45,006,661,682	23,101,513,378		68,108,175,060
At end of the year	53,393,658	3,597,552,936	4,493,191,301	1,507,443,560	211,642,265,212	2,057,071,918	223,350,918,585	138,854,151,318	692,653,000	362,897,722,903

The notes on pages 50 to 109 are an integral part of these financial statements.

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Statement of changes in equity - Medical scheme

	Share capital	Retained earnings	Revaluation Reserve	Fair Value Reserve	Total
	Rwf	Rwf	Rwf	Rwf	Rwf
Year ended 30 June 2012					
At start of year:	1,179,070,491	66,458,698,849	-	-	67,637,769,340
Revaluation gain on building	-	-	6,066,776,659	-	6,066,776,659
Fair value gain on equity investment	-	-	-	7,769,181,884	7,769,181,884
Profit for the year	-	19,516,644,391	-	-	19,516,644,391
At end of year	1,179,070,491	85,975,343,240	6,066,776,659	7,769,181,884	100,990,372,280
Year ended 30 June 2013					
At start of year:	1,179,070,491	85,975,343,246	6,066,776,659	7,769,181,884	100,990,372,280
Revaluation gain on building	-	-	853,431,218	-	853,431,218
Fair value gain on equity investment	-	-	-	(2,187,934,154)	(2,187,934,154)
Profit for the year	-	20,912,673,386	-	-	20,912,673,386
At end of year	1,179,070,491	106,888,016,632	6,920,207,877	5,581,247,730	120,568,542,730

The notes on pages 50 to 109 are an integral part of these financial statements.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Statement of cash flows for the year ended 30 June 2013

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

The notes set out on pages 50 to 109 form an integral part of these financial statements.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Statement of cash flows for the year ended 30 June 2012

		Pension Scheme	Medical Scheme	Total
		2012	2012	2012
	Note	R w f	Rw f	Rw f
Cash flows from operating activities				
Increase in net assets for the year		81,191,889,188	27,285,826,275	108,477,715,463
Adjusted for:				
Investment income	4	(10,591,944,530)	(5,181,403,301)	(15,773,347,832)
Depreciation	13	1,331,627,659	500,290,910	1,831,918,569
Amortization	14	6,009,239	6,009,239	12,018,478
Change in fair value of equity investments	16	(41,747,144,669)	(8,302,847,804)	(50,049,992,473)
Impairment of assets		250,218,196	48,279,046	298,497,242
Increase in interdivisional balances	24/28	(661,405,384)	661,405,384	-
Increase/(Decrease) in contributions receivable		-	(997,836,788)	(997,836,788)
Increase/(Decrease) in Debtors and prepayments (other assets)	24	1,076,086,285	(498,290,612)	577,795,673
Increase/(Decrease) in inventory	25	(73,302,961)	(45,801,833)	(119,104,794)
Increase/(Decrease) in sundry creditors	28	(1,414,321,937)	1,074,699,060	(339,622,877)
Increase in medical claims payable	29	-	604,354,440	604,354,440
Net cash flows from operating activities		29,367,711,086	15,154,684,016	44,522,395,102
Cash flows used in investing activities:				
Dividend income received	4	1,487,655,320	86,042,872	1,573,698,192
Rent received	4	1,595,457,062	16,836,319	1,612,293,381
Interest income received	4	7,660,818,790	5,517,314,391	13,178,133,182
Purchase of investment properties	12/15	(9,811,383,524)	-	(9,811,383,524)
Purchase of property and equipment	13	(86,292,385)	(3,539,672,384)	(3,625,964,769)
Purchase of intangible asset	14	(83,589,780)	(83,589,780)	(167,179,560)
Purchase of equity investments	16	(5,130,442,398)	(3,975,000,000)	(9,105,442,398)
Development bond to government	17	4,943,987,196		4,943,987,196
Investment in Treasury bonds	18	-	(634,406,673)	(634,406,673)
Net Loans advanced to BRD	21	(505,441,945)	632,909,243	127,467,304
Net loans advanced to New Forest Company	21	(438,273,749)		(438,273,749)
Increase/Decrease in mortgages	22	4,280,295,726		4,280,295,726
Investment in corporate bonds	23	(728,247,743)		(728,247,743)
Net investment in deposits with Banks	26	(30,188,080,205)	(17,295,333,892)	(47,483,414,097)
Proceeds from disposal		1,262,000,000		1,262,000,000
Net cash used in investing activities		(25,741,537,635)	(19,274,899,904)	(45,016,437,539)
Net increase in cash and cash equivalents		3,626,173,451	(4,120,215,888)	(494,042,437)
Cash and cash equivalents at 1 July	27	3,870,745,431	8,727,897,646	12,598,643,077
Cash and cash equivalents at 30 June	27	7,496,918,882	4,607,681,758	12,104,600,640

The notes set out on pages 50 to 109 form an integral part of these financial statements.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

NOTES

1 Contributions

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.

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

During the year, the medical scheme operated pharmacy outlets from which members and nonmembers purchase medical prescriptions. Sales to members are part of their medical benefits, on which they contribute 15% of the sales price. Sales to non-members are made on a cash basis. Between September 2012 and January 2013, the medical scheme sold pharmaceutical inventory held in 13 out of 14 pharmacies. Sales proceeds are included in total sales in statement of comprehensive income.

	2013	2012
	Rwf	Rwf
Members	303,721,870	409,667,507
Non -members	93,132,974	249,839,875
Medicines sold through auction	152,828,133	-
	549,682,977	659,507,382

3. Benefit payments

(a) Pension benefits paid

Benefits paid to pensioners	8,031,802,342	6,589,981,893
Benefits paid to deceased members' beneficiaries	1,690,419,406	1,539,505,879
Incapacity benefits	97,914,900	109,216,287
Other occupational hazards	195,142,686	184,288,160
	10,015,279,334	8,422,992,219

(b) Medical benefits paid

Medical invoices from partner hospitals, health centers and clinics	10,922,130,627	9,435,099,253
Pharmacy costs	503,463,835	699,754,225
	11,425,594,462	10,134,853,478

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (Continued)

4.2 Rental income

Note	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Kacyiru Executive Apartments	709,124,819	862,080,489	-	-	709,124,819	862,080,489
Grand Pension Plaza	1,238,589,986	329,276,334	-	-	1,238,589,986	329,276,334
Kacyiru estate	15,973,005	30,134,380	-	-	15,973,005	30,134,380
Kicukiro Pension Plaza	282,471,589	337,438,188	-	-	282,471,589	337,438,188
Nyanza Pension Plaza	79,516,308	14,572,554	-	-	79,516,308	14,572,554
Karongi Pension Plaza	28,750,126	11,597,466	-	-	28,750,126	11,597,466
Musanze Pension Plaza	4,426,368	6,476,285	-	-	4,426,368	6,476,285
Ex - USA Embassy	5,319,284	3,881,366	-	-	5,319,284	3,881,366
Rwamagana Pension Plaza	29,739,708	-	-	-	29,739,708	-
Doctors' plaza	-	-	41,223,636	16,836,318	41,223,636	16,836,318
	2,3 93 ,911 ,193	1,595,457,062	41,223,636	16,836,318	2, 435 ,134 ,829	1,612,293,380

4.3 Interest on treasury bills

National Bank of Rwanda	18	-	1,682,261,874	-	3,727,599,212	-
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*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (Continued)

4.4 Interest on term deposits

	Pension Scheme		Medical Scheme		Total	
	2013 Rwf	2012 Rwf	2013 Rwf	2012 Rwf	2013 Rwf	2012 Rwf
Access Bank (Rwanda) Limited	-	-	50,704,110	280,743,321	50,704,110	280,743,321
Banque Populaire du Rwanda Limited	945,373,973	187,400,107	658,051,233	140,579,759	1,603,425,206	327,979,866
Cogebanque Limited	435,095,761	109,374,902	891,102,848	309,396,197	1,326,198,609	418,771,099
Development Bank of Rwanda Limited	378,027,397	63,794,628	260,198,087	-	638,225,484	63,794,628
Bank of Kigali Limited	1,597,047,945	870,968,675	948,968,491	899,828,252	2,546,016,436	1,770,796,927
Continental Discount House	-	8,383,562	-	-	-	8,383,562
Ecobank Rwanda Limited	359,928,767	393,939,833	601,891,781	1,004,170,718	961,820,548	1,398,110,551
Guaranty Trust Bank (Rwanda) Limited	741,968,767	166,263,121	757,361,973	952,865,238	1,499,330,740	1,115,128,359
KCB Rwanda Limited	279,342,466	161,643,943	273,000,000	228,166,608	552,342,466	389,810,551
I&M Bank (Rwanda) Limited	270,023,288	103,561,751	467,879,452	359,440,590	737,902,740	463,002,341
Zigama CSS	258,145,205	363,691,888	218,487,671	107,180,307	476,632,876	470,872,195
Equity Bank Rwanda Limited	32,219,178	-	-	-	32,219,178	-
	5,297,172,747	2,429,022,410	5,127,645,646	4,282,370,990	10,424,818,393	6,711,393,400

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

5(a) Gains on disposal of investment properties

In 2012, gains on disposal of investment properties related to realized gains on sale of the Ex-UCT building.

In 2013, gains on disposal of investment properties related to realized gains on sale of both Ex-American Embassy and Ex-American club buildings.

5(b) 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 12, 15 and 16.

