



THE REPUBLIC OF UGANDA

FINANCIAL STATEMENTS OF THE
MINISTRY EDUCATION AND SPORTS
FOR THE YEAR ENDED 30TH JUNE, 2003
TOGETHER WITH THE OPINION OF THE AUDITOR
GENERAL

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
MINISTRY OF EDUCATION AND SPORT
FOR THE YEAR ENDED 30TH JUNE, 2003

THE HON. SPEAKER OF PARLIAMENT

I have audited the financial statements set out on pages 6 to 25 which have been prepared under the accounting policies set out on pages 26 to 29.

Under Article 164 of the Constitution and Section 8 of the Public Finance and Accountability Act, 2003, the Accounting Officer is accountable to Parliament for the funds and resources in the Ministry. These financial statements are also under Section 31 of the same Act the responsibility of the Accounting Officer.

My responsibility as required by Article 163 of the Constitution and Section 33 of the Public Finance and Accountability Act, 2003 is to audit and express an opinion on these statements based on my audit.

BASIS OF OPINION

I conducted my audit in accordance with International Standards on Auditing and Government of Uganda Legislation. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence

supporting the amounts and disclosures in the financial statements as well as evidence supporting compliance with relevant laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

PAYABLES

(a) **Unconfirmed Balance:**

Disclosed in the statement of financial position (Balance Sheet) are payables of Shs.2,758,691,000 that represent goods and services consumed but not paid for by the end of the year. In view of the late timing of the new accounting guidelines requiring Accounting Officers to accrue expenses and revenues, I was not able to confirm and verify the balance. Confirmation of such balances would require that I plan for their verification early in the financial year. The late timing of the new guidelines also constrained me from adopting alternative audit procedures to verify the amounts as current office commitments could not be suitably rationalised to free up the additional cash resources which would have been required.

(b) **Departure from the Accounting Policy:**

Accruing for the above amount is not consistent with Financial Regulation (42) and the Ministry's Policy of preparing the financial statements under the cash basis of Accounting. Under the cash basis of accounting as defined by the statement of accounting policies, revenue is generally recognised when received and not when earned and expenditure is recognised when paid and not when incurred. This inappropriate treatment of the accounting policy has been brought to the

attention of the Accountant General who has agreed to amend the Financial Regulations so as to make them conform to the actual practice.

PROJECTS

(a) **Direct Project Funding:**

Despite the drive towards donor financing through budget support, a substantial number of donor-funded projects still receive part of their funding directly from the donors without going through the Consolidated Fund Account. Even though these funds are appropriated by Parliament and controlled by the Ministry, their receipts and related expenditures are not accounted for through the Ministry and the Treasury Accounting System. I have brought the issue to the attention of the Accountant General.

(b) **Consolidation of Project Accounts:**

Project accounts have not been appropriately consolidated with those of the parent Ministry. The amounts captured are the disbursements made to the projects and not the respective expenditures. The financial statements of most projects are prepared on an accrual basis and also capture the respective assets and liabilities. Additionally in certain instances some projects have year-ends that are not coterminous with the parent Ministry. To this extent it has not been possible for me to adequately assess the appropriateness of this treatment and the extent that the amounts would be fairly presented in the financial statements at the end of the year.

FUNDS NOT ACCOUNTED FOR

Funds totalling Shs.5,455,144,113 was not accounted for by year-end contrary to regulations. Details are in my report to Parliament. The summary is: -

<u>Details</u>	<u>Amount</u>
• Teacher Management Services Project	3,570,485,119
• Mulago School of Nurses and Midwifery	107,188,387
• Rehabilitation of National Health Services Project	56,558,819
• Construction of Community Polytechnics in 45 Districts Project	509,262,000
• District Capacity Building Project	495,000,000
• Rehabilitation of and Construction of Secondary Schools Project	533,000,000
• Child Friendly Basic Education Project	183,649,788
Total	<u>5,455,144,113</u>

OPINION

Because of the significance of the matters discussed in the preceding paragraphs, I do not express an opinion on the financial statements.

EMPHASIS OF MATTER

Attention is also drawn to the additional information and comments included in my Annual Report to Parliament for the year ended 30th June, 2003 on the Public Accounts of Uganda.

John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

31ST MARCH 2004

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Statement of Responsibilities of the Accounting Officer

The financial statements set out on pages 1 to 44, have been prepared in accordance with the provisions of the Public Finance and Accountability Act, 2003 [the Act]. The financial statements have been prepared on the cash basis of accounting and comply with the generally accepted accounting practice for the public sector.

In accordance with the provisions of Section 8 of the Public Finance and Accountability Act, 2003, [the Act], I am responsible for the control and personally accountable to Parliament for the regularity and propriety of the expenditure of money applied by an expenditure vote, or any provision to Ministry of education and Sports funded wholly through the Consolidated Fund, and for all resources received, held or disposed of on account of Ministry of education and Sports

Under the provisions of Section 31 of the same Act, I am required to prepare, sign and submit financial statements to the Minister responsible for Finance, the Auditor General, and to the Accountant General within a period of three months from the end of the Financial Year. Accordingly, I am pleased to submit the required financial statements in compliance with the Act. I have provided, and will continue to provide all the information and explanations as maybe required in connection with these financial statements.

To the best of my knowledge and belief, these financial statements agree with the books of account which have been properly kept by the Ministry of education and Sports.

Finally, I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the Public Finance and Accountability Act, 2003.

F. X. K. Lubanga.....
Accounting Officer

.....
Ministry of Education and Sports

12th September 2003
Date

Commentary on the Financial Statements by the Head of Accounts

1. Financial Statements

The financial statements for the financial year ended 30 June 2003 have been prepared in compliance with the provisions of the Public Finance and Accountability Act, 2003 [the Act].

2. Statement of Financial Performance

The statement gives a summary of grants received from the Consolidated Fund and non-tax revenues, and a summary of operating expenditures on services voted by Parliament but excluding capital expenditures, and expenditures for investments and loans issued out.

