



PETROLEUM FUND

AUDITED REPORTS AND ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2020/2021

Table of Contents

Commentary by the Accountant General to the Financial Statements.....	2
Mandate.....	2
Revenues	2
Expenditures/Outflows	3
Statement of Changes in Equity (SCE).....	3
Financial Position of the Fund.....	3
Receivables	5
Petroleum Investment Framework.....	5
Petroleum Fund Reports.....	6
Statement of Financial Performance for the year ended 30 th June 2021	8
Statement of Financial Position as at 30 th June 2021	9
Statement of Changes in Equity (Net Worth) as at 30 th June 2021	9
Cash Flow Statement for the year ended 30 th June 2021 [Direct Method].....	10
Reconciliation of movement of cash during the year	11
Notes to the Financial Statements.....	12
Accounting Policies.....	12
Other Notes to the Financial Statements.....	15

Commentary by the Accountant General to the Financial Statements

Mandate

The Petroleum Fund (Fund) is established by Section 56 of the Public Finance Management Act (PFMA), 2015 as amended. The Fund is a depository for all revenues accruing to Government from petroleum and related activities. Disbursements from the Fund are through appropriation to either the Consolidated Fund or to the Petroleum Revenue Investment Reserve Account.

Below is a summary of the financial operations of the Fund for the year ended 30th June 2021;

Revenues

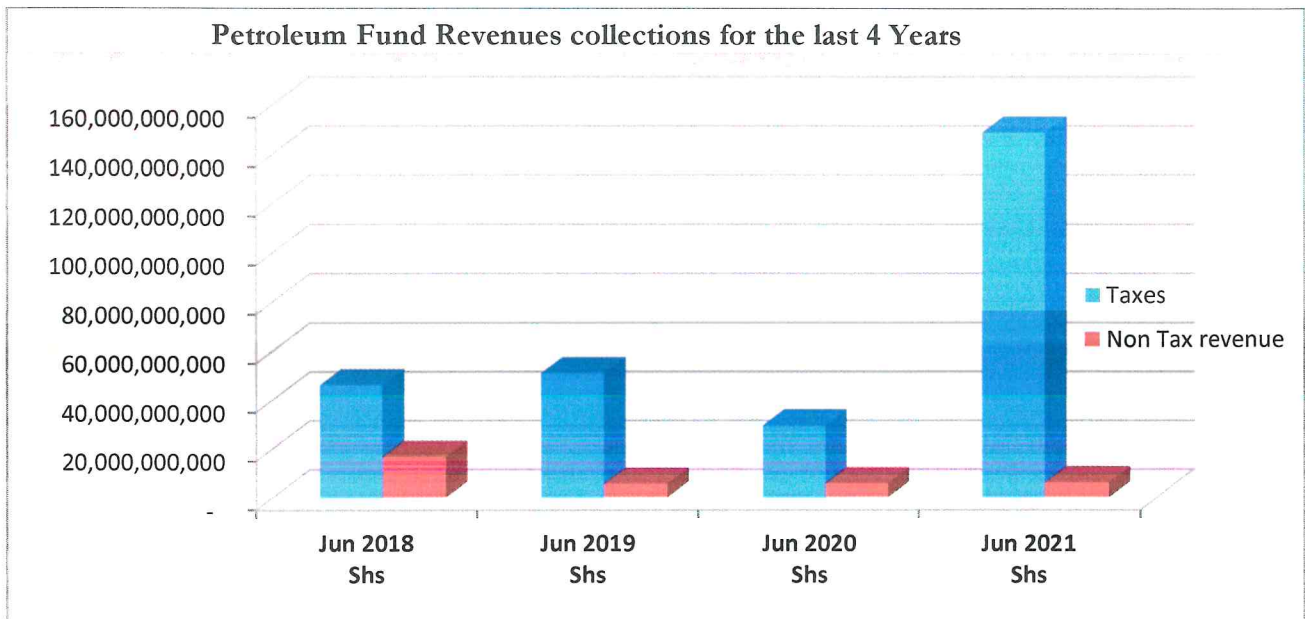
The Fund received revenue totaling to UGX 155,010,143,377 (One hundred fifty five billion ten million one hundred forty three thousand three hundred seventy seven shillings only) compared to UGX 35,479,839,920 reported in June 2020. The 401% increase in tax revenue collected during the period is due to the capital gains tax and the corresponding stamp duty on the sale of the Tullow Uganda Ltd shares to Total EP Uganda.

