



Accountant General's Office

PETROLEUM FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023





Ministry of Finance, Planning and Economic Development

PETROLEUM FUND

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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List of Acronyms

<u>ACRONYM</u>	<u>MEANING</u>
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
IESBA	International Ethics Standards Board of Accountants
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
NOC	National Oil Company
PAU	Petroleum Authority of Uganda
PFMA	Public Finance Management Act,2015
PRIR	Petroleum Revenue Investment Reserve
PSA	Production Sharing Agreements
SCE	Statement of Changes of Equity
UCF	Uganda Consolidated Fund
UGX	Uganda Shillings
UPF	Uganda Petroleum Fund
URA	Uganda Revenue Authority
USD	United States Dollars
VAT	Value Added Tax
WHT	Withholding Tax

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 the Consolidated Fund, Petroleum Revenue Investment Reserve Account and to fund the approved investments of the National Oil Company.

The Accountant General is mandated by Section 60 of the PFMA 2015 to maintain proper books of accounts and records of the Fund. This is in addition to preparation and submission of Semi-annual and Annual financial statements of the Fund to the Minister, Permanent Secretary/Secretary to the Treasury and the Auditor General.

Below is a summary of the financial operations of the Fund for the Financial Year ended June 30th, 2023.

Revenues

The Fund received revenue (tax and non-tax) totaling to UGX 125.9 billion compared to UGX 81.9 billion as reported in June 2022. Total revenue is constituted by tax revenues amounting to UGX 118.6 billion [94%] and Non-Tax revenue worth UGX 7.4 billion [6%]. The 54% increase in revenue was largely due to increased corporation and withholding taxes collected during the period. This is attributed to increased oil and gas activity following the Final Investment Decision that was announced in February 2022 and the drilling of production wells that commenced in January 2023.

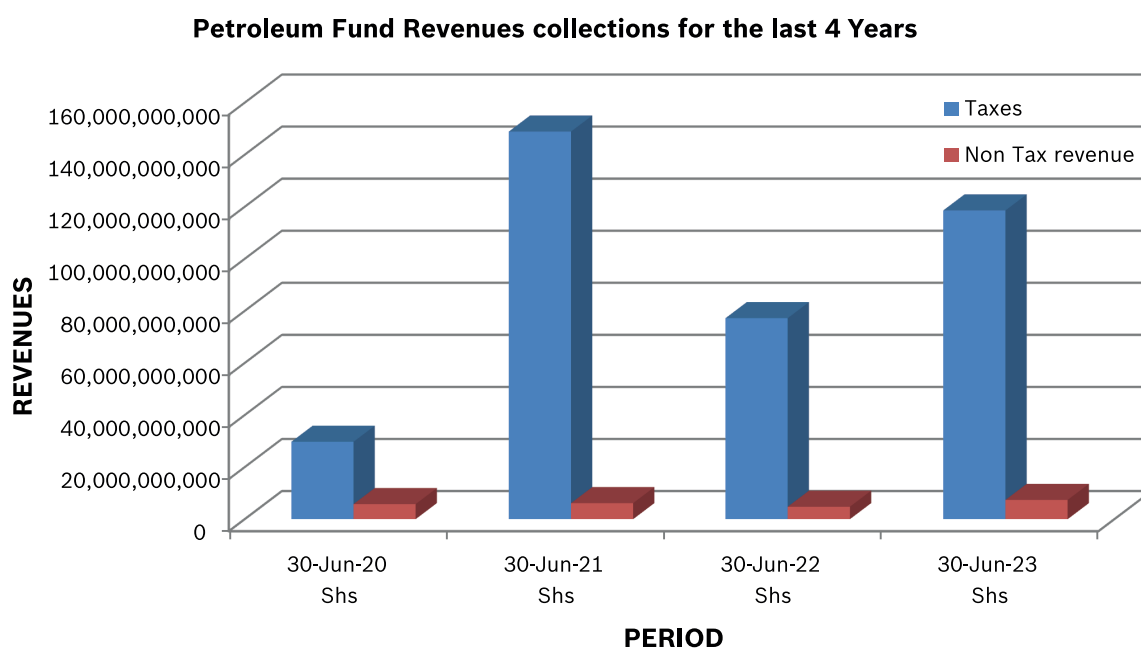
The increase in the non-tax revenue is mainly due to increased surface rentals and training fees paid by oil companies. Signature bonus paid during the period relates to two companies that is, Uganda National Oil Company and DGR Energy Turaco Uganda- SMC Ltd following the signing of Production Sharing Agreements for Kasuruban and Turaco Blocks respectively.