3. Balance sheet (Statement of Financial Position)

The Balance Sheet (or Statement of Financial Position) is a summary of assets and liabilities of the entity relating to funds received from the Consolidated Fund, and non-tax revenues.

4. Cash Flow Statement

Provides a high-level summary of cash flows from operating, investing and financing activities.

5. Statement of Changes in Equity

Provides summary of movements in the equity funds of Ministry of education and Sports

6. Statement of Appropriation Account

This is a statement showing the services for which funds were appropriated, expended, and the balance at the end of the year. It is a summary of all revenue received from the Consolidated Fund, and expenditure paid during the year in respect of the services for which the moneys expended were voted, the sums actually expended on each service, and the state of each vote compared with the amount appropriated for that vote by Parliament.

This statement is presented in two ways: by class of services voted, and by nature of expenditure.

7. Statement of Revenues collected

The statement provides amounts contained in the estimates of revenue for each source of revenue, the amounts actually collected and containing an explanation for variation between the revenues actually collected and the amount estimated.

8. Statement of Arrears of Revenues

The statement provides a summary of arrears of revenue for each revenue source being the difference between amounts due and amounts remitted to the Consolidated Fund

9. Statement of Contingent Liabilities

The statement provides information of the outstanding amounts guaranteed by Ministry of education and Sports in respect of bank overdrafts, loans, and other contingent liabilities at the end of the year.

10. Statement of Outstanding Commitments

The statement provides information as to outstanding commitments at the end of the year Ministry of education and Sports has entered into for the supply of goods and services, summarized and analyzed in terms of nature of expenditure, and between operating and capital commitments.

11. Statement of losses of public moneys and stores written off, and claims abandoned.

The statement provides a summary of losses of public moneys, stores and other assets written off, and all claims abandoned during the year, classified by nature of losses.

12. Statement of losses of public funds and stores reported

The statement provides a summary of losses of public moneys, stores and other assets reported during year whether or not written off or recovered.

13. Statement of stores and other assets

The statement provides a summary of physical assets acquired during the year/period by Ministry of education and Sports, analyzed by class of physical assets acquired using funds from the Consolidated Fund.

14. Accounting Policies

These are the specific principles, bases, conventions, rules and practices adopted by Ministry of education and Sports in preparing and presenting these financial statements.

The accounting policies have been applied consistently through out the year.

15. Notes to the Financial Statements

Notes to the financial statements explain the make up or amounts shown in the financial statements. They are further supplemented by supporting schedules under separate cover.

J. B. Timanywa
Head of Accounts

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Ministry of Education and Sports

12th September 2003.

Date:

Report of the Auditor General

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Statement of Financial Performance for the year ended 30 June 2003
[Based on classification of expenditures by nature]

Budget 2003 Shs.	-	Notes	Actual 30-June-03 Shs.'000
	Operating revenue		
	Grants from foreign governments	2	-
	Grants from international organizations	3	-
	Unconditional grants	4	-
	Conditional grants	4	-
	Equalization grants	4	
	Transfers received from the Treasury	5	88,130,931
	Transfers received from other government units	6	
	Non-tax revenues	7	77,146
	Miscellaneous and unidentified revenue	8	-
	Total operating revenue		88,208,077
	Operating expenses		
	Employee costs	9	10,765,961
	Goods and services consumed	10	10,540,775
	Consumption of property, plant & equipments (fixed assets)	11	30,234,321
	Interest expense	12	-
	Subsidies	13	-
	Grants paid	14	35,859,403
	Social benefits	15	
	Other expenses	16	88,893
	Foreign exchange losses (gains)		-
	Total operating expenses		87,489,354

The following accounting policies and notes set out on pages.....to.....form an integral part of these financial statements.
The financial statements on pages 1 to 44 were approved by the Accounting Officer on 12th September 2003.

F.X.K. Lubanga.....Accounting Officer.

	Surplus/(deficit) from operating activities		718,723
	Finance costs	17	793
	Gains on disposal of property, plant and equipments	18	-
	Net surplus/(deficit) before extraordinary items		717,930
	Extraordinary items	19	-
	AMOUNT DUE TO THE CONSOLIDATED FUND		717,930

The following accounting policies and notes set out on pages.....to.....form an integral part of these financial statements. The financial statements on pages 1 to 44 were approved by the Accounting Officer on 12th September 2003.

F.X.K. Lubanga.....Accounting Officer.

Balance Sheet (Statement of Financial Position) as at 30 June 2003.

Budget 2003 Shs.	-	Schedule	Actual 30-June-03 Shs.'000
	ASSETS		
	Cash and cash equivalents	20	1,096,163
	Receivables	21	-
	Inventories	22	-
	Investments	23	-
	Investment properties	24	-
	Total Assets		1,096,163
	LIABILITIES		
	Borrowings (interest bearing liabilities)	25	-
	Payables	26	2,758,691
	Pension liabilities	27	-
	Total liabilities		2,758,691
	NETWORTH		(1,662,528)

The payable figure includes the domestic arrears for financial years 1999/2000, 2000/2001 and 2002/2003 of Ug. Shs. 586,571,875, 1,793,886,692 and 378,232,175 respectively.
The following accounting policies and the notes on pagesto.....form an integral part of these financial statements.

The financial statements on pages 1 to 4 were approved by the Accounting Officer on 12th September 2004.

F. X. K. Lubanga.....Accounting Officer.

Cash Flow Statement for the year ended 30 June 2003 [Direct Method]

Budget 2003 Shs.	-	Notes	Actual 30-June-03 Shs. 000
	CASH FLOWS FROM OPERATING ACTIVITIES		
	Total receipts from operating revenues were (see below):		88,208,077
	PAYMENTS FOR OPERATING EXPENSES:		
	Employee costs	9	(10,765,960)
	Goods and services consumed	10	(10,416,071)
	Interest expense	12	-
	Subsidies	13	-
	Grants paid	14	(35,530,756)
	Social benefits	15	-
	Other expenses	16	(88,893)
	Finance costs	17	(793)
	Extraordinary items	19	-
	Total payments for operating activities		(56,802,473)
	Net cash inflows/(outflows) from operating activities		31,405,604
	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipments	11	(30,314,688)
	Proceeds from sale of property, plant and equipments	7	5,247
	Purchase of investments	23	-
	Proceeds from sale of investments	7	-
	Purchase of investment properties	24	-
	Proceeds from sale of investment properties	7	-
	Net cash inflows/(outflows) from investing activities		(30,309,441)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from external borrowings	25	-
	Repayments of external borrowings	25	-

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

This statement was approved and signed by **F.X.K. Lubanga** . [Name of Accounting Officer]

On 12th September 2003 [Signature of the Accounting Officer].....