Table i: Summary of revenues collected for the last 4 years

Revenue Source	30 th June 2021 Shs	30 th June 2020 Shs	30 th June 2019 Shs	30 th June 2018 Shs
Taxes	148,874,915,860	29,708,547,606	51,062,144,724	46,253,948,139
Non Tax revenue	6,135,227,517	5,771,292,314	5,677,394,358	16,734,523,777
Total	155,010,143,377	35,479,839,920	56,739,539,082	62,988,471,916

Petroleum related tax collections by the Uganda Revenue Authority of UGX 148,874,915,860 represent 96% of the total revenues for the period. Other revenue sources (4%) collected during the period relate to mainly surface rentals , training fees and sale of data from oil companies which include Total EP Uganda , Armour Energy Uganda Ltd, PetroAfrik among others.

Table ii: Petroleum Fund revenue trend analysis over the last 4 periods



Expenditures/Outflows

During the period, the only outflows from the Petroleum Fund were bank charges amounting to UGX 177,919 (One hundred seventy seven thousand nine hundred nineteen shillings only). There was no appropriation from the Petroleum Fund to the Consolidated Fund to finance the annual budget during the period.

Statement of Changes in Equity (SCE)

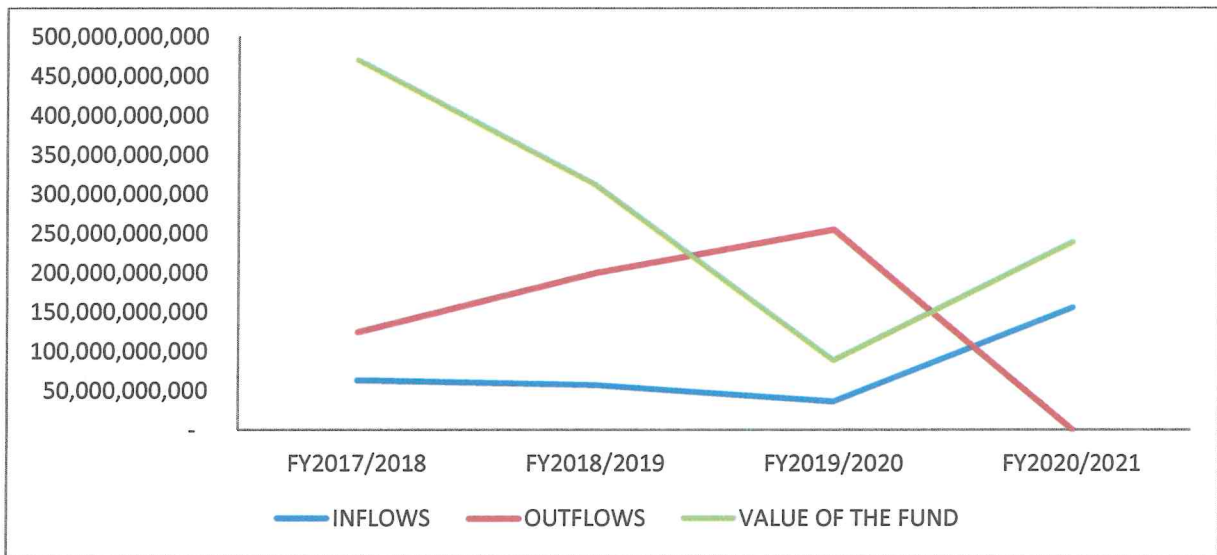
Included in the SCE is unrealised foreign exchange loss worth UGX 4.68 billion due to translation of USD opening balances to Uganda Shillings at the closing rate for reporting purposes. This was also attributed to the appreciation of the UGX against the USD during the period.