Table I: Summary of revenues collected over the last four

Revenue Source	30-Jun-20 Shs	30-Jun-21 Shs	30-Jun-22 Shs	30-Jun-23 Shs
Taxes	29,708,547,606	148,874,915,860	77,196,022,657	118,582,373,180
Non-Tax revenue	5,771,292,314	6,135,227,517	4,770,994,690	7,386,554,648
Total	35,479,839,920	155,010,143,377	81,967,017,347	125,968,927,828

Below is the analysis of revenues collected for the last 4 financial years.

Table II: Petroleum Fund revenue trend analysis over the last four financial years



Expenditures/Outflows

During the period, nil withdrawals were made out of the Petroleum Fund to the Petroleum Revenue Investment Reserve (PRIR) for investment, UCF to support the annual budget and the Uganda National Oil Company (UNOC) to fund its approved investments.

Statement of Changes in Equity (SCE)

Included in the SCE is unrealized foreign exchange loss worth UGX 499.8 million due to translation of USD opening balances to Uganda Shillings at the closing rate for reporting purposes. The adjustment of UGX 1.9 million relates to the USD 495.72 worth of bank charges that were reversed to the Petroleum Fund (USD) Account during the period.

Financial Position of the Fund

The value of the Fund stood at UGX 246.6 billion by 30th June 2023 compared to 121.1 billion as at 30th June 2022. The Increase in the Fund position of UGX 125.4 billion is attributed to the increase in the revenue collections during the period compared to the previous financial year. The composition of the fund is detailed in the table below.

Table III: Financial Position of the Petroleum Fund

PETROLEUM FUND (UGX)	FY2022/2023	FY 2021/2022
Opening balance (July 01, 2022)	90,025,069,500	119,052,211,120
Additions for the period	116,631,049,549	80,972,858,380
Less:		
Transfer to the Consolidated Fund	0	110,000,000,000
Bank Charges	0	0
Closing balance as at 30th June 2023	206,656,119,049	90,025,069,500
PETROLEUM FUND (USD)		
Opening Balance (1st July 2022)	\$5,376,906.87	\$30,875,474.7
Additions for the period	\$185,156	0
Less: Bank Charges	0	0
Transfer to the Consolidated UCF	0	\$25,498,567.83
Closing balance as at 30th June 2023	\$5,562,062.59	\$5,376,906.87
CASH IN TRANSIT		
Cash in Transit (UGX)	19,602,288,791	10,945,470,241

Cash in Transit

During the financial year, cash in transit [revenue collected by URA but not remitted to the Petroleum Fund by the reporting date of 30th June, 202] amounted to UGX 19.6billion. The opening cash in transit of UGX 10.9billion reported as at 30th June 2022 was remitted to the Petroleum Fund during the period.

Petroleum Investment Framework

During the financial year, the Investment Advisory Committee (IAC) prepared quarterly reports of all activities as required by the Public Finance Management Act, 2015. The Committee further prepared and presented a three-year report to the Minister detailing all activities undertaken during their term of office (2019 to 2021) on the 16th of August 2022.

The IAC also attended a training on the management of the Sovereign Wealth Fund on 1st and 2nd November 2022. This was conducted by Oil for Development Programme of the Norwegian Government.

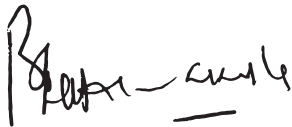
The Committee participated in the launch of the Charter for Fiscal Responsibility of Uganda on the 24th of November 2022 and also attended the 10th East African Petroleum Conference and Exhibition that took place from 9th to 11th May, 2023.

The Committee held seven (7) quarterly meetings to discuss updates on key projects in the oil and gas industry, updates on the Petroleum Revenue Investment Policy, Bank of Uganda internal investment framework, and transfer of funds from the Petroleum Fund to the Petroleum Revenue Investment Reserve for investment, among others.