	Proceeds from other domestic borrowings	25	-
	Repayments of other domestic borrowings	25	-
	Net cash flows from financing activities		-
	Net increase (decrease) in cash and cash equivalents		1,096,163

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

This statement was approved and signed by **F.X.K. Lubanga** . *[Name of Accounting Officer]*

On 12th September 2003 *[Signature of the Accounting Officer]*.....

Cash Flow Statement for the year ended 30 June 2003 [Direct Method] - continued.

For cash flow purposes receipts from operating revenue comprise:

Budget 2003 Shs.	-	Notes	Actual 30-June-03 Shs.'000
	Operating revenue		
	Grants from foreign governments	2	-
	Grants from international organizations	3	-
	Unconditional grants	4	-
	Conditional grants	4	-
	Equalization grants	4	-
	Transfers received from the Treasury	5	88,130,932
	Transfers received from other government units	6	NIL
	Non-tax revenues	7	77,146
	Miscellaneous and unidentified revenue	8	-
	Total receipts from operating activities		88,208,078

Reconciliation of movement of cash during the year

Budget 2003 Shs.	-	Notes	Actual 30-June-03 Shs.'000
	At the beginning of the year		
	Net increase (decrease) of cash from the cash flow Statement		1,096,163
	At the end of the year		1,096,163

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements. This statement was approved and signed by **F.X.K. Lubanga** -[Name of Accounting Officer]

On 12th September 2003 [Signature of the Accounting Officer].....

Budget 2003 Shs.	-	Notes	Actual 30-June-03 Shs.'000
	Cash and bank balances	20	1,096,163
	Less bank overdrafts	20	-
	Net cash and bank balances		1,096,163

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.
This statement was approved and signed by **F.X.K. Lubanga** -[Name of Accounting Officer]

On 12th September 2003 [Signature of the Accounting Officer].....

Statement of Appropriation Account for the year ended 30 June 2003
[Based on services voted in the Estimates book]

Actual 30 June 2002 Shs.		Notes	Actual 30 June 2003 Shs.'000	Budget 30 June 2003 Shs.'000	Variance 30 June 2003 Shs.'000
	RECEIPTS				
Xxxx	Grants from foreign governments	2	Xxxx	xxxx	xxxx
Xxxx	Grants from international organizations	3	Xxxx	xxxx	xxxx
Xxxx	Unconditional grants	4	Xxxx	xxxx	xxxx
Xxxx	Equalization grants	4	Xxxx	xxxx	xxxx
Xxxx	Conditional grants	4	Xxxx	xxxx	xxxx
Xxxx	Transfers received from the Treasury	5	88,130,931	103,762,520	15,631,588
Xxxx	Transfers received from other government units	6	Xxxx	xxxx	xxxx
Xxxx	Non-Tax Revenues	7	77,146	149,000	71,854
Xxxx	Miscellaneous and unidentified revenue	8	Xxxx	xxxx	xxxx
Xxxx	Total receipts		88,208,077	103,911,520	15,703,443
	EXPENDITURE- by services voted in the Estimates Book.				
Prog 01	Headquarters		6,519,933	9,359,001	839,068
Prog 02	Pre-Primary & Primary Education		15,994,738	18,365,313	2,370,575
Prog 03	Secondary Education		864,697	1,097,601	232,904
Prog 04	Teacher Education		6,136,541	6,457,629	321,088
Prog 05	Business, Technical & Vocational Training		7,927,106	8,057,630	130,524
Prog 06	Special Education & Career Guidance		726,925	807,517	80,592
Prog 07	Higher Education		4,976,971	7,065,586	2,088,615
Prog 08	Education Planning		1,069,370	1,194,903	125,533
Prog 09	Education Standard Agency		320,610	595,000	274,390
Prog 10	National Health Service Training Colleges		1,303,428	1,511,037	207,609
Prog 11	Departmental Training Institutions		1,662,714	1,718,934	56,220
Xxxx	Sub-total		47,503,053	54,230,151	6,727,116
Proj 01	Agric. Sect Prog. Support		212,499	425,000	212,501
Proj 02	Reh of National Teacher College		229,199	411,000	181,801
Proj 03	Reh of Tech Schools & Institutes		302,440	553,100	230,660
Proj 04	Supp Directorate Indust. Training		94,550	174,960	80,411
Proj 05	Const Comm Polytech in 45 Districts		1,450,327	2,711,223	1,260,906
Proj 06	Rehabilitation of UPK		69,141	134,482	65,341

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.
This statement was approved and signed by **F. X. K. Lubanga**.....[Name of Accounting Officer]