6. Investment management expenses

Management fees incurred on:	2013 Rwf	2012 Rwf
Vision 2020 Estate	27,967,850	12,993,952
Kacyiru executive apartments	440,253,729	176,562,662
Kacyiru Estate	4,006,428	4,637,820
Ex-USA embassy (Dignity House)	30,842,519	3,327,367
Ex-American Club	5,420,090	-
Grand insurance Pension Plaza	277,488,843	83,358,497
Kicukiro insurance Pension Plaza	43,598,327	66,636,224
Nyanza insurance Pension Plaza	41,485,681	4,022,828
Karongi insurance Pension Plaza	45,800,463	4,036,188
Musanze insurance Pension Plaza	30,423,439	201,400
Rwamagana insurance Pension Plaza	50,846,747	2,603,615
Nyarugenge insurance Pension Plaza	10,122,107	-
Consultancy charges on investments	124,591,563	110,516,477
	1,132,847,786	468,897,030

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

7. Other income

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Issue of clearing certificates	162,744,528	97,801,212	-	-	162,744,528	97,801,212
Issue of card duplicates	-	-	8,101,712	-	8,101,712	-
Foreign exchange gains	142,744,441	-	-	-	142,744,441	-
Penalties received	17,293,721	3,702,290	7,682,034	-	24,975,755	3,702,290
Other income	-	56,000	-	1,983,827	-	2,039,827
	322,782,690	101,559,502	15,783,746	1,983,827	338,566,436	103,543,329

8. Staff costs

Basic salaries	1,733,742,066	1,447,712,042	1,724,870,963	1,471,265,444	3,458,613,029	2,918,977,486
Technical allowances	27,320,941	33,729,594	26,875,786	30,721,430	54,196,727	64,451,024
Responsibility allowances	2,063,620	8,476,548	2,063,440	8,476,548	4,127,060	16,953,096
Social security contributions	97,642,132	85,384,921	97,072,841	85,564,881	194,714,973	170,949,802
Medical insurance contributions	116,368,609	103,565,786	116,368,609	103,565,786	232,737,218	207,131,572
Transport allowances	174,780,727	176,859,860	173,297,469	177,784,552	348,078,196	354,644,412
House allowances	212,745,858	197,019,706	211,628,133	197,944,398	424,373,991	394,964,104
Retirement benefits paid to third parties	2,689,620	-	-	-	2,689,620	-
Medical expenses	11,753,777	2,390,332	10,786,077	1,079,132	22,539,854	3,469,464
Training expenses	92,564,485	31,709,409	93,373,485	21,350,587	185,937,970	53,059,996
Personnel social activities	9,682,944	6,057,500	9,682,944	3,963,043	19,365,888	10,020,543
Other allowances	39,374,195	48,041,572	57,704,876	25,669,253	97,079,071	73,710,825
	2,520,728,974	2,140,947,270	2,523,724,623	2,127,385,054	5,044,453,597	4,268,332,324

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

9. Administrative expenses

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
Note	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Water and electricity	50,692,272	42,701,835	51,071,906	56,019,722	101,764,178	98,721,557
Fuel	24,918,350	16,460,575	24,908,350	18,159,080	49,826,700	34,619,655
Office supplies	52,579,667	51,823,998	100,180,667	93,659,037	152,760,334	145,483,035
Other supplies	55,470,277	22,039,451	55,499,877	29,529,749	110,970,154	51,569,200
Transport expenses	196,376,832	136,761,766	200,046,972	123,951,696	396,423,804	260,713,462
Maintenance expenses	38,414,629	33,949,798	36,029,597	27,639,282	74,444,226	61,589,080
Travel expenses in country (mission fees)	43,535,456	49,551,112	44,605,456	14,264,962	88,140,912	63,816,074
Travel expenses abroad (mission fees)	15,224,842	19,830,781	15,224,842	6,434,268	30,449,684	26,265,049
Entertainment	1,993,760	5,446,155	1,993,760	1,035,505	3,987,520	6,481,660
Reception activities	5,343,750	8,452,695	5,343,750	7,951,195	10,687,500	16,403,890
Rent	58,390,750	22,208,356	60,377,941	36,437,996	118,768,691	58,646,352
Publicity costs	122,595,202	76,149,341	122,595,202	48,131,978	245,190,404	124,281,319
Service hire	30,154,451	53,246,556	40,633,603	46,028,896	70,788,054	99,275,452
Postage	7,332,050	5,436,100	7,332,050	6,967,100	14,664,100	12,403,200
Telephone expenses	94,271,698	80,041,420	94,271,698	42,540,184	188,543,396	122,581,604
Fax expenses	9,330	292,167	9,330	76,074	18,660	368,241
Internet costs	86,474,976	107,984,409	86,474,976	42,468,921	172,949,952	150,453,330
Consultancy fees	46,486,116	31,605,242	46,486,116	35,032,967	92,972,232	66,638,209
Casual work wages	836,650	4,754,997	866,650	835,300	1,703,300	5,590,297
Commissions and bank charges	76,578,648	103,344,379	30,424,503	640,820	107,003,151	103,985,199
Documentation and subscription	4,033,422	4,408,022	4,033,422	4,408,022	8,066,844	8,816,044
Other administration costs	20,990,837	12,342,312	20,918,037	13,275,292	41,908,874	25,617,604
Security s services	90,487,665	28,633,294	96,218,265	28,565,949	186,705,930	57,199,243
Cleaning s services	38,890,662	25,074,986	38,867,662	24,996,050	77,758,324	50,071,036
Audit fees	31,570,349	27,900,000	31,570,349	28,396,242	63,140,698	56,296,242
	1,193,652,641	970,439,747	1,215,984,981	737,446,287	2,409,637,622	1,707,886,034

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

9.1 Maintenance expenses

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Maintenance of buildings	24,745,762	22,562,840	22,361,480	13,714,526	47,107,242	36,277,366
Maintenance of vehicles	9,328,881	3,683,808	9,328,881	2,089,308	18,657,762	5,773,116
Maintenance of equipment	4,339,986	7,703,150	4,339,236	11,835,448	8,679,222	19,538,598
	38,414,629	33,949,798	36,029,597	27,639,282	74,444,226	61,589,080

10. Other expenses

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Write off of unsupported assets	-	59,301,738	-	-	-	59,301,738
Insurance	53,884,477	20,972,787	53,884,477	8,133,000	107,768,954	29,105,787
Directors' fees	1,740,000	-	3,440,000	450,003	5,180,000	450,003
Corporate social responsibility	110,389,714	22,195,000	427,909,044	263,753,005	538,298,758	285,948,005
Legal fees	1,894,649	30,341,109	1,849,198	2,564,201	3,743,847	32,905,310
Seminars and conferences	28,095,120	3,328,281	27,995,120	2,434,381	56,090,240	5,762,662
Other charges and losses	275,462,585	68,783,135	60,321,049	109,935,590	335,783,634	178,718,725
Taxes incurred on interest income	1,125,986,017	449,854,527	1,034,140,101	542,647,154	2,160,126,118	992,501,681
Foreign exchange losses	89,035	1,589,925	-	-	89,035	1,589,925
Other miscellaneous expenses	195,508,373	141,892,618	405,940,208	31,135,460	601,448,581	173,028,078
	1,793,049,970	798,259,120	2,015,479,197	961,052,794	3,808,529,167	1,759,311,914

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

11. Income tax

In accordance with Law No. 16/2005 of 18/08/2005, RSSB is exempted from Income tax regulations.

12. Investment properties in the process of construction

	At 1 July 2012	Additions during the year at cost	Fair value gains/(loss)	Transfer to PPE	Transfers to investment properties	Balance at 30 June 2013
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Batsinda project	966,144,000	-	-	-	(966,144,000)	-
Office blocks within and out of Kigali	12,241,710,750	1,287,359,848	367,338,388	(558,490,750)	(826,060,000)	12,511,858,236
2020 Estate 2nd Phase	309,400,000	-	-	-	-	309,400,000
2020 vision trade center	250,171,800	-	-	-	-	250,171,800
Nyagatare projects	-	60,087,032	-	-	-	60,087,032
Kacyiru Office Park	1,068,000,000	-	-	-	(1,068,000,000)	-
	14,835,426,550	1,347,446,880	367,338,388	(558,490,750)	(2,860,204,000)	13,131,517,068

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

12. Investment properties in the process of construction (continued)

	At 1 July 2011	Additions during the year at cost	Fair value gains/(loss)	Transfers to investment properties	Balance at 30 June 2012
	Rwf	Rwf	Rwf	Rwf	Rwf
Grand Pension Plaza	15,731,178,840	5,173,644,590	(22,613,797,000)	1,708,973,570	-
Batsinda Project	297,055,059	40,690,238	-	628,398,703	966,144,000
Office blocks within and out of Kigali	21,286,981,216	2,593,603,241	(16,458,453,000)	4,819,579,293	12,241,710,750
2020 Estate 2nd Phase	309,400,000	-	-	-	309,400,000
2020 Vision Trade Center	250,171,800	-	-	-	250,171,800
Kacyiru Office Park	443,347	-	-	1,067,556,653	1,068,000,000
	37,875,230,262	7,807,938,069	(39,072,250,000)	8,224,508,219	14,835,426,550

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment - Pension Scheme

	Land and Buildings	Office equipment	Furniture, fixtures & Fittings	Computers	Total
	Rwf	Rwf	Rwf	Rwf	Rwf
At 1 July 2011					
Cost	2,843,398,606	774,146,944	1,115,084,225	856,372,437	5,589,002,212
Accumulated depreciation	(548,697,375)	(636,533,233)	(681,244,122)	(772,683,036)	(2,639,157,766)
Net book value	2,294,701,231	137,613,711	433,840,103	83,689,401	2,949,844,446
At 30 June 2012					
Opening net book value	2,294,701,231	137,613,711	433,840,103	83,689,401	2,949,844,446
Additions	11,580,930	7,870,715	-	66,840,740	86,292,385
Transfer from/(to) investment properties	(1,741,030,421)	713,305,357	(247,952,323)	-	(1,275,677,387)
Revaluation gains	692,653,000	-	-	-	692,653,000
Depreciation charge	(565,251,740)	(665,648,921)	(33,152,715)	(67,574,283)	(1,331,627,659)
Closing net book value	692,653,000	193,140,862	152,735,065	82,955,858	1,121,484,785
At 30 June 2012					
Cost	1,806,602,115	1,495,323,016	867,131,902	923,213,177	5,092,270,210
Accumulated depreciation	(1,113,949,115)	(1,302,182,154)	(714,396,837)	(840,257,319)	(3,970,785,425)
Net book value	692,653,000	193,140,862	152,735,065	82,955,858	1,121,484,785