Financial Position of the Fund

The value of the Fund by 30th June 2021 was UGX 238.68 billion compared to 88.34 billion as at 30th June 2020. The increase in the fund position of UGX150.33 billion during the year is largely attributed to the 401% increase in tax revenues consisting of capital gains and stamp duty taxes from Tullow Uganda Ltd's sale of its shares to Total EP Uganda among other inflows. There were no withdrawals made from the Fund during the period compared to UGX255 billion transferred to the Consolidated Fund during the previous financial year.

Below is the analysis of the movement in the value of the Fund over the last for financial years;

Movement in the value of the Fund over the last four financial years			
FY	Inflows	Outflows	Value of the Fund
FY2017/2018	62,988,471,916	125,300,650,824	470,416,163,221
FY2018/2019	56,739,614,329	200,121,657,808	311,132,323,456
FY2019/2020	35,479,839,921	255,001,350,121	88,343,111,199
FY2020/2021	155,010,143,377	177,919	238,675,823,204



As demonstrated above and detailed in the table below, much as the revenues have significantly increased for the period, the value of the fund has consistently exhibited a declining trend over the last three financial years because of the withdrawals to the Consolidated Fund to fund the annual budget in line with the appropriation.

The composition of the fund for the period is detailed in the table below:

Table iii: Financial Position of the Petroleum Fund

PETROLEUM FUND (UGX)	FY 2020/2021	FY 2019/2020
Opening balance (July 01, 2020)	63,821,170,702	28,216,311,498
Additions for the period	55,231,050,418	35,604,859,204
Less:		
Transfer to the Consolidated Fund	0	0
Bank Charges	(10,000)	0
Closing balance as at 30th June 2021	119,052,211,120	63,821,170,702
PETROLEUM FUND (USD)		
Opening Balance (1 st July 2020)	\$6,424,709.86	\$74,815,250.71
Additions for the period	\$ 24,450,913.00	\$1,564,642
Less: Bank Charges	(\$148.16)	(\$365.43)
Transfer to the Consolidated UCF	0	(\$69,954,817.42)
Closing balance as at 30th June 2021	\$ 30,875,474.70	\$ 6,424,709.86
RECEIVABLE		
Revenue collections not yet remitted to the Fund (UGX)	8,194,999,541	555,652,562
Revenue collections not yet remitted to the Fund (USD)	476,922	0

Receivables

The receivables are tax and non-tax collections of UGX 8.19 billion and USD 476,922 respectively that were collected by the Uganda Revenue Authority (URA) and had not been remitted to the Fund by the reporting date. The opening balance of UGX 555.65 million reported as a receivable from URA as at 30th June 2020 was remitted by URA to the Petroleum Fund on 13th August, 2020.

Petroleum Investment Framework

During the period under review, the Ministry undertook capacity building activities for the Investment Advisory Committee (IAC) which involved study visits to the Oil Region and training on Oil and Gas Sector. The IAC also attended an online training on the Sovereign Wealth Fund Management. The capacity building program is aimed at equipping the Committee with the necessary skills and experiences in oil and gas environment required for executing their Petroleum Investment Advisory mandate.

With respect to the Petroleum Revenue Investment Framework, the Operational Management Agreement was cleared by Solicitor General on 30th July 2020 and awaits the signatures of the Minister of Finance and the Governor, Bank of Uganda.

The Petroleum Revenue Investment Policy was approved by the Top Management of the Ministry of Finance, Planning and Economic Development. It is now undergoing a regulatory impact assessment before submission to Cabinet.

The investment of petroleum revenues shall commence immediately after the passing of the Petroleum Revenue Investment Policy by Cabinet.