Proj 07	Rehabilitation of UCC's and NCBS		225,459	407,700	182,231
Proj 08	ADB 11 Education Project		452,824	855,400	402,576
Proj 09	Special Education		243,748	250,000	6,252
Proj 10	Eeducation Assess & Resource Serv (EARS)		0	0	0
Proj 11	Basic Edn in Urban Poverty Areas		200,152	208,266	8,114
Proj 12	Child Friendly Basic Education		1,215,444	1,330,600	115,156
Proj 13	Constr of Primary Sch in 45 Districts		803,132	882,600	79,468
Proj 14	Primary Instructional Materials		16,631,452	17,057,900	426,448
Proj 15	Reh of Secondary Schools		2,034,691	4,414,100	2,379,409
Proj 16	National Curriculum Dev (STEPU)		119,500	251,455	131,955
Proj 17	National Curriculum Dev (CENTRE)		332,323	626,470	294,147
Proj 18	WFP/Karamoja		506,506	520,010	13,504
Proj 19	TDMS Expansion (Phases iv & v)		3,625,125	3,827,499	202,324
Proj 20	University of Agric & Env. Science		1,301,276	2,219,660	918,384
Proj 21	EDN Sec Planning (IEC & Research)		698,493	1,392,641	694,148
Proj 22	District Capacity Building		2,850,428	2,921,808	71,380
Proj 23	Central Ministry Capacity Building		526,900	1,025,768	498,868
Proj 24	Support to EMIS		886,962	901,500	14,538
Proj 25	Reh of Health Serv & Dept Training Inst		450,000	900,000	450,000
Proj 26	Upgrading 5PTCs to CORE PTC status		2,204,062	2,284,753	80,691
Proj 27	Rehabilitation of 22 non core PTCs		880,188	902,000	21,812
Proj 28	Strategies for HIV/AIDS & Girls Educ		180,000	360,000	180,000
Proj 29	Support to Sports Development		504,914	1,000,000	495,086
Proj 30	Promotion of Vocation Training		61,793	116,575	54,782
Proj 31	Rehabilitation of Voc Training Inst. Nakawa		42,502	87,549	45,047
Proj 32	Support Private Voc Training Prov		144,999	290,000	145,001
Proj 33	Support to Nat Council of Sports		54,201	108,400	54,199
	Sub-total		39,535,242	49,532,369	9,997,127
Xxxx	Total expenditure for services voted		87,038,295	103,762,520	16,724,243
Xxxx	Surplus/(deficit) before finance costs		1,092,636	0	xxxx
Xxxx	Finance costs	17	793	0	xxxx
Xxxx	Gains on disposal of property, plant and equipments	18	5,247	0	xxxx
Xxxx	Net surplus/(deficit) before extraordinary items		1,086,596	0	xxxx
Xxxx	Extraordinary items	19	0	0	xxxx
Xxxx	AMOUNT DUE TO THE CONSOLIDATED FUND		1,086,596	0	xxxx

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.
This statement was approved and signed by **F. X. K. Lubanga**.....[Name of Accounting Officer]

Statement of Appropriation Account for the year ended 30 June 2003

[Based on nature of expenditure for services voted]

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

Actual 30-Jun-2002 Shs.		Notes	Actual 30-Jun-2003 Shs. '000	Budget 30-Jun-2003 Shs. '000	Variance 30-Jun-2003 Shs. '000
	RECEIPTS				
	Grants from foreign governments	2	-	-	-
	Grants from international organizations	3	-	-	-
	Unconditional grants	4	-	-	-
	Equalization grants	4	-	-	-
	Conditional grants	4	-	-	-
	Transfers received from the Treasury	5	88,130,931	103,762,520	(15,631,589)
	Transfers received from other government units	6			
	Non-Tax Revenues	7	77,146	149,000	(71,854)
	Miscellaneous and unidentified revenue	8	-	-	-
	Total receipts		88,208,077	103,911,520	15,703,443
	EXPENDITURE- by services voted in the Estimates Book.				
	Employee costs	9	10,765,961	11,230,669	(464,708)
	Goods and services consumed	10	10,540,775	13,801,105	(3,260,330)
	Consumption of property, plant & equipments (fixed assets)	11	30,234,321	37,516,273	(7,281,952)
	Interest expense	12	-	-	-
	Subsidies	13	-	-	-
	Grants paid	14	35,859,404	40,747,695	(4,888,291)
	Social benefits	15			

This statement was approved and signed by **F.X.K. Lubanga**. [Name of Accounting Officer]

On 12th September 2003 [Signature of the Accounting Officer].....

	Other expenses	16	88,893	170,000	(81,107)
	Foreign exchange losses (gains)		-		-
					-
					-
	Total expenditure for services voted		87,489,354	103,465,742	(15,976,388)
	Surplus/(deficit) before finance costs		718,722		
	Finance costs	17	(793)	-	(793)
	Gains on disposal of property, plant and equipments	18	-		-
	Net surplus/(deficit) before extraordinary items		717,931		
	Extraordinary items	19	-		-
	AMOUNT DUE TO THE CONSOLIDATED FUND		717,931		

This statement was approved and signed by **F.X.K. Lubanga**. *[Name of Accounting Officer]*

On 12th September 2003 *[Signature of the Accounting Officer]*.....

Statement of Revenues collected during the year ended 30 June 2003

[Based on source of revenue]

Actual 30 June 2002 Shs.		Notes	Actual 30 June 2003 Shs. '000	Budget 30 June 2003 Shs. '000	Variance 30 June 2003 Shs. '000
	RECEIPTS				
	Non-tax revenues				
	Investment income		-		
	Dividends		-		
	Voluntary transfers other than grants		-		
	Withdrawal from income of quasi-corporations		-		
	Property income attributed to insurance policy holders		-		
	Rent		-		
	Other property income		-		
	Sale by market establishments		71,899		
	Administrative fees & licenses		-		
	Incidental sale of goods and services		-		
	Imputed fines and penalties		-		
	Court fines and penalties		-		
	Other fines and penalties		-		
	Voluntary transfers other than grants-current		-		
	Voluntary transfers other than grants-capital		-		
	Miscellaneous and unidentified revenues		-		
	Total Non-Tax Revenue		71,899		

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

This statement was approved and signed by **F.X.K Lubanga** [Name of Accounting Officer]

On 12th September 2003 [Signature of the Accounting Officer].....