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

13. Property and equipment (Medical Scheme)

	Land and Buildings		Office equipment		Furniture, fixtures & Fittings		Computers		Total	
	Rwf		Rwf		Rwf		Rwf		Rwf	
At 1 July 2011										
Cost	1,806,602,115		1,495,323,016		867,131,902		923,213,177		5,092,270,210	
Accumulated depreciation	(1,113,949,115)		(1,302,182,154)		(714,396,837)		(840,257,319)		(3,970,785,425)	
Net book value	692,653,000		193,140,862		152,735,065		82,955,858		1,121,484,785	
At 30 June 2013										
Opening net book value	692,653,000		193,140,862		152,735,065		82,955,858		1,121,484,785	
Additions	-		25,794,329		17,328,724		77,715,208		120,838,261	
Transfer to Investment properties	(182,704,989)		(269,523)		-		-		(182,974,512)	
Depreciation charge	(26,365,450)		(29,420,969)		(42,812,053)		(51,194,111)		(149,792,583)	
Disposal - cost	-		(32,160,295)		(740,332)		-		(32,900,627)	
Disposal - Accumulated depreciation	-		32,160,295		740,332		-		32,900,627	
Closing net book value	483,582,561		189,244,699		127,251,736		109,476,955		909,555,951	
At 30 June 2012										
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)	
Closing net book value	483,582,561		189,244,699		127,251,736		109,476,955		909,555,951	

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

13. Property and equipment (Medical Scheme)

Year ended 30 June 2012	Land and Buildings		Motor vehicle		Furniture, fixtures & fittings		Computers		Office equipment		Capital work in progress		Total	
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
At 1 July 2011														
Cost	181,652,324	94,501,925	180,562,317	463,926,515	70,373,801	15,625,094,316	16,616,111,198							
Accumulated depreciation	-	(74,374,205)	(146,940,094)	(243,094,217)	(11,032,663)	-	(475,441,179)							
Net book value	181,652,324	20,127,720	33,622,223	220,832,298	59,341,138	15,625,094,316	16,140,670,019							
At 30 June 2012														
Opening net book value	181,652,324	20,127,720	33,622,223	220,832,298	59,341,138	15,625,094,316	16,140,670,019							
Additions	-	82,026,000	75,660	18,780,240	20,023,255	3,516,274,864	3,637,180,019							
Transfer from/ (to) capital work in progress	8,495,184,060	-	3,351,948,238	-	-	(12,141,664,100)	(294,531,802)							
Depreciation charge	(176,825,973)	(25,376,373)	(223,241,999)	(67,620,090)	(7,226,475)	-	(500,290,910)							
R evaluation gains	6,066,776,659	-	-	-	-	-	6,066,776,659							
Closing net book value	14,566,787,070	76,777,347	3,162,404,122	171,992,448	72,137,918	6,999,705,080	25,049,803,985							
At 30 June 2012														
Cost/valuation	14,743,613,043	176,527,925	3,532,586,215	482,706,755	90,397,056	6,999,705,080	26,025,536,074							
Accumulated depreciation	(176,825,973)	(99,750,578)	(370,182,093)	(310,714,307)	(18,259,138)	-	(975,732,089)							
Closing net book value	14,566,787,070	76,777,347	3,162,404,122	171,992,448	72,137,918	6,999,705,080	25,049,803,985							

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Notes (continued)

13. Property and equipment - Medical Scheme (continued)

Year ended 30 June 2013	Land and Buildings	Motor vehicle	Furniture, fixtures & fittings	Computers	Office equipment	Laboratory equipment	Capital work in progress	Total
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
At 1 July 2012								
Cost	14,743,613,043	176,527,925	3,532,586,215	482,706,755	90,397,056	-	6,999,705,080	26,025,536,074
Accumulated depreciation	(176,825,973)	(99,750,578)	(370,182,093)	(310,714,307)	(18,259,138)	-	-	(975,732,089)
Net book value	14,566,787,070	76,777,347	3,162,404,122	171,992,448	72,137,918	-	6,999,705,080	25,049,803,985
At 30 June 2013								
Opening net book value	14,566,787,070	76,777,347	3,162,404,122	171,992,448	72,137,918	-	6,999,705,080	25,049,803,985
Additions	-	-	120,712,227	77,625,208	1,990,000	641,798,532	2,480,824,666	3,322,950,633
Transfer from/(to) pension scheme	310,261,838	-	53,851,610	(4,203,150)	(59,107,464)	-	-	300,802,834
Depreciation charge	(1,062,825,829)	(25,713,468)	(1,248,740,677)	(62,263,059)	-	(160,138,727)	-	(2,559,681,760)
Disposals - Cost	-	-	(12,336,428)	(8,916,218)	(972,000)	-	-	(22,224,646)
Disposals - Accumulated depreciation	-	-	12,336,428	8,916,218	972,000	-	-	22,224,646
Revaluation	853,431,218	-	-	-	-	-	-	853,431,218
Closing net book value	14,667,654,297	51,063,879	2,088,227,282	183,151,447	15,020,454	481,659,805	9,480,529,746	26,967,306,910
At 30 June 2013								
Cost	15,907,306,099	176,527,925	3,694,813,624	547,212,595	32,307,592	641,798,532	9,480,529,746	30,480,496,113
Accumulated depreciation	(1,239,651,802)	(125,464,046)	(1,606,586,342)	(364,061,148)	(17,287,138)	(160,138,727)	-	(3,513,189,203)
Closing net book value	14,667,654,297	51,063,879	2,088,227,282	183,151,447	15,020,454	481,659,805	9,480,529,746	26,967,306,910

Capital works in progress relate to construction of the second phase of the doctor's plaza in Kigali City. As at 30 June 2013 the property was completed and ready for use.

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

13. Property and equipment (continued)

Fair values of land and buildings

An independent valuation of RSSB's land and buildings was performed by external valuers to determine the fair value of land and buildings as at 30 June 2012. The revaluation surplus was credited to the other comprehensive income and is shown in other reserves in statement of changes in reserves and accumulated members' fund (Statement of changes in equity – Medical scheme).

The table below analyses the non-financial assets carried at fair value, by valuation method. The different level of fair value measurement hierarchy is described as follows:

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

Pension scheme

	Level 1 Rwf	Level 2 Rwf	Level 3 Rwf	Total Rwf
Land	-	190,703,000	-	190,703,000
Branch buildings	-	429,506,000	-	429,506,000
	-	620,209,000	-	620,209,000

Medical scheme

	Level 1 Rwf	Level 2 Rwf	Level 3 Rwf	Total Rwf
Land	-	298,043,000	-	298,043,000
Buildings	-	14,935,223,000	-	14,935,223,000
Lifts and generators	-	401,088,000	-	401,088,000
	-	15,634,354,000	-	15,634,354,000

*Rwanda Social Security Board
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Notes (continued)

13. Property and equipment (continued)

Fair values of land and buildings (continued)

Level 2 fair values of land adopted the open market values obtained by the comparison valuation method and the fair values of buildings have adopted the depreciated replacement cost. There were no level 1 and level 3 during the year.

14. Intangible assets

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Cost						
At start of year	322,848,104	239,258,324	183,652,151	100,062,371	506,500,255	339,320,695
Additions	29,670,674	83,589,780	22,280,624	83,589,780	51,951,298	167,179,560
	352,518,778	322,848,104	205,932,775	183,652,151	558,451,553	506,500,255
Amortization						
At start of year	(228,669,634)	(222,660,395)	(101,152,758)	(95,143,519)	(329,822,392)	(317,803,914)
Charge for the year	(28,203,428)	(6,009,239)	(28,203,428)	(6,009,239)	(56,406,856)	(12,018,478)
	(256,873,062)	(228,669,634)	(129,356,186)	(101,152,758)	(386,229,248)	(329,822,392)
Closing net book value	95,645,716	94,178,470	76,576,589	82,499,393	172,222,305	176,677,863

Intangible assets relates to computer software licenses.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

15. Investment properties

	2013	2012
	Rwf	Rwf
Cost		
Net book value at 1 July	97,908,925,205	36,490,860,641
Addition	5,135,924,103	2,326,002,435
Transfers from Property and equipment	182,974,512	1,275,677,387
Transfers from investment works in progress	2,860,204,000	29,089,005,657
Depreciation charge	-	-
Disposals	(1,086,126,834)	(2,095,550,486)
Fair value gains/losses	(269,250,345)	30,822,929,571
Net book value at 30 June	104,732,650,641	97,908,925,205
Cost	104,732,650,641	101,277,530,070
Accumulated depreciation charge	-	(3,368,604,865)
Net book value at 30 June	104,732,650,641	97,908,925,205

The fair value gains recorded in the current year relates to three properties that were sold subsequent to year end hence the selling prices were applied as the fair value of the properties at year end. The other properties were presented as per the valuation report as at 30 June 2012.

Fair values of investment properties

RSSB's investment properties were valued at 30 June 2012 by independent professional qualified valuers, based on the depreciated replacement costs of the properties. RSSB leases its investment properties under short term operating leases. The rental income earned from investment properties and the expenses incurred in relation to the investment properties are set out under notes 2.2 and 5 respectively.

The table below analyses the non-financial assets carried at fair value, by valuation method. The different level of fair value measurement hierarchy is described as follows:

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

	Level 1	Level 2	Level 3	Total
Land	-	42,511,585,000	-	42,511,585,000
Buildings	-	69,766,092,000	-	69,766,092,000
Lifts and generators	-	2,228,407,000	-	2,228,407,000
	-	114,506,084,000	-	114,506,084,000

There were no level 1 and level 3 during the year.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

15 Investment properties (continued)

Subsequent events:

Subsequent to 30 June 2013, RSSB entered into a sales agreement with the Government of Rwanda acting through the Ministry of Finance and Economic planning in which RSSB sold and transferred to the Government of Rwanda three buildings as 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 Rwf 5 billion and converted the remaining balance into a 5 year bond payable on a quarterly basis at an interest rate of 5%.