The Committee also reviewed the Petroleum Revenue Investment Policy and the Operational Management Agreement between Ministry of Finance and Bank of Uganda, which was issued to Bank of Uganda on 14th July 2022 to commence investment of petroleum resources. The Investment by Bank of Uganda awaits appropriation from the Petroleum Fund to the Petroleum Revenue Investment Reserve.

Petroleum Fund Reports

In line with S61 (1) of the PFMA 2015, both the annual and semiannual reports on inflows, outflows, and Assets of the Fund for the FY2021/22 were 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 are published on the Ministry of Finance, Planning and Economic Development's 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 signature bonuses. 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 125,968,927,828 compared to UGX 81,967,017,347 reported in FY2021/22. 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 financial year 2022/23 (i.e. from 1st July 2022 to 30th June 2023) there was no appropriation of funds from the Petroleum Fund. This was partly due to insufficient inflows expected into the Petroleum Fund given that oil production has not commenced.

Revenue Recognition

As indicated in the accounting policies, there has been a shift in the revenue recognition criteria. As a result, all revenues collected by URA but not remitted to the Petroleum Fund by the reporting date is recognised as cash in transit (Note 10) and not as receivables (Note 11) as previously reported. Retrospective adjustments have been made to that effect.

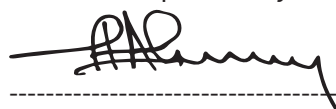
Petroleum Fund Bank Accounts

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, US	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 ACCOUNTS/HEAD OF ACCOUNTS
 PETROLEUM FUND

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF UGANDA PETROLEUM FUND FOR THE PERIOD ENDED 30TH JUNE, 2023

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, 2023, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the 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 period ended 30th June, 2023 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 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. the following was noted;

- **Delayed Investment of Petroleum Revenues**

The Charter for Fiscal Responsibility provides that a maximum of 0.8% of the preceding year's estimated non-oil GDP outturn be transferred to the Consolidated Fund (CF) for budget operations, with the remaining balance directed to the Petroleum Revenue Investment Reserve (PRIR) for sustainable investment. However, in FY 2022/23, no funds were allocated to either the consolidated fund or the Petroleum Revenue Investment Reserve.

The anomaly was attributed to delayed approval and the subsequent postponement of the appropriation process. Consequently, UGX 206,656,119,049 of the entire fund balance remained un allocated. The failure to appropriate funds, results in idle financial resources and undermines the economic benefits from prudent oil revenue investment.

Management explained that Bank of Uganda had finalized the Investment Revenue Framework that will guide on the investment of funds and that the funds will soon be appropriated in the subsequent financial year, in accordance with legal and regulatory framework.

Recommendation

I advised the Accounting Officer to ensure that funds are appropriated to both the CF and PRIR, as this will enable the country derive economic benefits as envisaged.

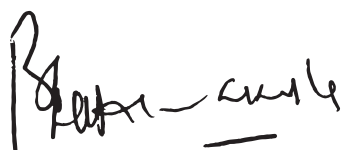


John F.S. Muwanga
AUDITOR GENERAL

19th December 2023

Statement of Financial Performance for the period ended 30th June 2023

	Notes	Actual 30th June 2023 Shs	Actual 30th June 2022 Shs
Operating revenue			
Sale of Petroleum	3	0	0
Tax Revenue	4	118,582,373,180	77,196,022,657
Non-Tax Revenue	5	7,386,554,648	4,770,994,690
Total Revenue		125,968,927,828	81,967,017,347
Expenses/Outflows			
Transfers to the Consolidated Fund	6	0	200,000,000,000
Transfers to Petroleum Revenue Investment reserve	7	0	0
Bank Charges	8	0	0
Foreign exchange losses (gains)	9	0	(61,297,560)
Total Expenses/Outflows		0	199,938,702,440
Excess of revenue over expenditure from operating activities		125,968,927,828	(117,971,685,093)



 L. Semakula
 ACCOUNTANT GENERAL



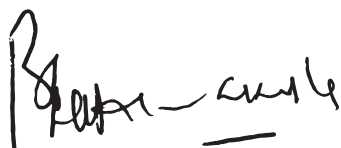
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Statement of Financial Position as at 30 June 2023