Petroleum Fund Reports

In line with S61 (1) of the PFMA 2015, the semiannual report on inflows, outflows, and Assets of the Fund for the FY2020/21 was prepared and submitted to Parliament. All the previous financial statements of the Fund were prepared and audited by the Office of the Auditor General and published on the Ministry website.


.....
L. Semakula
Accountant General

Commentary on the Financial Statements by the Head of Finance

These financial statements are prepared in compliance with S60 (b) of the PFMA 2015 and in accordance with Generally Accepted Accounting Principles. They are based on accounting policies, which have been consistently applied. Where necessary, prior period figures in the financial statements have been reclassified to ensure consistency.

The main source of revenue for the Fund is taxes from the companies dealing exclusively in petroleum activities and non-tax revenues resulting mainly from surface rentals, training fees and sale of data. Oil production has not commenced and it is difficult to project and plan for the expected petroleum revenue. The total revenue received during the period was UGX 155.01billion compared to UGX 35.48billion reported in June 2020. This is however expected to significantly increase on commencement of oil production.

The details of the Fund Financial Performance, Financial Position, and Cash Flows are enumerated below. During the period, there were no transfers to the Consolidated Fund since Parliament did not appropriate any funds out of the Petroleum Fund for this financial year.

Petroleum Fund Bank Accounts

The Petroleum Fund currently maintains three bank Accounts two of which are in Bank of Uganda. The third one was opened on 23rd June 2017 in the Federal Reserve Bank of New York to facilitate investment under the Petroleum Revenue Investment Reserve. The two accounts in Bank of Uganda are denominated in UGX for the local currency deposits and USD for the United States Dollar denominated transactions respectively. Below are the Petroleum Fund bank accounts

Table iv: Petroleum Fund bank Accounts

Account Name	Currency	Location	A/C NO.
Petroleum Fund	USD	BoU, Kampala Road	003300328400010
BoU Petroleum Fund	USD	Federal Reserve Bank, New York, USA	021086676
Petroleum Fund	UGX	BoU, Kampala Road	003300328000026

I take full responsibility for the completeness and integrity of the Financial Statements herein below.



Ambrose Promise

**Commissioner Public Sector Accounts Department/Head of Finance
Petroleum Fund**

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF UGANDA PETROLEUM FUND FOR THE PERIOD ENDED 30TH JUNE 2021

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of Uganda Petroleum Fund which comprise the statement of Financial Position as at 30th June 2021, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the 12- month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of Uganda Petroleum Fund for the financial year ended 30th June 2021 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act (PFMA), 2015 (as amended) and in accordance with the Financial Reporting Guide, 2018.

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Uganda Petroleum Fund in accordance with the Constitution of the Republic of Uganda, 1995 (as amended), the National Audit Act, 2008, the International Ethics Standards Board of Accountants (IESBA) Code of Ethics for Professional Accountants (Parts A and B), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in my audit of the financial statements of the current period. I have determined that there is no key audit matter to communicate in my report.

Other matter

I consider it necessary to communicate the following matter other than those presented or disclosed in the financial statements;

- **Balance on the Petroleum Fund: UGX.228, 785,809,487**

I noted that for the period under review, the financial year end balance in the Petroleum Fund increased from UGX.87,79Bn as at 30th June 2020 to UGX. 228.79Bn as at 30th June 2021. I further observed that there was no appropriation of UGX.87.79Bn by Parliament during the Financial Year 2020/21 to the Consolidated Fund and/or the Petroleum Revenue Investment Reserve for budget support and investment activities, respectively.

I also noted that the Investment Advisory Committee (IAC) under Min IAC 4/4/20 of its meeting held on 17th September 2020, expressed concern over the delayed investment of the funds in the Petroleum Fund. This is despite the fact that the Fund had been in existence since 2015 with the Investment Advisory Committee appointed and inaugurated in 2018 and 2019, respectively.

I foresee Government's failure to undertake timely investments for future generations as envisaged under Section 63(1) of the Public Finance Management Act, 2015.