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

16. Equity investments - Pension

Company particulars

Company particulars	At 1 July 2012		Additions		Fair value gains/(loss)		Disposals/Transfers		Balance at 30 June 2013	
	Rwf		Rwf		Rwf		Rwf		Rwf	
Akagera Game Lodge	-		1,432,466,679		342,705,735		-		1,775,172,414	
Development Bank of Rwanda Limited	9,262,785,293		-		1,143,983,932		-		10,406,769,225	
Bank of Kigali Limited	22,703,590,601		5,027,342,932		12,520,201,971		(1,602,132,803)		38,649,002,701	
Ultimate Concepts Limited	5,558,517,674		-		(510,191,154)		-		5,048,326,520	
Hotels 2020 Limited	4,713,326,172		-		-		-		4,713,326,172	
Building Materials Investments (BMI)	5,879,543,496		-		(2,909,354,463)		-		2,970,189,033	
Sonarwa Holdings Limited	1,345,792,338		-		540,080,612		-		1,885,872,950	
Rwanda Investment Group Limited	3,353,484,795		-		(195,270,641)		-		3,158,214,154	
Rwanda Enterprise Investment Company Limited	195,180,700		-		(57,870,483)		-		137,310,217	
Rwanda Foreign Holding Investment Company (Merrimack pharmaceuticals)	10,058,038,973		-		(279,256,594)		-		9,778,782,379	
Safaricom Limited	2,466,767,319		-		2,345,312,170		-		4,812,079,489	
Rwanda Stock Exchange	10,000,000		-		13,605,893		-		23,605,893	
Bralirwa Limited	2,874,202,980		84,154,855		4,575,273,165		-		7,533,631,000	
Prime Economic Zones Limited	1,410,690,000		-		(111,036,865)		-		1,299,653,135	
SOYCO Limited	657,124,963		-		(66,268,365)		-		590,856,598	
Ciments du Rwanda Limited (CIMERWA)	9,993,749,998		-		(2,010,829,250)		(1,049,277,125)		6,933,643,623	
Gaculiro Property Development Limited	7,350,000,000		-		(1,468,503,499)		-		5,881,496,501	
Continental Discount House	35,251,199		-		-		(35,251,199)		-	
Broll Rwanda Limited	-		44,475,225		-		-		44,475,225	
New Forest Company Holdings Limited	-		1,069,372,220		(34,791,143)		-		1,034,581,077	
New Forest Rwanda Company	62,415,340		-		2,364,660		-		64,780,000	
	87,930,461,841		7,657,811,911		13,840,155,681		(2,686,661,127)		106,741,768,306	

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

16. Equity investments - Pension Scheme (Continued)

Company particulars	At 1 July 2012	Additions during the year at cost	Fair value gains/(loss)	Disposals	Balance at 30 June 2012
	Rwf	Rwf	Rwf	Rwf	Rwf
Development Bank of Rwanda Limited	9,113,819,916	-	148,965,377	-	9,262,785,293
Bank of Kigali Limited	21,055,375,000	409,892,521	1,791,649,485	(553,326,405)	22,703,590,601
Continental discount house	-	35,251,199	-	-	35,251,199
Ultimate Concepts Limited	5,558,517,674	-	-	-	5,558,517,674
H ostels 2020 Limited	5,850,770,291	-	(1,137,444,119)	-	4,713,326,172
Building Materials Investments (BMI)	5,879,543,496	-	-	-	5,879,543,496
Sonarwa Holdings Limited	1,280,187,025	-	65,605,313	-	1,345,792,338
Rwanda Investment Group Limited	2,400,000,000	-	953,484,795	-	3,353,484,795
Rwanda Enterprise Investment Company Limited	-	-	-	-	195,180,700
Rwanda Foreign Holding Investment Company Limited	7,675,000,000	-	2,383,038,973	-	10,058,038,973
Safaricom Limited	2,526,576,523	-	(59,809,204)	-	2,466,767,319
Rwanda Stock Exchange	10,000,000	-	-	-	10,000,000
Bralirwa Limited	1,806,881,500	-	-	-	2,874,202,980
Rwanda Free Zone Limited(RFZ)	1,410,690,000	-	1,067,321,480	-	1,410,690,000
SOYCO Limited	509,957,625	147,167,338	-	-	657,124,963
Ciments du Rwanda Limited (CIMERWA)	-	4,975,000,000	5,018,749,998	-	9,993,749,998
Gaculiro property development Limited	6,850,000,000	500,000,000	-	-	7,350,000,000
New Forest Company	-	62,415,340	-	-	62,415,340
	72,122,499,750	6,129,726,398	10,231,562,098	(553,326,405)	87,930,461,841

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

16. Equity Investments - Pension Scheme (Continued)

Company particulars	At 1 July 2012		Additions during the year at cost		Fair value gains/(loss)		Disposals		Balance at 30 June 2012	
	Rwf		Rwf		Rwf		Rwf		Rwf	
Development Bank of Rwanda Limited	9,113,819,916		-		148,965,377		-		9,262,785,293	
Bank of Kigali Limited	21,055,375,000		409,892,521		1,791,649,485		(553,326,405)		22,703,590,601	
Continental discount house	-		35,251,199		-		-		35,251,199	
Ultimate Concepts Limited	5,558,517,674		-		-		-		5,558,517,674	
H ostels 2020 L limited	5,850,770,291		-		(1,137,444,119)		-		4,713,326,172	
Building Materials Investments (BMI)	5,879,543,496		-		-		-		5,879,543,496	
Sonarwa Holdings Limited	1,280,187,025		-		65,605,313		-		1,345,792,338	
Rwanda Investment Group L limited	2,400,000,000		-		953,484,795		-		3,353,484,795	
Rwanda Enterprise Investment Company Limited	-		-		-		-		195,180,700	
Rwanda Foreign Holding Investment Company Limited	7,675,000,000		-		2,383,038,973		-		10,058,038,973	
Safaricom Limited	2,526,576,523		-		(59,809,204)		-		2,466,767,319	
Rwanda Stock Exchange	10,000,000		-		-		-		10,000,000	
Bralirwa Limited	1,806,881,500		-		1,067,321,480		-		2,874,202,980	
Rwanda Free Zone L limited(RFZ)	1,410,690,000		-		-		-		1,410,690,000	
SOY CO L limited	509,957,625		147,167,338		-		-		657,124,963	
Ciments du Rwanda Limited (CIMERWA)	-		4,975,000,000		5,018,749,998		-		9,993,749,998	
Gaculiro property development L limited	6,850,000,000		500,000,000		-		-		7,350,000,000	
New Forest Company	-		62,415,340		-		-		62,415,340	
	72,122,499,750		6,129,726,398		10,231,562,098		(553,326,405)		87,930,461,841	

Rwanda Social Security Board

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Notes (continued)

16. Equity investments – Medical Scheme (continued)

Company particulars	At 1 July 2012	Disposals during the year at cost	Fair value gains/(loss)	Balance at 30 June 2013
	Rwf	Rwf	Rwf	Rwf
Company				
Held at fair value through profit or loss:				
Bralirwa Limited	1,437,117,420	-	2,197,699,080	3,634,816,500
Bank of Kigali Limited	110,780	-	2,225,472	2,336,252
	1,437,228,200	-	2,199,924,552	3,637,152,752
Company				
Available-for-sale-equity investments:				
Rwanda Investment Group Limited	1,006,045,439	-	(58,581,192)	947,464,247
Rwanda Foreign Holding Investment Company	4,353,734,447	-	(120,502,535)	4,233,232,912
Ciments du Rwanda Limited (CIMERWA)	9,993,749,998	(1,049,275,089)	(2,008,850,427)	6,935,623,482
	15,353,529,884	(1,049,275,089)	(2,187,934,154)	12,116,320,641
	16,790,758,084	(1,049,275,089)	11,990,398	15,753,473,393

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Notes (continued)

16. Equity investments –Medical Scheme (continued)

	At 1 July 2011	Additions during the year at cost	Fair value gains/(loss)	Balance at 30 June 2012
Company				
Held at fair value through profit or loss:				
Bralirwa Limited	903,452,280	-	533,665,140	1,437,117,420
Bank of Kigali Limited	-	110,780	-	110,780
	903,452,280	110,780	533,665,140	1,437,228,200
Company				
Available-for-sale-equity investments:				
Rwanda Investment Group Limited	720,000,000	-	286,045,439	1,006,045,439
Rwanda Foreign Holding Investment Company	2,889,348,000	-	1,464,386,447	4,353,734,447
Ciments du Rwanda Limited (CIMERWA)	-	3,975,000,000	6,018,749,998	9,993,749,998
	3,609,348,000	3,975,000,000	7,769,181,884	15,353,529,884
	4,512,800,280	3,975,110,780	8,302,847,024	16,790,758,084

Notes (Continued)

16. Equity investments (continued)

Fair value of equity investments

The investments in equities are measured at fair value. The fair values of the fund's other financial assets and liabilities approximate the respective carrying amounts, due to the generally short periods to contractual repricing or maturity dates as set out above.

The following table presents RSSB's financial assets that are measured at fair value through profit or loss at 30 June 2013:

Assets	Level 1	Level 2	Level 3	Total Balance
	Rwf	Rwf	Rwf	Rwf
Pension	60,773,495,569	6,993,643,623	39,034,629,114	106,801,768,306
Medical	3,637,152,752	6,935,624,482	5,180,696,938	15,753,474,172
Total	64,410,648,321	13,929,268,105	44,215,326,052	122,555,242,478

The following table presents the Fund's assets that are measured at fair value at 30 June 2012:

Assets	Level 1	Level 2	Level 3	Total Balance
	Rwf	Rwf	Rwf	Rwf
Pension	38,102,599,873	9,993,749,998	39,834,111,970	87,930,461,841
Medical	1,437,228,200	9,993,749,998	5,359,779,886	16,790,758,084
Total	39,539,828,073	19,987,499,996	45,193,891,856	104,721,219,925

The different level of fair value measurement hierarchy is described as follows:

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Fund is the current bid price. These instruments are included in level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as discounted cash flow analysis. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on fund specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no movements between level 2 and level 3 during the year.

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

16. Equity investments (continued)

Fair value of financial assets and liabilities

The reconciliation of level 3 is explained below:

	Pension		Medical		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Equity Instruments						
Opening balance	49,892,866,844	44,213,586,336	5,359,780,666	3,609,348,000	55,252,647,510	47,822,934,336
Acquisition during the year	2,546,314,124	-	-	-	2,546,314,124	-
Transfers into and out of level 3	-	745,549,877	-	-	-	745,549,877
Gains and losses recognised in statement of changes in net assets available for benefits	(8,888,920,343)	4,933,730,631	(179,083,728)	1,750,432,666	(9,068,004,071)	6,684,163,297
Closing balance	43,550,260,625	49,892,866,844	5,180,696,938	5,359,780,666	48,730,957,563	55,252,647,510
Total gains or losses for the period included in statement of changes in net assets available for benefits for assets held at the end of the reporting period	(8,888,920,343)	4,933,730,631	(179,083,728)	1,750,432,666	(9,068,004,071)	6,684,163,297

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Notes (continued)

16. Fully impaired investments (Pension Scheme)

The following investments were fully impaired as at 30 June 2011, 2012 and 2013;

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

17. Government of Rwanda Development Bond

	2013	2012
	Rwf	Rwf
At start of the year	46,369,516,855	51,313,504,051
Interest accrued	3,477,713,764	3,848,512,804
Repayments	(3,558,750,000)	(8,792,500,000)
Balance as at 30 June	46,288,480,619	46,369,516,855
Current	9,187,500,000	8,477,713,765
Non-current	37,100,980,619	37,891,803,090
	46,288,480,619	46,369,516,855

Government securities relate to a development 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.