	Notes	30th June 2023 Shs	30 June 2022 Shs
ASSETS			
Cash and Cash equivalents ¹	10	246,655,214,426	121,184,214,583
Receivables	11	0	0
Investments	12	0	0
Total Assets		246,655,214,426	121,184,214,583
Liabilities			
Borrowings		0	0
Total Liabilities		0	0
Net Assets		246,655,214,426	121,184,214,583
REPRESENTED BY;			
Net Worth		246,655,214,426	121,184,214,583

Statement of Changes in Equity (Net Worth) as at 30th June 2023

	30th June 2023 Shs	30 June 2022 Shs
Net worth Last Year (B/F)	121,184,214,582	238,675,823,201
Revaluation Reserve (Unrealized gains/losses) ²	(499,828,294)	480,076,475
Adjustment for understated cash balances	1,900,310	0
Add: Excess of revenue over expenditure for the Year (See Statement of Financial Performance)	125,968,927,828	(117,971,685,093)
Closing Net Financial Worth	246,655,214,426	121,184,214,582



L. Semakula
ACCOUNTANT GENERAL

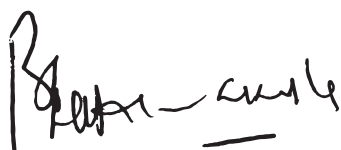


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COMMISSIONER ACCOUNTS/HEAD OF FINANCE

- 1 Included within the cash and cash equivalents for the period is cash in transit amounting to UGX 19.6 billion. This is revenue that was collected by URA but had not been deposited to the Petroleum Fund by the reporting date. This was previously reported as a receivable from URA. Retrospective adjustments have been made to align the comparatives in line with the policy change.
- 2 Are due to translation of USD denominated transactions to UGX for reporting purposes.

Cash Flow Statement for the period ended 30th June 2023 [Direct Method]

	30th June 2023 Shs	30 June 2022 Shs
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Revenue		
Sale of Petroleum	0	0
Taxes	118,582,373,180	77,196,022,657
Non-Tax Revenue	7,386,554,648	4,770,994,690
Transfers from Other Funds – UCF	0	0
Other inflows		
Total receipts from operating activities	125,968,927,828	81,967,017,347
Operating Expenses:		
Transfers to the Consolidated Fund	0	200,000,000,000
Transfers to Petroleum Revenue Investment reserve	0	0
Bank Charges	0	0
Foreign exchange losses (gains)	0	(61,297,560)
Total payments for operating activities	0	199,938,702,440
Net cash inflows/(outflows) from operating activities	125,968,927,828	(117,971,685,093)
Net increase (decrease) in cash and cash equivalents	125,968,927,828	(117,971,685,093)



 L. Semakula
 ACCOUNTANT GENERAL



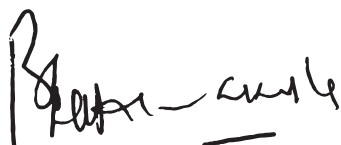
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 COMMISSIONER ACCOUNTS/HEAD OF FINANCE

Reconciliation of movement of cash during the year

	30th June 2023 Shs	30 June 2022 Shs
At the beginning of the year	121,184,214,582	238,675,823,200
Revaluation Reserve (Un Realised gains/ (losses)	-499,828,294	480,076,475
Adjustment of understated cash balances	1,900,310	0
Net increase (decrease) of cash from the Cash flow Statement	125,968,927,828	(117,971,685,093)
At the end of the year	246,655,214,426	121,184,214,582
At the end of the year	286,222,960,711	457,538,747,288

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

	30th June 2023 Shs	30 June 2022 Shs
Cash and bank balances	246,655,214,426	121,184,214,582
Less: Bank overdrafts	0	0
Net cash and bank balances	246,655,214,426	121,184,214,582



 L. Semakula
 ACCOUNTANT GENERAL



 Ambrose Promise
 COMMISSIONER ACCOUNTS/HEAD OF FINANCE

Notes to the Financial Statements

Note 1: 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.