Management explained that the absence of appropriation for the FY 2020/21 was due to insufficient funds in the Petroleum Fund during the budget process and the anticipated revenues were unpredictable. However, based on the balance, **UGX 200Bn** was appropriated for FY2021/22 from the Petroleum Fund to the Consolidated Fund for Budget Support.

Furthermore, the process of approving the Petroleum Revenue Investment Policy has reached final stages with the completion of the Regulatory Impact Assessment Report done in September 2021. The Report is awaiting Top Management's approval to enable signing and issuance of the Investment Policy and Operational Management Agreement for Bank of Uganda to commence Investment.

I advised management to fast-track the approval of the Petroleum Revenue Investment Policy and the signing-off of the Operational Agreement with Bank of Uganda to ensure investments in the Petroleum Revenue Investment Reserves are undertaken as envisaged under Section 63(1) of the Public Finance Management Act, 2015.

Other Information

The Accounting officer is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer and the commentaries by the Head of Accounts and the Accounting Officer, and other supplementary information. The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I consider that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Accounting Officer for the Financial Statements

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 60 of the Public Finance Management Act (PFMA), 2015, the Accountant General is responsible for maintenance of proper books of account and proper records of the Petroleum Fund; and preparation and submission of semi-annual and annual financial statements that are free from material misstatement whether due to error or fraud.

In preparing the financial statements, the Accountant General is responsible for assessing the Fund's ability to continue delivering its mandate, disclosing, as applicable, matters related to the

delivery of the mandate of Uganda Petroleum Fund, unless the Fund's management has a realistic alternative to the contrary.

The Accountant General is responsible for overseeing the Fund's financial reporting process.

Auditor General's Responsibilities for the audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to deliver its mandate. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Petroleum Fund to fail to deliver its mandate.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with him/her all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of Financial Statements, that the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

In accordance with Sections 13 of the National Audit Act, 2008, I have a responsibility to report material findings on the compliance of the Fund with specific matters in key legislations. I performed procedures to identify findings but not to gather evidence to express assurance. There were no reportable issues.



John F.S. Muwanga
AUDITOR GENERAL

5th November, 2021

Statement of Financial Performance for the year ended 30th June 2021

	Notes	Actual 30 June 2021 Shs	Actual 30 June 2020 Shs
Operating revenue			
Sale of Petroleum	3	0	0
Tax Revenue	4	148,874,915,860	29,708,547,606
Non Tax Revenue	5	6,135,227,517	5,771,292,314
Total revenue		155,010,143,377	35,479,839,920
Expenses/Outflows			
Transfers to the Consolidated Fund	6	0	255,000,000,000
Transfers to Petroleum Revenue Investment reserve	7	0	0
Bank Charges	8	177,919	1,350,121
Foreign exchange losses (gains)	9	0	0
Total Expenses/Outflows		177,919	255,001,350,121
Excess of revenue over expenditure from operating activities		155,009,965,458	(219,521,510,201)



L. Semakula
Accountant General



Ambrose Promise
Commissioner/Public
Sector Accounts Department

Statement of Financial Position as at 30th June 2021

	Notes	30 June 2021 Shs	30 June 2020 Shs
ASSETS			
Cash and Cash equivalents	10	228,785,809,487	87,787,458,634
Receivables ¹	11	9,890,013,714	555,652,562
Investments	12	0	0
Total Assets		238,675,823,201	88,343,111,196
Liabilities			
Borrowings		0	0
Total Liabilities		0	0
Net Assets		238,675,823,201	88,343,111,196
REPRESENTED BY;			
Net Worth		238,675,823,201	88,343,111,196

Statement of Changes in Equity (Net Worth) as at 30th June 2021

		30 June 2021 Shs	30 June 2020 Shs
Net worth Last Year (B/1 ¹)		88,343,111,196	311,132,323,454
Revaluation Reserve (Unrealised gains/losses) ²		(4,677,253,454)	(3,267,702,057)
Add: Excess of revenue over expenditure for the Year (See Statement of Financial Performance)		155,009,965,458	(219,521,510,201)
Closing Net Financial Worth		238,675,823,201	88,343,111,196



L. Semakula
Accountant General



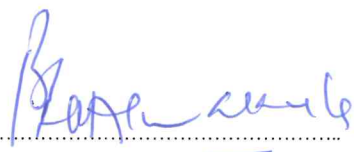
Ambrose Promise
Commissioner/Public
Sector Accounts Department

¹ The Receivable represents Petroleum Taxes and non-tax revenues collected during the period and not remitted to the Petroleum Fund as at 30th June 2021 by URA.