The carrying value approximates the bond fair value.

18 Treasury bond (Medical)

	2013	2012
	Rwf	Rwf
At start of the year	1,504,640,781	870,234,108
Additions	-	576,900,000
Interest accrued	124,217,552	153,203,406
Repayments	(534,266,458)	(95,696,733)
Balance as at 30 June	1,094,591,875	1,504,640,781

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

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Financial statements for the year ended 30 June 2013*

Notes (continued)

19. Treasury bills

	2013	2012
	Rwf	Rwf
a) Pension		
At start of the year	-	-
Additions	91,353,209,305	-
Interest accrued	2,045,337,338	-
Maturities	(68,392,174,200)	-
Balance as at 30 June	25,006,372,443	-
b) Medical		
At start of the year	-	-
Additions	42,842,863,680	-
Interest accrued	1,682,261,874	-
Maturities	(27,094,492,559)	-
Balance as at 30 June	17,430,632,995	-

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

	Pension	Medical
	Rwf	Rwf
Treasury bills and bonds maturing:		
- Within 91 days from the date of acquisition	16,906,428,587	3,590,742,398
- 91 days to 1 year from the date of acquisition	8,099,943,856	13,839,890,597
	25,006,372,443	17,430,632,995

Due to the shortterm nature of the treasury bills, their carrying value approximates to their fair value

20. Amounts due from the Government of Rwanda

	2013	2012
	Rwf	Rwf
At start of the year	6,890,427,846	6,890,427,846
Impairment provision	(6,858,188,561)	(6,858,188,561)
Balance as at 30 June	32,239,285	32,239,285

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

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

21. Loans and Advances to third parties

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Development Bank of Rwanda Limite	2,258,142,031	2,745,078,242	876,906,347	2,530,406,526	3,135,048,378	5,275,484,768
Broadband Systems Corporation Limited	-	-	3,051,875,000	2,500,000,000	3,051,875,000	2,500,000,000
New Forest Company	438,273,748	438,273,748	-	-	438,273,748	438,273,748
Akagera Game Lodge	68,390,518	-	-	-	68,390,518	-
	2,764,806,297	3,183,351,990	3,928,781,347	5,030,406,526	6,693,587,644	8,213,758,516

21.1 Loan to Development Bank of Rwanda Limited

At start of the year	2,745,078,241	2,239,636,297	2,530,406,526	3,163,315,775	5,275,484,767	5,402,952,072
Additions	770,000,000	1,250,000,000	-	1,250,000,000	770,000,000	2,500,000,000
Interest accrued during the year	223,895,702	243,685,189	122,863,124	329,910,398	346,758,826	573,595,587
Payments received on the loans	(1,480,831,912)	(988,243,244)	(1,776,363,303)	(2,212,819,647)	(3,257,195,215)	(3,201,062,891)

Balance as at 30 June

	2,258,142,031	2,745,078,242	876,906,347	2,530,406,526	3,135,048,378	5,275,484,768
Current	1,391,053,315	908,792,178	418,985,935	708,904,993	1,810,039,250	1,617,697,171
Non - current	867,088,716	1,836,286,064	457,920,412	1,821,501,533	1,325,009,128	3,657,787,597
	2,258,142,031	2,745,078,242	876,906,347	2,530,406,526	3,135,093,378	5,275,484,768

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

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

21.2 Loan to Broadband Systems Corporation Limited

On 7th July 2011 the Broadband Systems Corporation Limited 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. Accrued interest amounting to Rwf 551 million has been included in statement of comprehensive income for this loan.

21.3 Loan to New Forest Company

RSSB advanced a share holder 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.

22. Mortgage loans

	2013	2012
	Rwf	Rwf
At start of the year	5,674,517,186	9,511,812,536
Interest accrued during the year	769,937,479	946,517,935
Repayments during the period	(2,108,277,537)	(4,783,813,285)
Balance at 30 June	4,336,177,128	5,674,517,186
Impairment provision	(802,405,982)	(802,405,982)
Net balance at 30 June	3,533,771,146	4,872,111,204
Impairment provision		
At start of the year	802,405,982	359,405,606
Additional impairment	-	443,000,376
Balance as at 30 June	802,405,982	802,405,982

23 Corporate bond

	2013	2012
	Rwf	Rwf
At start of the year	363,285,330	364,962,413
Interest accrued	36,336,563	41,093,810
Repayments	(54,862,499)	(42,770,893)
Balance as at 30 June	344,759,394	363,285,330

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

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

24 Other assets

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Advances to contractors	2,063,836,456	2,972,918,616	489,847,742	1,466,013,363	2,553,684,743	4,438,931,979
Staffloans and advances	228,034,187	223,237,562	213,383,793	46,697,637	441,417,980	269,935,199
Rent receivable	599,054,820	471,703,014	-	-	599,054,820	471,703,014
Receivable from pension/medical scheme	-	661,405,384	1,279,979,891	-	1,279,979,891	661,405,384
Receivable dividend from Bank of Kigali	1,619,403,039	-	-	-	1,619,403,039	-
Other debtors	214,689,364	402,640,122	122,392,608	870,467,331	337,081,427	1,273,107,453
	4,725,017,866	4,731,904,698	2,105,604,034	2,383,178,331	6,830,621,900	7,115,083,029

The advances to contractors are analyzed as follows:

	2013	2012	2013	2012	2013	2012
Gross	4,989,913,066	5,898,995,226	489,847,742	1,466,013,363	5,479,760,808	7,365,008,589
Impairment provision	(2,926,076,610)	(2,926,076,610)	-	-	(2,926,076,610)	(2,926,076,610)
	2,063,836,456	2,972,918,616	489,847,742	1,466,013,363	2,553,684,198	4,438,931,979

25 Inventory

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Office supplies	204,652,648	179,304,805	204,652,648	73,212,961	409,305,296	252,517,766
Medical inventories	-	-	142,767,637	368,414,652	142,767,637	368,414,652
	204,652,648	179,304,805	347,420,285	441,627,613	552,072,933	620,932,418

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

26. Deposits with Financial Institutions

	Pension Scheme		Medical Scheme		Total	
	2013 Rwf	2012 Rwf	2013 Rwf	2012 Rwf	2013 Rwf	2012 Rwf
Bank of Kigali Limited	16,688,962,761	10,923,767,123	9,217,301,449	10,349,969,862	25,906,264,210	21,273,736,985
Banque Populaire du Rwanda Limited	5,089,488,699	8,152,906,849	3,154,839,726	5,119,413,151	8,244,328,425	13,272,320,000
Zigama CSS	2,085,123,425	4,252,000,000	5,113,029,041	1,086,013,699	7,198,152,466	5,338,013,699
Guaranty Trust Bank (Rwanda) Limited	8,335,236,740	4,131,769,863	3,061,845,348	8,212,027,397	11,397,082,088	12,343,797,260
KCB Rwanda Limited	3,166,530,137	2,127,150,685	4,156,563,014	3,207,000,000	7,323,093,151	5,334,150,685
Ecobank Rwanda Limited	4,269,727,123	2,716,308,219	6,068,921,027	7,822,579,452	10,338,648,150	10,538,887,671
Cogebanque Limited	3,013,236,211	4,074,881,644	8,402,845,897	5,242,613,151	11,416,082,108	9,317,494,795
Development Bank of Rwanda Limited	6,052,979,452	3,029,301,370	4,221,264,867	-	10,274,244,319	3,029,301,370
I&M Bank (Rwanda) Limited	5,194,308,836	1,063,863,014	5,285,579,041	4,284,232,877	10,479,887,877	5,348,095,891
Access Bank (Rwanda) Limited	-	-	-	3,247,795,890	-	3,247,795,890
Equity Bank Rwanda Limited	4,027,386,301	-	-	-	4,027,386,301	-
	57,922,979,685	40,471,948,767	48,682,189,410	48,571,645,479	106,605,169,095	89,043,594,246

27. Cash and bank balances

Cash at bank	8,093,989,340	7,495,226,388	8,197,169,338	4,606,961,758	16,291,158,678	12,102,188,146
Cash at hand	3,406,080	1,692,494	2,221,524	720,000	5,627,604	2,412,494
	8,097,395,420	7,496,918,882	8,199,390,862	4,607,681,758	16,296,786,282	12,104,600,640

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

28. Other Payables

	Pension Scheme		Medical Scheme		Total	
	2013	2012	2013	2012	2013	2012
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Suppliers and shares subscribed	3,750,233,561	5,903,772,364	674,665,364	1,275,147,088	4,424,898,925	7,178,919,452
Payable to medical/pension scheme	1,279,979,891	-	-	661,405,384	1,279,979,891	661,405,384
Unallocated contributions	2,145,761,641	3,682,672,824	424,087,666	-	2,569,849,307	3,682,672,824
Pay As You Earn (PAYE)	96,953,700	49,548,630	57,491,026	49,548,630	154,444,726	99,097,260
Benefits payable	25,749,427	110,127,385	39,462,674	-	65,212,101	110,127,385
Other creditors	340,312,682	373,687,059	-	-	340,312,682	373,687,059
Prepaid mortgage loan interest	-	34,690,941	-	-	-	34,690,941
	7,638,990,902	10,154,499,203	1,195,706,730	1,986,101,102	8,834,697,632	12,140,600,305

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

29 Medical claims payable

	2013	2012
	Rwf	Rwf
Medical claims incurred but not reported	1,619,250,735	1,904,218,312

30. 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 3,994,898,680 for pension scheme and Rwf 1,202,467,505 for medical scheme.