Statement of Arrears of Revenues for the year ended 30 June 2003

[Based on source of revenue]

Actual 30 June 2002		Notes	Amounts due 30 June 2003 Shs. '000	Amount remitted to the Consolidated Fund Shs.'000	Arrears of Revenues Shs. '000
	RECEIPTS				
	Non-tax revenues			Nil	
	Investment income				
	Dividends				
	Voluntary transfers other than grants				
	Withdrawal from income of quasi-corporations				
	Property income attributed to insurance policy holders				
	Rent				
	Other property income				
	Sale by market establishments				
	Administrative fees & licenses				
	Incidental sale of goods and services				
	Imputed fines and penalties				
	Court fines and penalties				
	Other fines and penalties				
	Voluntary transfers other than grants-current				
	Voluntary transfers other than grants-capital				
	Miscellaneous and unidentified revenues				
	Total Non-Tax Revenue		-	Nil	

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

This statement was approved and signed by **F.X.K. Lubanga**. *[Name of Accounting Officer]*

On 12th September 2003 *[Signature of the Accounting Officer]*.....

Statement of Outstanding Commitments as at 30 June 2003

	Notes	30 June 2003 Shs. '000	30 June 2002 Shs.'000
Commitments by nature of expenditure:			
OPERATING COMMITMENTS			
Employee costs		179,834	
Goods and services consumed		562,429	
Interest expense		-	
Subsidies		-	
Grants payable		1,909,910	
Social benefits		106,518	
Other operating expenses		-	
Finance cost		-	
Total operating commitments		2,758,691	
CAPITAL COMMITMENTS			
Property		-	
Plant		-	
Equipments		-	
Total capital commitments		-	
Commitments for Extraordinary items		-	
TOTAL FOR ALL COMMITMENTS		2,758,691	
Analyzed by type of currency:			
Uganda Shillings		2,758,691	
United States Dollars		-	
British Pound		-	
Euro		-	
Other currencies		-	
TOTAL FOR ALL COMMITMENTS		2,758,691	
(Out of which Shs. 378,232,000 is for FY 2002/03)			

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

This statement was approved and signed by **F.X.K. Lubanga**. [Name of Accounting Officer]

On 12th September 2003 [Signature of the Accounting Officer].....

Statement of losses of public moneys, stores and other assets written off, and claims abandoned during the year ended 30 June 2003.

Reference number of reported loss/write off/claim abandoned.		Notes	30 June 2003 Shs.	30 June 2002 Shs.
	Losses of public moneys (cash and cash equivalents)		Nil	
	Total losses of cash written off			
	Losses of stores			
	Total losses of stores written off			
	Other assets			
	Property			
	Plant			
	Equipments			
	Total losses of other assets written off.			
	Claims abandoned			
	Total value of claims abandoned			
	Total losses of public funds, stores and claims abandoned		Nil	

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements

This statement was approved and signed by **F.X.K. Lubanga** *[Name of Accounting Officer]*

On 12th September 2003 *[Signature of the Accounting Officer]*.....

Statement of reported losses of public moneys, stores and other assets whether or not written off during the year ended 30 June 2003

Reference number of reported loss/write off/claim abandoned.		Notes	30 June 2003 Shs.	30 June 2002 Shs.
	Losses of public moneys reported (cash and cash equivalents)		Nil	
	Total losses of cash			
	Losses of stores reported.			
	Total losses of stores reported			
	Losses of other assets			
	Property			
	Plant			
	Equipments			
	Total losses of other assets reported			
	Total losses of public funds, stores and other assets reported		Nil	

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements

This statement was approved and signed by **F.X K Lubanga**. *[Name of Accounting Officer]*

On 12th September 2003 *[Signature of the Accounting Officer]*.....

Statement of stores and other assets (physical assets) acquired during the year ended 30 June 2003

Asset register number		30 June 2003 Cost in Shs.'000	30 June 2002 Cost in Shs.'000
	By individual assets		
	TOTAL COST OF ASSETS ACQUIRED	30,234,321	
	Analyzed as follows:		
	Land	-	
	Highways and roads	-	
	Buildings	27,193,420	
	Plant and machinery	2,379,898	
	Motor vehicles	661,003	
	Office equipments and furniture	-	-
	Computers	-	-
	Total value of physical assets acquired	30,234,321	-

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

This statement was approved and signed by **F.X.K. Lubanga**.*[Name of Accounting Officer]*

On 12th September 2003 *[Signature of the Accounting Officer]*.....

Statement of disposal of physical assets during the year ended 30 June 2003

Year of acquisition	Asset register number		Receipt number	Original Cost in Shs.'000	Proceeds on disposal Shs.'000
		By individual assets			
	1. UG008E				600
	2. UG080E				820
	3. UG0744E				300
	4. UG0922E				610
	6. UG1004E				400
	7. UG0180E				500
	8. UG0356E				520
	9. UG0350E				820
	Miscellaneous				600
					<u>77</u>
		TOTAL PROCEEDS FROM DISPOSALS			5,247
		Analyzed as follows:			
		Land		-	-
		Highways and roads		-	-
		Buildings		-	-
		Plant and machinery		-	-
		Motor vehicles			5,247
		Office equipments and furniture			
		Computers			
		Total value of physical assets disposed			5,247

The following accounting policies and notes set out on pagesto.....form an integral part of these financial statements.

This statement was approved and signed by **F.X.K. Lubanga**. *[Name of Accounting Officer]*

On 12th September 2003 *[Signature of the Accounting Officer]*.....

A. Accounting policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Uganda in preparing and presenting these financial statements.

The accounting policies have been applied consistently through out the year.

B. General

These financial statements have been prepared in accordance with the requirements of the Public Finance and Accountability Act, 2003 [the Act].

C. Reporting currency

The reporting currency is the Uganda Shilling, which is the legal tender of the Republic of Uganda. The amounts are expressed in thousands of Shillings.

D. Reporting Period

The reporting period for these Financial Statements is the financial year of the Government, which runs from 1 July to the next 30 June.

The Budget forecast is the original forecast for the year as presented in the budget for the applicable financial year.

E. Basis of accounting

The Financial Statements comply with generally accepted accounting practice. The measurement base applied is historical cost. The cash basis of accounting has been used consistently during the year unless otherwise stated.

Under the cash basis of accounting, revenue is generally recognized when received not when earned, and expenditure is generally recognized when paid and not when incurred. Similarly, payments for assets [property, plant and equipments] are expensed in the year they are paid for i.e. the assets are depreciated at 100 % in the year of purchase.