² Unrealised losses arise from translation of USD opening balances to UGX for reporting purposes.

Cash Flow Statement for the year ended 30th June 2021 [Direct Method]

	30 June 2021 Shs	30 June 2020 Shs
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Revenue		
Sale of Petroleum	0	0
Taxes	140,679,916,319	29,152,895,044
Non Tax Revenue	4,440,213,345	5,771,292,314
Transfers from Other Funds – UCF	0	0
Other inflows(Receivables)	555,652,562	6,451,964,160
Total receipts from operating activities	145,675,782,226	41,376,151,518
Payments For Operating Expenses:		
Transfers to the Consolidated Fund	0	255,000,000,000
Transfers to Petroleum Revenue Investment reserve	0	0
Bank Charges	177,919	1,350,121
Foreign exchange losses /gains	0	0
Total payments for operating activities	177,919	255,001,350,121
Net cash inflows/(outflows) from operating activities	145,675,604,307	(213,625,198,603)
Net increase (decrease) in cash and cash equivalents	145,675,604,307	(213,625,198,603)



L. Semakula
Accountant General



Ambrose Promise
Commissioner/Public
Sector Accounts Department

Reconciliation of movement of cash during the year

	30 June 2021 Shs	30 June 2020 Shs
At the beginning of the year	87,787,458,634	304,680,359,294
Revaluation Reserve (Un Realised gains/ (losses)	(4,677,253,454)	(3,267,702,057)
Net increase (decrease) of cash from the <i>Cash flow Statement</i>	145,675,604,307	(213,625,198,603)
At the end of the year	228,785,809,487	87,787,458,634

For purposes of the cash flow statement, cash and cash equivalents comprise

	31st December 2020 Shs	30 June 2020 Shs
Cash and bank balances	228,785,809,487	87,787,458,634
Less bank overdrafts	0	-
Net cash and bank balances	228,785,809,487	87,787,458,634

L. Semakula
Accountant General

Ambrose Promise
Commissioner/Public
Sector Accounts Department

Notes to the Financial Statements

Accounting Policies

The Treasury is the reporting entity of the Government of the Republic of Uganda for purposes of preparing financial statements of the Petroleum Fund. The Principal address of the Treasury is set out below:

The Ministry of Finance, Planning and Economic Development,
Plot 2/12 Apollo Kaggwa Road,
P.o. Box 8147,
Kampala – UGANDA
Tel: +256 (0) 41 707900;
Fax: +256 (0) 41 250005
Website: www.finance.go.ug

Bankers

- (i) Bank of Uganda
P.O Box 7120
Plot 37/45 Kampala Road
Kampala
Uganda
- (ii) The Federal Reserve Bank
New York
United States

1.1 The Petroleum Fund

The Petroleum Fund is established by Section 56 of the PFMA as a depository into which petroleum oil revenues that accrue to the Government shall be paid.

1.2 Governance of the Fund

In accordance with Section 56(3) of the PFMA, the Minister of Finance is responsible for the overall management of the fund and oversees all transfers into and withdrawals from the fund. Any withdrawals from the Fund shall be made under authority granted by an appropriation Act and a warrant of the Auditor General. On the other hand, the Bank of Uganda is responsible for the operational management of the Petroleum Revenue Investment Reserve.

The Accountant General is responsible for the maintenance of proper books of accounts of the fund, and submission of semi-annual and annual financial statements to the Minister, Secretary to the Treasury and to the Auditor General.