31. Share Capital

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

32. Revaluation reserve

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

33. Fair value reserve

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

34. 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.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

35. Contingent liabilities

In 2010, a dispute arose between RSSB and Thomas and Piron Grand Lacs (Rwanda) Limited (the contractor) who had been contracted by RSSB to construct the Grand Pension Plaza Building. RSSB disputed the final account certificate issued by the contractor as cost of work done. The two parties engaged a quantity surveyor to carry out a valuation of completed works, whose report concluded that the contractor's final account certificate of Rwf 7.4 billion had been overstated by Rwf 4.7 Billion. This was however disputed by the contractor, who maintained the original claim was correct.

The matter is now currently under arbitration.

RSSB has recorded a liability of Rwf 944 million against the contractor's claim, on the basis of the valuation report issued by the quantity surveyor.

The Directors consider that it is more likely than not that no outflows exceeding the recognised liabilities will arise, in relation to the matter above.

RSSB is a defendant in a number of court cases, including those involving expropriation of land. Based on legal advice received and past experience on similar matters, the Directors consider that it is more likely than not that no outflows will arise from these contingent liabilities.

There were no other contingent liabilities of RSSB at 30 June 2013.

36. Prior period adjustments

Investment property balances and the related fair value gains reported in the 2012 financial statements included errors that were identified in the current year. The nature of these errors is as follows:

1. Following valuation of investment properties as at 30 June 2012, the value of land amounting to Rwf 8,098,560,000 was erroneously omitted in recording the fair value the investment properties. This resulted in an understatement of investment property balances and fair value gains on investment properties by this amount;
2. In recording the construction cost of some properties in 2012, tax exemptions available to RSSB amounting to Rwf 1,695,012,586 has not been considered and the historical cost was therefore recorded gross of those taxes. This overstated the cost of the properties and consequently, on subsequent valuation of the properties, the fair value gains. The financial statements of 2012 have been restated to correct the impact of those errors.

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

36. Prior period adjustments (continued)

The effect of the restatement on the changes in net assets available for benefits for 2012 as previously reported is set out below.

	Pension scheme		Pension Scheme	Medical Scheme	Total
	Reported 2012	Adjustments	(Restated) 2012	Reported 2012	(Restated) 2012
	Rwf	Rwf	Rwf	Rwf	Rwf
Dealings with members					
Contributions	42,890,412,771	-	42,890,412,771	27,607,121,723	70,497,534,494
Benefits payable	(8,422,992,219)	-	(8,422,992,219)	(9,435,099,253)	(17,858,091,472)
Pharmacy sales	-	-	-	659,507,382	659,507,382
	34,467,420,552		34,467,420,552	18,831,529,852	53,298,950,404
Returns on investments					
Investment income	10,591,944,530		10,591,944,530	5,181,403,301	15,773,347,831
Change in fair value of investment properties	21,029,356,985	9,793,572,586	30,822,929,571	-	30,822,929,571
Change in fair value of financial assets at fair value through profit or loss	10,231,562,098		10,231,562,098	533,665,920	10,765,228,018
	41,852,863,613	9,793,572,586	51,646,436,199	5,715,069,221	57,361,505,420
Less: investment management expenses	(468,897,030)	-	(468,897,030)	-	(468,897,030)
Net returns on investments	41,383,966,583	9,793,572,586	51,177,539,169	5,715,069,221	56,892,608,309
Other income	101,559,502	-	101,559,502	32,912,981	134,472,483
Expenditure					
Staff costs	(2,140,947,270)	-	(2,140,947,270)	(2,127,385,054)	(4,268,332,324)
Administrative expenses	(970,439,747)	-	(970,439,747)	(737,446,287)	(1,707,886,034)
Depreciation and amortization charge	(1,337,636,898)	-	(1,337,636,898)	(506,300,149)	(1,843,937,047)
Other expenses	(798,259,120)	-	(798,259,120)	(991,981,948)	(1,790,241,068)
Pharmaceutical inventory expensed	-	-	-	(699,754,225)	(699,754,225)
Total expenses	(5,247,283,035)	-	(5,247,283,035)	-	-
Net income for the period	70,705,663,602	9,793,572,586	80,499,236,188	19,516,644,391	100,015,880,579
Other comprehensive income					
Fair value gains on property and equipment	692,653,000	-	692,653,000	6,066,776,659	6,759,429,659
Gain in fair value of available for sale equity investments				7,769,181,884	7,769,181,884
Total comprehensive income for the year	71,398,316,602	9,793,572,586	81,191,889,188	33,352,602,934	114,544,492,122

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

36. Prior period adjustments (continued)

The effect of the restatement on the statement of net asset available for benefits as at 30 June 2012 as previously v reported is set out below

	Pension Scheme Reported 2012 Rwf	Adjustments 2012 Rwf	Pension Scheme Restated 2012 Rwf	Medical Scheme Reported 2012 Rwf	Total Restated 2012 Rwf
Assets					
Investment properties in the process of construction	14,835,426,550	-	14,835,426,550	-	14,835,426,550
Property and equipment	1,121,484,785	-	1,121,484,785	25,049,803,985	26,171,288,770
Intangible assets	94,178,470	-	94,178,470	82,499,393	176,677,863
Investment properties	89,810,365,205	8,098,560,000	97,908,925,205		97,908,925,205
Equity investments	87,930,461,841	-	87,930,461,841	16,790,758,084	104,721,219,925
Government of Rwanda Development Bond	46,369,516,855	-	46,369,516,855	-	46,369,516,855
Treasury bond	-	-	-	1,504,640,781	1,504,640,781
Amounts due from the Government of Rwanda	32,239,285	-	32,239,285	-	32,239,285
Loan and Advances to third parties	3,183,351,990	-	3,183,351,990	5,030,406,526	8,213,758,516
Mortgage loans	4,872,111,204	-	4,872,111,204	-	4,872,111,204
Contributions receivable	-	-	-	1,927,089,631	1,927,089,631
Corporate bonds	363,285,330	-	363,285,330	-	363,285,330
Other assets	4,911,209,503	-	4,911,209,503	2,824,805,944	7,736,015,447
Deposits with financial institutions	40,471,948,767	-	40,471,948,767	48,571,645,479	89,043,594,246
Cash and bank balances	7,496,918,882	-	7,496,918,882	4,607,681,758	12,104,600,640
Total assets	301,492,498,667	8,098,560,000	309,591,058,667	106,389,331,581	415,980,390,248
Less: Liabilities					
Amounts retained on construction contracts	4,647,011,621	-	4,647,011,621	1,508,639,887	6,155,651,508
Medical benefits payable	-	-	-	1,904,218,312	1,904,218,312
Other payables	11,849,511,789	(1,695,012,586)	10,154,499,203	1,986,101,102	12,140,600,305
	16,496,523,410	(1,695,012,586)	14,801,510,824	5,398,959,301	20,200,470,125
Net assets available for benefits	284,995,975,257	9,793,572,586	294,789,547,843	100,990,372,280	395,779,920,123
Represented by					
Share capital	-	-	-	1,179,070,491	1,179,070,491
Retained earnings	-	-	-	85,975,343,246	85,975,343,246
Revaluation reserve	692,653,000	-	692,653,000	6,066,776,659	6,759,429,659
Fair value reserve	-	-	-	7,769,181,884	7,769,181,884
Accumulated members' funds	111,460,925,759	4,291,712,181	115,752,637,940	-	115,752,637,940
Statutory reserves	172,842,396,498	5,501,860,405	178,344,256,903		178,344,256,903
Total reserves	284,995,975,257	9,793,572,586	294,789,547,843	100,990,372,280	395,779,920,123

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Notes (continued)

37. Financial instruments by category

Pension scheme

	Fair value through P&L	Held to maturity	Loans and receivables	Available for sale	Total carrying amount
	Rwf	Rwf	Rwf	Rwf	Rwf
At 30 June 2013					
Financial assets					
Equity investments	106,741,768,306	-	-	-	106,741,768,306
Government of Rwanda development bond	-	46,288,480,619	-	-	46,288,480,619
Treasury bills	-	25,006,372,443	-	-	25,006,372,443
Amounts due from the Government of Rwanda	-	-	32,239,285	-	32,239,285
Loan and advances to third parties	-	-	2,764,806,297	-	2,764,806,297
Mortgage loans	-	-	3,533,771,146	-	3,533,771,146
Corporate bond	-	344,759,394	-	-	344,759,394
Deposit with financial institutions	-	-	57,922,979,685	-	57,922,979,685
Cash and bank balances	-	-	8,097,395,420	-	8,097,395,420
Other assets	-	-	4,878,445,923	-	4,878,445,923
Total financial assets	106,741,768,306	71,639,612,456	77,229,637,756	-	255,611,018,518

	Trading	Amortised cost	Total carrying amount
	Rwf	Rwf	Rwf
Financial liabilities			
Contract retentions	-	3,994,898,680	3,994,898,680
Other payables	-	7,638,990,902	7,638,990,902
Total financial liabilities	-	11,633,889,582	11,633,889,582

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Financial statements for the year ended to 30 June 2013*

Notes (continued)

37 Financial instruments by category (continued)

Pension scheme (continued)

	Fair value through P&L Rwf	Held to maturity Rwf	Loans and receivables Rwf	Available for sale Rwf	Total carrying amount Rwf
At 30 June 2012					
Financial assets					
Equity investments	87,930,461,841	-	-	-	87,930,461,841
Government of Rwanda development bond	-	46,369,516,855	-	-	46,369,516,855
Amounts due from the Government of Rwanda	-	-	32,239,285	-	32,239,285
Loan and advances to third parties	-	-	3,183,351,990	-	3,183,351,990
Mortgage loans	-	-	4,872,111,204	-	4,872,111,204
Corporate bond	-	363,285,330	-	-	363,285,330
Deposit with financial institutions	-	-	40,471,948,767	-	40,471,948,767
Cash and bank balances	-	-	7,496,918,882	-	7,496,918,882
Other assets	-	-	4,911,209,503	-	4,911,209,503
Total financial assets	87,930,461,841	46,732,802,185	60,967,779,631	-	195,631,043,657

	Trading Rwf	Amortised cost Rwf	Total carrying amount Rwf
Financial liabilities			
Contract retentions	-	4,647,011,621	4,647,011,621
Other payables	-	10,154,499,203	10,154,499,203
Total financial liabilities	-	14,801,510,824	14,801,510,824