F. Revenue

Subject to Article 152 of the Constitution of the Republic of Uganda, tax is levied with the authority of Parliament.

Many services and benefits are provided by Ministry of education and Sports to the public but these do not necessarily give rise to revenue to the government unit. Equivalently, payment of tax does not necessarily result into an entitlement to the taxpayer to receive equivalent value of services or benefits because there is no explicit relationship between payment of tax and receipt of goods and services from Ministry of education and Sports.

Revenue collected on behalf of Ministry of education and Sports are recognized when received. Investment income is recognized when received. Similarly, grants are recognized when received in the Appropriation Account.

G. Gains

Unrealized foreign exchange gains/(losses) on monetary assets and liabilities including those on marketable securities held for trading purposes are not recognized in the Statement of Financial Performance.

Unrealized gains or losses, excluding foreign exchange gains/(losses), arising from changes in the value of investments and marketable securities held for investment purposes are also not recognized in the financial statements.

H. Grants

Grants are recognized when received; similarly, grants from the Ministry of education and Sports to other entities including to the central government are recognized at the point of disbursement.

I. Foreign currency transactions

Foreign currency transactions denominated in foreign currencies are recoded into Uganda Shillings at the exchange rate ruling on the date of the transaction; gains/(losses) resulting from these transactions are recognized in the Statement of Financial Performance. Monetary assets and liabilities denominated in foreign currency at the year end are translated at the closing rate with the resulting unrealized exchange gains/ (losses) dealt with through the Statement of Financial Performance.

J. Expenses

In general, expenses are recognized when actual payment is made.

K. Property, Plant and Equipments (physical assets or fixed assets)

Physical assets principally comprise land, buildings, plant, equipments, highways, specialist military equipments]. Following adoption of the cash basis of accounting purchases of property, plant and equipments are expensed in the year of purchase. However, the assets are recorded in Fixed Asset Registers at historical cost as a memorandum record with effect from 1 July 2003.

Unrealized gains or losses arising from changes in the values of property, plant and equipments [physical assets] are not recognized in the financial statements. Similarly, gains/ (losses) on disposal of these assets are not recognized in the financial statements.

L. Receivables

Receivables are carried at original historical cost less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified and shown in the statement of Financial Performance as such.

M. Investments

Investments are classified into three groupings, namely: **investments held for trading; investments held-to- maturity; and investments available –for-sale.**

Investments that are acquired principally for the purposes of generating profit from short-term fluctuations in price are classified as “trading investments”, and are, therefore, current assets and are treated as monetary assets.

Investments with fixed maturities and there is an intention and ability to hold them to maturity dates are classified as “Investments held-to-maturity”, and are, therefore, non-current assets, and are treated as non- monetary assets.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as “investments available-for-sale”, and are therefore non-current assets and regarded as non-monetary assets. However, if there is an expressed intention to sell these within 12 months, then these are treated as current assets and are monetary assets.

The Ministry of education and Sports determines appropriate classifications of its investments at the time of purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognized at the date when payments are effected or when proceeds are received. All investments in the balance sheet are carried at historical cost.

O. Investment properties

Investment property [principally comprising land, office, commercial and residential buildings, and other physical assets], which is held for long-term rental income and is not occupied by Ministry of education and Sports. Investment property is treated as a long-term investment and is carried at cost.

P. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. In the balance sheet bank overdrafts are included in borrowings.

Q. Borrowings

Borrowings are initially recorded in the balance sheet of the Appropriation Account at the proceeds received, net of transaction costs paid. Unrealized gains/ (losses) including exchange rate gains or losses are not recognized in the statement of financial performance. Interest expense or income on borrowings is recognized when paid or received.

R. Employee benefits

Employee benefits include salaries, allowances, pensions and other related-employment costs. However, these are recognized in the financial statements only when actual payments are made. No provision is made for accrued leave and for pension liabilities.

S. Contingencies

Contingent liabilities are recorded in the Statement of Contingencies Liabilities at the point the contingency is evident. Contingent assets are not disclosed.

T. Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments and loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments.

Note 1**Exchange rates**

All monetary amounts in the financial statements are expressed in Uganda Shillings, the legal tender. The Uganda Shilling closing rate (the Bank of Uganda middle rate) for major currencies were:

Budget 2003 Shs. Million			Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs.'000
	United States Dollar			
	Japanese Yen			
	British Pound			
	Euro			

Note 2**Grants from foreign governments**

Budget 2003 Shs. Million		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs.'000
	Donor funds- current			
	Donor funds- capital			
	TOTAL GRANTS- FOREIGN GOVERNMENTS			

Note 3**Grants from international organizations**

Budget 2003 Shs. Million		Schedule	Actual 30 June 2003 Shs.'000	Actual 30 June 2002 Shs.'000
	Donor funds- current			
	Donor funds- capital			
	TOTAL GRANTS- FOREIGN GOVERNMENTS			

Note 4**Grants received**

Grants were received from other Government units (domestic government transfers): from the central government, as follows:

Budget 2003 Shs. Million		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
	Conditional grants			
	Unconditional grants			
	Equalization grants			
	TOTAL GRANTS FOR THE YEAR			

Note 4 (a): Grants for the year analyzed between current and capital as follows:

Budget 2003 Shs. Million		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
	CURRENT			
	Conditional grants			
	Unconditional grants			
	Equalization grants			
	Sub-total [current]			
	CAPITAL			
	Conditional grants			
	Unconditional grants			
	Equalization grants			
	Sub-total [capital]			
	Total grants from the central government			

Note 5

Transfers received from the Treasury:

Budget 2003		Schedule	Actual 30-June-03 Shs.'000
	-		
	Transfers from the treasury- current		47,977,436
	Transfers from the treasury- capital		40,153,495
	TOTAL TRANSFERS FOR THE YEAR		88,130,931

Note 6

Transfers received from other government units

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs. '000
	-		
	Transfers from other Government units- current		
	Transfers from other Government units- capital		-
	TOTAL TRANSFERS FOR THE YEAR		