1.3 Purpose of the Fund

Withdrawals from the Fund shall only be made to the Consolidated Fund to support the annual budget and to the Petroleum Revenue Investment Reserve for investments. In support of the annual budget, Petroleum revenue as per Section 59(4) shall be used for the financing of infrastructure and development projects of Government and not the recurrent expenditure.

1.4 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 the financial statements. 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 of financial statements

The financial statements have been prepared in compliance with generally accepted accounting principles and the legal and regulatory framework for management of public finances of the Government of Uganda.

The measurement basis applied is the historical cost basis, except where otherwise stated. Under the accrual basis of accounting, revenue is recognized generally in the period in which it is earned, while expenditure is recognized in the period in which it is incurred and not when paid.

b) Going concern consideration

The financial statements have been prepared on a going concern basis, and this policy has been applied consistently throughout the reporting period.

c) Presentation currency

Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates. The reporting and presentation currency is the Uganda Shilling, which is the legal tender of the Republic of Uganda

d) Reporting Period

The reporting period for these financial statements is the financial year of the Government of Uganda that runs from 1 July to the next 30 June. Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format in the current year's financial statements.

e) Revenue

For the purpose of preparing the Statement of Financial Performance, petroleum revenue represents cash received or earned by the Petroleum Fund during the financial year. Petroleum revenue as defined by the Act includes tax paid under the Income Tax Act on income derived from petroleum operations, Government share of production, signature bonus, surface rentals, royalties, proceeds from the sale of Government share of production, any dividends due to Government, proceeds from sale of Government's commercial interests and any other duties or fees payable to Government from contract revenues under a petroleum agreement.

f) Transfers from the Fund

(i) Transfers to the Consolidated Fund

Transfers to the Consolidated Fund are recognized when disbursement is made from the Petroleum Fund for amount appropriated in accordance with Sections 58 & 59 of the Act.

(ii) Transfers to the Petroleum Revenue Investment Reserve

Transfers to the Petroleum Revenue Investment Reserve are recognized when disbursement is made from the Petroleum Fund for amount appropriated in accordance with Sections 58 & 59 of the Act.

g) Translation of transactions in foreign currency

Foreign currency transactions are translated into Uganda Shillings using the exchange rates prevailing at the dates of the transactions (spot rates). These result into realized gains/losses which are recognized in the Statement of Financial Performance. Foreign currency assets and liabilities of the fund are translated into Uganda Shillings using the period closing rate for reporting purposes resulting into unrealized gains/losses. The unrealized gains/losses are recognized in the statement of changes in Equity through the revaluation reserve.

h) Expenses

The Petroleum Fund does not own any property, plant and equipment in its books of accounts. There are also no expenses on the Fund except bank charges. In general, charges to the Fund are withdrawals into the Consolidated Fund or the Petroleum Revenue Investment Reserve and these are recognized at the time of disbursement.

i) Receivables

Receivables are carried at original historical cost.

j) Inventories

The Petroleum Fund does not own any inventories in its books of accounts. Any inventories are held through the National Oil Company (NOC) and the Petroleum Revenue Investment Reserve for which separate financial statements are prepared by the NOC and Bank of Uganda respectively.

k) Investments

Transfers to Bank of Uganda for Petroleum Revenue Investment Reserve are treated as Investments (Non-current assets) in the Statement of Financial Position of the Petroleum Fund. Any incomes from these investments are shown as increases in the Investments in the books of Petroleum Fund.

l) Investment properties

The Petroleum Fund does not own any investment properties in its books of accounts.

m) 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, and bank overdrafts. In the statement of financial position bank overdrafts are included in borrowings.

n) Contingent liabilities

Contingent liabilities are disclosed in a memorandum statement (Statement of Contingent liabilities) of the Fund when it's probable that an outflow of economic benefits or service potential will flow from the fund or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