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

37 Financial instruments by category (continued)

Medical scheme

At 30 June 2013

	Fair value through P&L	Held to maturity	Loans and receivables	Available for sale	Total carrying amount
	Rwf	Rwf	Rwf	Rwf	Rwf
Financial assets					
Equity investments	12,116,320,641	-	-	3,637,152,752	15,753,473,393
Treasury bonds	-	1,094,591,875	-	-	1,094,591,875
Treasury bills	-	17,430,632,995	-	-	17,430,632,995
Loan and advances to third parties	-	3,928,781,347	-	-	3,928,781,347
Deposit with financial institutions	-	-	48,682,189,410	-	48,682,189,410
Cash and bank balances	-	-	8,199,390,862	-	8,199,390,862
Other assets	-	-	2,453,024,319	-	2,453,024,319
Total financial assets	12,116,320,641	22,454,006,217	59,334,604,591	3,637,152,752	97,542,084,201
Financial liabilities					
Contract retentions	-	-	-	1,202,467,505	1,202,467,505
Medical benefits payable	-	-	-	1,619,250,735	1,619,250,735
Other payables	-	-	-	1,195,706,730	1,195,706,730
Total financial liabilities	-	-	-	4,017,424,970	4,017,424,970

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Notes (continued)

37. Financial instruments by category (continued)

Medical scheme (continued)

	Fair value through P&L Rwf	Held to maturity Rwf	Loans and receivables Rwf	Available for sale Rwf	Total carrying amount Rwf
At 30 June 2012					
Financial assets					
Equity investments	15,353,530,884	-	-	1,437,228,200	16,790,759,084
Treasury bonds	-	1,504,640,781	-	-	1,504,640,781
Loan and advances to third parties	-	-	-	-	5,030,406,526
Contributions receivable	-	-	5,030,406,526	-	1,927,089,631
Deposit with financial institutions	-	-	1,927,089,631	-	48,571,645,479
Cash and bank balances	-	-	48,571,645,479	-	4,607,681,758
Other assets	-	-	4,607,681,758	-	2,824,805,944
	-	-	2,824,805,944	-	

Total financial assets

15,353,530,884	1,504,640,781	62,961,629,338	1,437,228,200	81,257,029,203
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	Trading Rwf	Amortised cost Rwf	Total carrying amount Rwf
Financial liabilities			
Contract retentions	-	1,508,639,887	1,508,639,887
Medical benefits payable	-	1,904,218,312	1,904,218,312
Other payables	-	1,986,101,102	1,986,101,102

Total financial liabilities

-	5,398,959,301	5,398,959,301
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Notes (continued)

38. 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 one of its investment properties to the Ministry of Infrastructure. The transactions described above are both collectively and individually significant to the financial statements.

39. Actuarial valuation

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

(i) 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.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

39. Actuarial valuation (continued)

Pension scheme (continued)

(ii) 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

39 Actuarial valuation

(iii) Funding position at the valuation date

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

Summary of scheme funding position at the valuation date:

Pension branch stands at 15.4%

Occupational hazard branch stands at 111.3%

Scheme overall stands at 23.6%

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

The principal actuarial assumptions used were as follows:

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

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

39 Actuarial valuation (continued)

iii) Funding position at the valuation date (continued)

Valuation methodology and assumptions

The future financial status of RSSB 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 RSSB's department of Planning, Research and Statistics.

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

Economic assumptions made considered inflation rates, salary increments, and investment return rates.

The program specific assumptions included; retirement rates, minimum monthly pensions and temporal and permanent disability rates. The above assumptions were fed into the valuation model to calculate the short and long term estimates.

Recognition of the actuarial results

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

As at 30 June 2013 and 2012, the only single investment that was greater than 5% of the fund's net assets value was the government securities. Details of this are presented under Note 16 of the financial statements.

40. Capital management

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

Other objectives when managing its capital are:

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

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

During the year, the medical scheme held the minimum capital required for short term insurers. The capital at the end of 2012 and 2011 are presented on Note 30.

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 33. 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 38.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

41 Critical accounting estimates

RSSB 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 unquoted equity investments

Fair values of unquoted 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 mortgage loans and other receivables

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

iii) Useful lives of property and equipment

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

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

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

Notes (continued)

42 Management of insurance and financial risk

RSSB's activities expose it to a variety of risks, including insurance risk, liquidity risk, credit risk, and the effects of changes foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance.

This section summarizes the way RSSB manages these risks.

(a) Insurance risk

RSSB is engaged in provision of medical insurance services and is therefore exposed to the risk that the insured event occurs. By the nature of medical insurance and RSSB's experience, the risk attaching to the uncertainty of the amount of the resulting claim is minimal and would relate to inpatient medical claims. This risk is, by its nature, random and therefore unpredictable. The pricing of the contributions receivable from RSSB's medical scheme members is prescribed by the applicable legislation and the theory of probability is therefore not applied to pricing and provisioning. The principal risk that RSSB faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. RSSB members share 15% of all medical claims and the medical insurance risk is not reinsured.

(b) Financial risk management objectives and policies

RSSB is exposed to financial risk through its financial assets, financial liabilities and insurance liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts and future pension benefits payments. The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk. These risks arise from open positions in interest rates, currency exchange rates and equity securities prices, all of which are exposed to general and specific market movements. The risks that RSSB primarily faces due to the nature of its investments and liabilities are liquidity risk, interest rate risk and equity price risk. Both the pensions and medical division manage exposure to these risks through policies approved by the Board of Directors. RSSB's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Fund does not hedge any risks.

Market risk

(i) Foreign exchange risk

RSSB is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to cash balances denominated in US dollars and quoted equity investments denominated in Kenya Shillings and US dollar. Currency exposure arising from assets and liabilities denominated in foreign currencies is managed primarily by placing limits on foreign currency denominated assets and liabilities.

At 30 June 2013, if the Rwandan Franc had weakened/strengthened by 10% (2012: 10%) against the US dollar with all other variables held constant, the increase in net assets available for benefits for the year would have been Rwf 83,699,760 (2012: Rwf 41,711,603) higher/lower for the pension scheme and Rwf 4,406,305 (2012: nil) higher/lower for the medical scheme. Foreign exchange risk with regard to the Kenya Shilling and US Dollar denominated equity is included in the price risk disclosures.

Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

42 Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

RSSB's holds fixed interest rate corporate bonds, government securities, loans to corporate organisations and bank deposits that are measured at amortised cost. RSSB has no interest bearing liabilities. RSSB is therefore not exposed to cash flow interest rate risk. RSSB's policy on bank deposits and loans to corporate organisations is invite bids or negotiate a fixed interest rate that is benchmarked to prevailing market interest rates.

As the interest bearing financial assets are measured at amortised cost, RSSB is not exposed to fair value interest rate risk.

(iii) Price risk

RSSB is exposed to equity price risk in respect of its investments in quoted shares, both local and foreign. The exposure to price risk is managed primarily by setting limits on the percentage of net assets available for benefits that may be invested in equity investments and by ensuring sufficient diversity of the investment portfolio.

At 30 June 2013, a 10% (2012: 10%) increase or decrease in the Nairobi Stock Exchange and Rwanda Stock Exchange indexes, with all other variables held constant, would result in an increase/decrease in net assets available for benefits for the year by Rwf 6,077,349,557 (2012: Rwf 2,804,456,090) for the pensions division and Rwf 787,038,544 (2012: Rwf 143,711,742) for the medical division.

Credit risk

RSSB is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which RSSB is exposed arises from Government securities, mortgage loans, contributions receivable, loans to corporate entities, other receivables, deposits with financial institutions and cash at bank.

The Government securities represents 19% of its total assets. The investment department assesses the credit quality of each investment, taking into account its credit rating. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. Maximum exposure to credit risk before collateral held:

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

	Pension scheme		Medical scheme		Total	
	2013 Rwf	2012 Rwf	2013 Rwf	2012 Rwf	2013 Rwf	2012 Rwf
Amounts due from the Government of Rwanda	32,239,285	32,239,285	-	-	32,239,285	32,239,285
Government of Rwanda Development bond	46,288,480,619	46,369,516,855	-	-	46,288,480,619	46,369,516,855
Government securities	25,006,372,443	-	18,525,224,870	1,504,640,781	43,531,597,313	1,504,640,781
Loans and advances to corporate entities	2,764,806,297	3,183,351,990	3,928,781,870	5,030,406,526	6,693,588,167	8,213,758,516
Contributions receivable	-	-	-	1,927,089,631	-	1,927,089,631
Corporate bonds	344,759,394	363,285,330	-	-	344,759,394	363,285,330
Deposits with financial institutions	57,922,979,685	40,471,948,767	48,682,189,410	48,571,645,479	106,605,169,095	89,043,594,246
Mortgage loans	3,533,771,146	4,872,111,204	-	-	3,533,771,146	4,872,111,204
Cash and bank balances	8,097,395,420	7,496,918,882	8,199,390,862	4,607,681,758	16,296,786,282	12,104,600,640
Staff loans and advances	254,413,650	223,237,562	240,012,756	46,697,637	494,426,406	269,935,199
	144,245,217,939	103,012,609,875	79,575,599,768	61,688,161,812	223,820,817,184	164,700,771,687

The mortgages are secured by the buildings occupied by the tenants. Titles are transferred after payments completed. No collateral is held for any of the other assets listed above. The following is an assessment of assets impairment.

Neither past due nor impaired	144,245,217,939	102,647,609,875	79,575,599,245	59,761,072,181	223,820,817,184	162,408,682,056
Past due but not impaired	-	365,000,000	-	1,927,089,631	-	2,292,089,631
Individually impaired	802,405,982	802,405,982	-	-	802,405,982	802,405,982
Impairment provision	(802,405,982)	(802,405,982)	-	-	(802,405,982)	(802,405,982)

No other financial assets are either past due or impaired.

144,245,217,939	103,012,609,875	79,575,599,245	61,688,161,812	223,820,817,184	164,700,771,687
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Rwanda Social Security Board
Financial statements for the year ended 30 June 2013

Notes (continued)

42 Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated benefit payments. RSSB approves all investments made by the investment department in assets that can be easily liquidated. RSSB is exposed to calls on its available cash resources from the benefits payments made to pensioners every quarter as well as medical claims paid monthly, suppliers and calls on cash settled contingencies.

RSSB does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. RSSB sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of other borrowing facilities that should be in place to cover unexpected levels of demand. The Treasury and investment departments monitor liquidity ratios on a daily basis. Sources of liquidity are regularly reviewed by a separate team in these departments to maintain a wide diversification by provider, product and term. The tables in the following pages present the undiscounted cash flows payable by the fund under financial liabilities by remaining contractual maturities at the balance sheet date and from financial assets by expected maturity dates.