Note 7**Non-tax revenues**

Non-tax revenues collected were as follows:

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs. '000
	-		
	Investment income		-
	Dividends		-
	Voluntary transfers other than grants		-
	Withdrawal from income of quasi-corporations		-
	Property income attributed to insurance policy holders		-
	Rent		-
	Other property income		5,247
	Sale by market establishments		71,899
	Administrative fees & licenses		-
	Incidental sale of goods and services		-
	Imputed fines and penalties		-
	Court fines and penalties		-
	Other fines and penalties		-
	Voluntary transfers other than grants- current		-
	Voluntary transfers other than grants- capital		-
	Total Non-Tax Revenue		77,146

Note 8**Miscellaneous and unidentified revenues**

This is shown separately for the purposes of the Statement of Financial Performance

Budget 2003 Shs. Million		Schedule	Actual 30 June 2003 Shs.	Actual 30 June 2002 Shs.
	Windfall gains			
	Reimbursements by other bodies			
	Miscellaneous receipts/income			
	TOTAL MISC. REVENUES			

Note 9**Employee costs**

Employee costs principally comprise:

Budget 2003 Shs. Million		Schedule	Actual 30-June-03 Shs. '000
	-		
	Wages and salaries- cash		10,765,960
	Wages and salaries- kind		-
	Social contributions- actual		-
	Social contributions- imputed		-
	Other employment costs		
	Total employee costs.		10,765,960

Note 10**Goods and services**

Expenditure on goods and services during the year principally comprise the following:

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs. '000
	-		
	General expenses		4,114,801
	Communications		58,422
	Utility and property expenses		1,258,950
	Supplies and services		3,101,823
	Professional services		684,680
	Insurances and licenses		-
	Travel and transport		392,315
	Maintenance		802,080
	Inventories- net change in inventories		-
	Sale of goods purchased for resale		-
	Total cost of goods and services		10,416,071

Note 11**Consumption of property, plant and equipments (fixed assets or physical assets)**

As explained in accounting policy K, property, plant and equipments (physical assets) are expensed in the year of purchase i.e. they are depreciated at 100% in the year of purchase. Any gains and losses on fair values of these assets are not recognized in the financial statements.

The value of property, plant and equipments expensed [fully depreciated in the year purchase] comprise:

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs. '000
	-		
	Land		-
	Subsoil assets		-
	Other natural occurring assets		-
	Intangible non-produced assets		-
	Buildings and structures		18,617,659
	Machinery, furniture and vehicles		10,955,659
	Vehicles		661,659
	Other fixed assets		
	Total value of property, plant and equipments expensed		30,234,321

Note 12**Interest expense**

Interest expense to other government units comprise:

Budget 2003 Shs. Million		Schedule	Actual 30 June 2003 Shs.'000	Actual 30 June 2002 Shs.'000
	To the Treasury			
	To other government units			
	Total interest expense			

Note 13**Subsidies**

Subsidies paid during the year are summarized as below:

Budget 2003 Shs.		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
	To public corporations			
	To private enterprises			
	To private individuals			
	Total subsidies for the year			

Note 14**Grants paid**

Grants paid out during the year were to the following:

Budget 2003 Shs.	-	Schedule	Actual 30-June-03 Shs. 000
	To Foreign Governments		-
	To International organisations		396,948
	To other general government units – current		26,230,219
	To other general government units – capital		-
	To resident non-governmental units- [NGOs]- current		9,232,236
	To resident non-governmental units [NGOs]- capital		
	Total grants for the year		35,859,404

Note 15**Social benefits**

Social benefits paid out to employees comprise:

Budget 2003 Shs.		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
	Social security benefits- cash			
	Social security benefits- imputed			
	Social assistance benefits- cash			
	Social assistance benefits- imputed			
	Employer Social benefits- cash			
	Employer Social benefits- imputed			
	Total social benefits			

Note 16**Other operating expenses**

These comprise:

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs. '000
	-		
	Property expenses other than interest		-
	Miscellaneous other expenses-current		88,893
	Miscellaneous other expenses-capital		-
	Total other operating expense		88,893

Note 17**Finance costs**

Finance cost includes interests paid during the year in respect of external debts, commitment fees, and other domestic borrowings net of interest income received during the year. These charges arise only from financing arrangements for the budget rather than temporary arrangements to meet cash flow requirements.

Consistent with the cash basis of accounting finance costs/ (income) are only recognized when paid / (received).

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs. '000
	-		
	Interests on external debts (external borrowings)		-
	Interests on other domestic borrowings		-
	Interest income received		-
	Bank charges		793
	Total finance cost		793

Note 18**Gains from disposal of property, plant and equipments**

Under the cash basis of accounting these gains from disposal of property, plant and equipment are proceeds from disposal of these assets, which are recognized at the time of receipt and are included as part of Non Tax Revenues. For information purposes gains on disposal of property, plant and equipments were made up as follows:

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs.'000
	-		
	Sale of government assets (produced)		
	Sale of government assets (non-produced)		-
	Total gains (proceeds) received		

Note 19**Extraordinary items**

Extraordinary items are revenue or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the government, are not expected to recur frequently or regularly and are outside the control or influence of the government. During the year expenditures were paid on the following extraordinary activities:

		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs'000
	To restore law and order in a foreign country- Liberia			
	Emergency operations following a catastrophic earthquake			
	Total for the year.			

Note 20

Cash and Cash equivalents

Comprise the following at the end of the year:

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs.000
	-		
	DOMESTIC		
	Bank of Uganda- Revenue accounts		1,233
	Bank of Uganda- Expenditure accounts		1,094,930
	Project Accounts		-
	Contingency Accounts		-
	Collection Accounts		-
	Cash in Transit		-
	Cash at Hand- Imprests		-
	Others		-
	Sub-total cash and bank balance- domestic		1,096,163
	FOREIGN		
	Project Accounts		-
	Contingency Accounts		-
	Collection Accounts		-
	Cash in Transit		-
	Cash at Hand- Imprests		-
	Others		-
	Sub-total cash and bank balance		-
	Total cash and cash equivalents		1,096,163

Bank balances with foreign financial institutions comprise:

Budget 2003 Shs.	-	Schedule	Actual 30-June-03 Shs.'000
	In United States Dollars		-
	In Japanese Yen		-
	In European currencies.		-
	In other currencies.		-
	Total bank balances in foreign financial institutions		-

Unrealized foreign exchange gains or losses on balances denominated in other currencies are not recognized in the Statement of Financial Performance using the cash basis of accounting.