Other Notes to the Financial Statements

Note 2: Exchange rates

The Exchange rates as per Bank of Uganda as at 30th June 2021 for the Uganda Shilling against the major currencies were as in the table below:-

	Actual 30 June 2021 Shs	Actual 30 June 2020 Shs
United States Dollar	3,554.07	3,730.33

Note 3: Sale of Petroleum

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Sale of Crude oil	0	0	0
Sale of Gas	0	0	0
Total Revenue	0	0	0

Note 4: Tax Revenues

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Income tax levied on Petroleum Companies	140,932,014	-	734,652,357
Withholding Tax	53,162,765,608	-	25,569,088,797
Capital Gains Tax on transfer of Shares	54,085,300,963	14,614,568	0
Stamp Duty	31,919,227,500	8,625,000	
Other Taxes	9,566,689,775	-	3,404,806,452
Total Revenue	148,874,915,860	-	29,708,547,606

Note 5: Non Tax Revenues

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Sale of feasibility data	1,113,715,660	308,030	-
Production License	-	-	-
Training fees & Surface Rentals	5,021,511,858	1,380,137	5,771,292,314
Signature Bonus	-	-	-
Investment Income	-	-	-
Other revenue	-	-	-
Total other revenue	6,135,227,517	-	5,771,292,314

Note 6 : Transfers to the Consolidated Fund

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Transfer to UCF	-	-	255,000,000,000
Total transfer to UCF	-	-	255,000,000,000

Note 7 : Transfers to Petroleum Revenue Investment Reserve

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Transfer to Petroleum Revenue Investment Reserve	-	-	-
Total Transfers	-	-	-

Note 8: Bank Charges

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Bank Charges	177,919	48.16	1,350,121
Total	177,919		1,350,121

Note 9 : Foreign Exchange losses/gains

	Actual 30 June 2021 Shs	Actual 30 June 2020 Shs
Realised Foreign exchange losses/gains(SFP)	0	0
Un-realised Foreign exchange losses/gains(Revaluation Reserve)	4,677,253,454	3,267,702,057
Total	4,677,253,454	3,267,702,057

Note 10 : Cash and Cash Equivalents

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Petroleum Fund Account (USD)- BoU, Uganda	109,733,598,367	30,875,474.70	23,966,287,932
Petroleum Fund Account (UGX)- BoU, Uganda	119,052,211,120	-	63,821,170,702
Petroleum Fund Account (USD)- NY, USA	0	-	-
Total	228,785,809,487	30,195,404.70	87,787,458,634

Note 11 : Receivables

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Crude oil and gas in kind	-	-	-
Investment income	-	-	-
Due from UCI'	-	-	-
Due from URA	9,890,013,714	-	555,652,562
Due from PAU	-	-	-
Others	-	-	-
Total	9,890,013,714	-	555,652,562

Note 12 : Investments

	Actual 30 June 2021 Shs	Actual 30 June 2021 USD	Actual 30 June 2020 Shs
Petroleum Revenue Investment Reserve	-	-	-
Other	-	-	-
Total	-	-	-

Trial Balance

PETROLEUM FUNDTRIAL BALANCE
AS AT 30 JUNE 2021

Code	Details	DR	CR
111201	Income Tax		140,932,014
111202	With Holding tax		53,162,765,608
111203	Capital Gains Tax		54,085,300,963
114106	Value Added Tax		9,566,689,775
114509	Stamp Duty		31,919,227,500
141501	Surface Rentals		1,857,006,608
142209	Educational/Instruction related levies		3,164,505,250
142107	Sale of data		1,113,715,660
221014	Bank charges	177,919	
221018	Foreign exchange loss (unrealised)	4,677,253,454	
263110	Transfers to the Consolidated Fund	-	
321110	Petroleum Fund (UGX)	119,052,211,120	
321110	Petroleum Fund (USD)	109,733,598,367	
321504	Other Receivables	-	
321604	URA Revenue Collection	9,890,013,714	
511201	Reserves		88,343,111,196
	Total	243,353,254,573	243,353,254,573