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Pension scheme - At 30 June 2013

	Less than 1 month	1-3 months	3-12 months	1-5 Years	Over 5 Years	Total
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Liabilities						
Contract retentions	-	-	-	3,994,898,680	-	3,994,898,680
Other liabilities	7,025,664,730	-	-	-	-	7,025,664,730
Total financial liabilities	7,025,664,730	-	-	3,994,898,680	-	11,020,563,410
Assets						
Cash and bank balances	8,097,395,420	-	-	-	-	8,097,395,420
Term deposits with financial institutions	5,512,945,890	-	52,410,033,795	-	-	57,922,979,685
Loans and advances to corporate entities	246,271,835	-	1,290,010,363	1,448,738,156	-	2,985,020,354
Investment securities	35,053,410	51,905,184	-	347,049,795	-	434,008,389
Other assets	-	-	4,878,445,923	-	-	4,878,445,923
Mortgages	132,828,882	265,657,765	1,195,459,941	3,225,972,560	217,576,950	5,037,496,098
Government securities	10,113,022,342	10,723,450,541	13,418,062,560	42,250,000,001	-	76,504,535,444
Total financial assets	24,137,517,779	11,041,013,490	73,192,012,582	47,271,760,512	217,576,950	155,859,881,313
Net liquidity gap	17,111,853,049	11,041,013,490	73,192,012,582	43,276,861,832	217,576,950	144,839,317,903

*Rwanda Social Security Board
Financial statements for the year ended to 30 June 2013*

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Pension Scheme - At 30 June 2012

	Less than 1 month	1-3 months	3-12 months	1-5 Years	Over 5 Years	Total
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Liabilities						
Contract retentions	-	-	-	4,647,011,621	-	4,647,011,621
Other liabilities	10,154,499,203	-	-	-	-	10,154,499,203
Total financial liabilities	10,154,499,203	-	-	4,647,011,621	-	14,801,510,824
Assets						
Cash and bank balances	7,496,918,882	-	-	-	-	7,496,918,882
Term deposits with financial institutions	-	-	40,471,948,767	-	-	40,471,948,767
Loans and advances to corporate entities	-	-	908,792,178	2,274,559,812	-	3,183,351,990
Investment securities	-	-	-	363,285,330	-	363,285,330
Other assets	-	-	223,237,562	-	-	223,237,562
Mortgages	-	-	1,032,411,114	3,839,700,090	-	4,872,111,204
Government securities	-	-	8,375,000,000	37,994,516,855	-	46,369,516,855
Total financial assets	7,496,918,882	-	51,011,389,621	44,472,062,087	-	102,980,370,590
Net liquidity gap	(2,657,580,321)	-	51,011,389,621	39,825,050,466	-	88,178,859,766

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Medical scheme - At 30 June 2013

	Less than 1 month	1-3 months	3-12 months	1-5 Years	Over 5 Years	Total
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Contract retentions						
Medical benefits payable	1,619,250,735	-	-	1,202,467,506	-	1,202,467,506
Other payables	1,195,706,730	-	-	-	-	1,619,250,735
						1,195,706,730
	2,814,957,465	-	-	1,202,467,506	-	4,017,424,971
Assets						
Held to maturity	-	6,506,926,464	3,382,617,448	1,321,653,125	-	11,211,197,037
government securities						
Loans and advances	-	-	1,481,168,392	3,458,417,836	-	4,939,586,228
Medical contributions	-	-	-	-	-	-
receivable						
Cash and bank balances	8,228,796,185	-	-	-	-	8,228,796,185
Deposits with financial	6,618,667,847	-	42,063,521,563	-	-	48,682,189,410
institutions						
Other assets	-	-	1,272,685,711	-	-	1,272,685,711
Total financial assets	14,847,464,032	6,506,926,464	48,199,993,114	4,780,070,961	-	74,334,454,571
Net liquidity gap	12,032,506,567	6,506,926,464	48,199,993,114	3,577,603,455	-	70,317,029,600

Rwanda Social Security Board Financial statements for the year ended to 30 June 2013

Notes (continued)

42. Management of insurance and financial risk (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Medical scheme - At 30 June 2012

	Less than 1 month	1-3 months	3-12 months	1-5 Years	Over 5 Years	Total
	Rwf	Rwf	Rwf	Rwf	Rwf	Rwf
Medical benefits payable	478,466,859	-	1,425,751,453	-	-	1,904,218,312
Other payables	-	1,324,695,718	-	1,508,639,887	-	2,833,335,605
	478,466,859	1,324,695,718	1,425,751,453	1,508,639,887	-	4,737,553,917
Assets						
Held to maturity	-	369,600,000	-	1,135,040,781	-	1,504,640,781
government securities	-	-	708,904,993	4,321,501,533	-	5,030,406,526
loans and advances	-	-	-	-	-	-
Medical contributions receivable	-	631,279,974	-	-	-	631,279,974
Cash and bank balances	4,607,681,758	-	-	-	-	4,607,681,758
Deposits with financial institutions	-	-	48,381,145,997	-	-	48,381,145,997
Other assets	-	-	363,365,730	-	-	363,365,730
Total financial assets	4,607,681,758	1,000,879,974	49,453,416,720	5,456,542,314	-	60,518,520,766
Net liquidity gap	4,129,214,899	(323,815,744)	48,027,665,267	3,947,902,427	-	55,780,966,849

Notes (continued)

43. 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 RSSB 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 RSSB year. The actuarial position of RSSB, which does take account of such obligations, is dealt with in the statement by the actuary and these financial statements should be read in conjunction with it. The financial statements are presented in Rwandan Francs. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by RSSB

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 RSSB: 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).

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.

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

*Rwanda Social Security Board
Financial statements for the year ended 30 June 2013*

Notes (continued)

43. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

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

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

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

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

(b) Insurance contracts

I. Classification

In accordance with applicable laws, the medical scheme provides medical insurance services to government employees and other public institutions within the Republic of Rwanda. Under the applicable law, the medical scheme may also issue contracts that transfer insurance risk to other third parties within Rwanda. All of the medical scheme's business is classified as short term insurance in accordance with the provisions of the Insurance Regulations.

II. Recognition and measurement

i. Contributions income

Contributions income is recognised on assumption of risks, which is the monthly period that medical insurance cover is provided to the insurance. Contributions income includes estimates of contributions due but not yet received.

By nature of its operations, contributions are payable on a monthly basis for each month of cover and all contribution income had been earned as at 30 June 2013.

Notes (continued)

43. Summary of significant accounting policies (continued)

(b) Insurance contracts (continued)

II. Recognition and measurement (continued)

ii. Medical claims payable

Claims incurred comprise claims and benefits paid in the year and changes in the provision for outstanding medical claims. Claims paid represent all medical payments made during the year, whether arising from events during that or earlier years. Outstanding claims represent the estimated ultimate cost of settling all medical claims and benefits arising from incidents occurring prior to the balance sheet date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed, and include provisions for claims incurred but not reported ("IBNR").

iii. Medical insurance receivables

Receivables are recognised when due. These include amounts due from medical division's members, including the contributions payable by their respective employers.

If there is objective evidence that the insurance receivable is impaired, RSSB reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. RSSB gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables as described in subsequent pages.

(c) Revenue recognition

i. Insurance premium receivable

The revenue recognition policy relating to medical insurance contracts is set out under note (b).

ii. Interest income

Interest income for all interest-bearing financial instruments is recognised in the income statement using the effective interest rate method. When a receivable is impaired, the RSSB reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

iii. Pharmacy sales

Income arising from sale from pharmacies and sale of drugs is recognised when the customer has accepted the drugs and collectability of the related receivables is reasonably assured.

iv. Dividend income

Dividend income for equities is recognised when the right to receive payment is established.

v. Rental income

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

(d) Foreign currency translation

Functional and presentation currency translation

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

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Financial statements for the year ended 30 June 2013

Notes (continued)

43 Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

Transactions and balances

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

(e) Pension contributions and benefits payable

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

Pensions and other benefits payable are recognised as liabilities in the period in which they fall due.

(f) Property and equipment

Land and buildings comprise mainly office blocks occupied by RSSB. Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 labour, 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 capitalised as part of that fixed asset.

Management reviews 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.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and depreciation based on the asset's original cost is transferred from 'other reserves' to 'retained earnings'.

Notes (continued)

43 Summary of significant accounting policies (continued)

(f) Property and equipment (continued)

values over their estimated useful life. The entity depreciates its assets using the rates provided by the government. Land is not depreciated. The following rates were adopted during the year:

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

(g) Intangible assets

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

(h) 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 Fund 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 fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, RSSB uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.]

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Notes (continued)

43. Summary of significant accounting policies (continued)

(h) Investment property (continued)

Changes in fair values are recognised in the statement of changes in net assets available for benefit in the year in which they arise. Investment properties are derecognised when they have been disposed. Where RSSB disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment 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.

(i) 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.

(j) Financial assets

i) Classification

RSSB classifies its financial assets as loans and receivables or fair value through profit or loss, based on the purpose for which the financial assets were acquired. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. RSSB's loans and receivables comprise mortgage loans and other assets in the balance sheet.

Fair value through profit or loss comprise investments in the shares of unquoted companies, government securities, loans to third parties, corporate bonds and deposits with financial institutions on the balance sheet.

ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which RSSB commits to purchase or sell the asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

All purchases and sales of financial assets at fair value through profit or loss are recognised on the trade date, which is the date the Fund commits to purchase or sell the asset.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed. 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.

All changes in the fair value arising on investments are recognised 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), If the market for an investment is not active (and for unlisted securities), RSSB values them at cost.

Notes (continued)

43. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

iii) 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.

iv) Impairment

RSSB assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used to determine that there is objective evidence of an impairment loss include: significant financial difficulty of the issuer or borrower; a breach of contract, such as a default or delinquency in interest or principal payments; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

(k) Impairment of non-financial assets

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.

(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.

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Notes (continued)

43. Summary of significant accounting policies (continued)

(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.

(n) Taxation

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

Notes (continued)

43. Summary of significant accounting policies (continued)

(p) Comparatives

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

(q) Employee benefits

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

(r) 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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