[Please provide details of bank accounts held /operated with foreign financial institutions]

Note 21
Receivables

Comprise the following domestic and foreign receivable at the end of the year net of any provision for receivables doubtful of recovery.

		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs.'000
	DOMESTIC			
	Loans (short-term) -others			
	Clearing grants/transfers to other government units			
	Advances			
	Other accounts receivable			
	Total domestic receivables			
	FOREIGN			
	Loans (short-term) -others			
	Clearing grants/transfers to other government units			
	Advances			
	Other accounts receivable			
	Total foreign receivables			
	Total receivables			

Note 22
Inventories

Comprise strategic stock and other inventories purchased which have not been expensed.

		Schedule	Actual 30 June 2003 Shs.'000	Actual 30 June 2002 Shs.'000
	Strategic stock-petroleum products			
	Other inventories-			
	Total inventories			

Note 23
Investments

Comprise investments held at the year end as follows:

		Schedule	Actual 30 June 2003 Shs.'000	Actual 30 June 2002 Shs.'000
	DOMESTIC			
	Securities other than equity (short- term)			
	Securities other than shares (long-term)			
	Shares and other equity			
	Financial derivatives			
	Sub-total for domestic			
	FOREIGN			
	Securities other than shares-foreign			
	Shares and other equity- foreign			
	Insurance technical reserves- foreign			
	Financial derivatives- foreign			
	Sub-total for foreign			
	Total investments			

These are analyzed further as follows:

		Schedule	Actual 30 June 2003 Shs.'000	Actual 30 June 2002 Shs.'000
	Investments held-for-trading			
	Investments-available-for-sale			
	Investments-held-to-maturity			
	Total investments			

Note 24**Investment properties**

Comprise properties which are held for long term rental income and are not occupied or used by the government or any other government entity.

	Schedule	Actual 30 June 2003 Shs.'000	Actual 30 June 2002 Shs. '000
At the beginning of the year			
Additions/acquisitions made during the year			
Disposals made during the year			
Total cost of investment properties			

Investment properties are carried at historical cost using the cash basis of accounting. Fair value gains or losses are not recognized in the financial statements.

Note 25**Borrowings**

These comprise short borrowings to finance operating activities, and principally include bank overdrafts, bank loans and any other financial arrangements, which have not been redeemed by the year-end. Loans are raised internally and externally. Loans raised internally are grouped as domestic loans; external loans are foreign loans and alternatively referred to as external debts of the Republic of Uganda. At the year-end outstanding loans were as follows:

	Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
DOMESTIC			
Loans from commercial banks			
Interest payable on bank loans/borrowings			
Other			
Total domestic borrowings			
FOREIGN			
Loans from multi laterals			
Loans from foreign governments			
Loans from commercial banks			
Interest payable on bank loans/borrowings			
Other			
Total foreign borrowings			
Total borrowings			

Note 25 (a)**Foreign borrowings (External debts)**

Include borrowings from foreign governments, from international financial institutions, and from any other foreign private financial institutions. Unrealized foreign exchange gains or losses on foreign balances are not recognized in the Statement of Financial Performance on the cash basis of accounting. However, these gains/ (losses) are shown as increases/ (decreases) in the Balance Sheet.

The effective weighted average interest rate for foreign borrowings at the balance sheet date were as follows:

	30 June 2003 Interest Rate %	30 June 2002 Interest Rate %
From International organizations-multilateral		
From foreign governments-bilateral		
From foreign commercial banks		

Maturity dates for borrowings from multilateral organizations are summarized as shown below:

	Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
	Maturing between 1-5 years after the year end		
	Maturing between 5-10 year after the year end		
	Maturing after 10 years after the year end		

Maturity dates for borrowings from foreign governments are summarized as shown below:

	Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
	Maturing between 1-5 years after the year end		
	Maturing between 5-10 year after the year end		
	Maturing after 10 years after the year end		

Maturity dates for borrowings from foreign commercial banks are summarized as shown below:

	Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs.'000
	Maturing between 1-5 years after the year end		
	Maturing between 5-10 year after the year end		
	Maturing after 10 years after the year end		
	Total value of borrowings from private financial institutions.		

[For each material selected material borrowing from foreign governments, please give a brief description of the loan, its purpose and the terms]

[For each material selected material borrowing from International organization, please give a brief description of the loan, its purpose and the terms]

[For each material selected material borrowing from private financial institutions, please give a brief description of the loan, its purpose and terms]

Note 26
Payables

These are principally accounts payables, domestic and otherwise, outstanding at the year-end and comprise:

Budget 2003 Shs.		Schedule	Actual 30-June-03 Shs.000
-	DOMESTIC PAYABLES		
	Accounts payables		2,758,691
	Clearing transfers from other government units		-
	Miscellaneous accounts payables		-
	Total domestic payables		2,758,691
	FOREIGN PAYABLES		
	Other accounts payables		-
	Total payables		2,758,691

Note 27
Pension liabilities

Pension liabilities have been accrued in the financial statements because it is the policy of government to pay pensions to all former employees of the Government who qualified for pension under the provisions of the Pensions Act, Cap 281. In accordance with the provisions of the Pensions Act, this is the first year during which pension liabilities have been included in the financial statements.

		Schedule	Actual 30 June 2003 Shs. '000	Actual 30 June 2002 Shs. '000
	Former employees in Public Service			
	Former employees in Education Service			
	Former employees in Military Service			
	Former employees in Police and Prisons Service.			
	Total			