The financial Statements have been prepared using the accrual basis of accounting modified as regards recognition of revenue. Under the adopted accrual basis of accounting, revenue is recognized generally in the period in which it is received. Revenue collected by Uganda Revenue Authority and not remitted to the Petroleum Fund Accounts by the reporting date is reported as Cash in transit. Expenditure out of the Petroleum Fund 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 by the Petroleum Fund during the reporting period / 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 but excludes cash calls appropriated by Parliament from time to time, cost oil attributable to state participation and the tariff payable under the law relating to the East African Crude Oil pipeline project.

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.

Other Notes to the Financial Statements

Note 2 : Exchange rates

The Exchange rates as per Bank of Uganda as at 30th June 2023 for the Uganda Shilling against the major currencies were as in the table below;-

	Actual 30th June 2023 Shs	Actual 30 June 2023 Shs
United States Dollar	3,667.13	3,759.35

Note 3: Sale of Petroleum

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Sale of Crude oil	0	0	0	0
Sale of Gas	0	0	0	0
Total Revenue	0	0	0	0

Note 4: Tax Revenues

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Corporation tax	27,960,763,819	-	3,568,722,800	-
Withholding Tax	90,621,609,361	-	73,627,299,857	-
Capital Gains Tax on transfer of Shares	0	-	-	-
Stamp Duty	0	-	-	-
Other Taxes	0	-	-	-
Total Revenue	118,582,373,180	-	77,196,022,657	-

Note 5: Non Tax Revenues

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Sale of feasibility data	0	0	0	0
Business Licenses	107,565,247	28,960	0	0
Training fees & Surface Rentals	6,538,668,401	1,750,015	4,770,994,690	0
Signature Bonus	740,321,000	200,000	0	0
Investment Income	0	0	0	0
Other revenue	0	0	0	0
Total other revenue	7,386,554,648	1,978,975	4,770,994,690	0

Note 6 : Transfers to the Consolidated Fund

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Transfer to UCF	0	0	200,000,000,000	0
Total transfer to UCF	0	0	200,000,000,000	0

Note 7 : Transfers to Petroleum Revenue Investment Reserve

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Transfer to Petroleum Revenue Investment Reserve	-	-	-	-
Total Transfers	-	-	-	-

Note 8: Bank Charges

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Bank Charges	0	0	0	0
Total	0	0	0	0

Note 9 : Foreign Exchange losses/gains

These are a as a result of translating USD denominated transactions to UGX for reporting purposes.

	Actual 30th June 2023 Shs	Actual 30th June 2022 Shs
Realized Foreign exchange losses/gains (SFP)	0	(61,297,560)
Un-realized Foreign exchange losses/gains (Revaluation Reserve)	499,828,294	(480,076,475)
Total	499,828,294	(541,374,035)

Note 10 : Cash and Cash Equivalents

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Petroleum Fund Account (USD)	20,396,806,586	5,562,062.59	20,213,674,842	5,376,906.87
Petroleum Fund Account (UGX)	206,656,119,049	-	90,025,069,500	-
Cash in Transit	19,602,288,791	-	10,945,470,241	-
Total	246,655,214,426	5,562,062.59	121,184,214,583	5,376,906.87

Note 11 : Receivables

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Crude oil and gas in kind	-	-	-	-
Investment income	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

Note 12 : Investments

	Actual 30th June 2023 Shs	Actual 30th June 2023 USD	Actual 30 June 2022 Shs	Actual 30th June 2022 USD
Petroleum Revenue Investment Reserve	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Trial Balance

PETROLEUM FUND TRIAL BALANCE AS AT 30TH JUNE 2023			
Code	Details	DR	CR
111201	Income Tax		27,960,763,819
111203	With Holding tax		90,621,609,361
114523	Business / Production Licenses		107,565,247
114103	Value Added Tax		
114527	Stamp Duty		
141501	Surface Rentals		2,099,600,098
142212	Educational/Instruction related levies		4,439,068,303
114528	Signature Bonus		740,321,000
221014	Bank charges		
221018	Foreign exchange loss/ gain (Unrealised)	499,828,294	
263403	Transfers to the Consolidated Fund		
352103	Petroleum Fund (UGX)	206,656,119,049	
352103	Petroleum Fund (USD)	20,396,806,586	
352109	Cash in Transit	19,602,288,791	
352805	Other Receivables		
511001	Reserves		121,186,114,892
	Total	247,155,042,720	247,155,042,720



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