



Investors 1st

Prioritizing Investors



Capital Markets Authority
Protecting Your Investments

Annual Report 2011

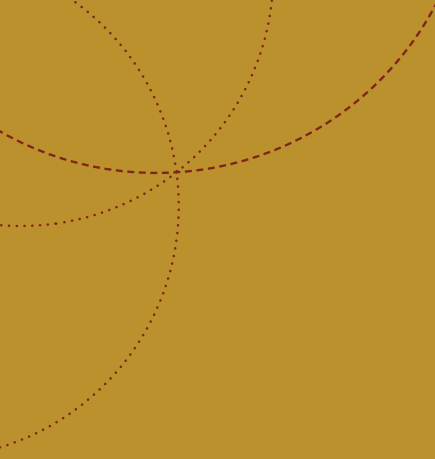


Photo Theme:

Prioritizing Investors

Vision Mission & Values

VISION

“To Make Uganda’s capital market a centre for capital raising and investment”

MISSION

“To develop, promote and regulate a robust, transparent, fair and efficient capital market in Uganda”

FUNCTIONS

Under the Capital Markets Authority (CMA) Act, the functions of CMA include:

- i) The development of all aspects of the capital markets with particular emphasis on the removal of impediments to, and the creation of incentives for long term investments in productive enterprises;
- ii) The creation, maintenance and regulation through implementation of a system in which the market participants are self regulatory to maximum practicable extent, and of a market in which securities can be issued and traded in an orderly, fair and efficient manner;
- iii) The protection of investor interests;
- iv) The operation of an investor compensation fund

VALUES

Our core values are:

- i) Integrity
- ii) Efficiency
- iii) Fairness
- iv) Firmness



05	Letter of transmission
06	Message from the Chairman
08	Message from the Chief Executive Officer
10	Directors
14	Corporate governance report
18	Promoting a transparent legal and regulatory framework to enhance investor protection
21	Public Education; Ensuring the Investor is King
24	Developing the capital markets industry in Uganda and the East African region to create investment opportunities
27	Aligning Human Resources to strategy
29	Financial highlights

Contents

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

31	Report of the Auditor General
32	Company information
33	Report of the Directors
34	Statement of Directors' responsibilities
35	Report of the independent auditors to the Auditor General
36	Statement of comprehensive income
37	Statement of financial position
38	Statement of changes in reserves
39	Statement of cash flows
40	Notes to the financial statements
51	List of Licensed Persons

Letter of

TRANSMISSION

30th December 2011

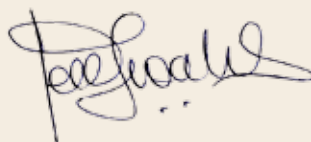
The Honorable Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
Apollo Kaggwa Road
P. O. Box 8147 Kampala

Dear Honorable Minister,

Pursuant to S.8 (6) of the Capital Markets Authority Act (CAP 84), I have the honor to submit to you the annual report and accounts of the Capital Markets Authority (CMA) in respect of the accounting period ended 30th June 2011.

The report covers the activities, challenges, future plans and financial statements of Capital Markets Authority.

Respectfully yours,



Twaha Kaawaase
Board Chairman





Twaha Kaawaase
Board Chairman

Message from the

CHAIRMAN

This period under review marks the end of the fourth Board term, September 2009-August 2011, during which I have had the great honour of serving as Capital Markets Authority (CMA) Board Chairman. As Board Chair, I have noted three key issues necessary for the development of the industry; policy, market infrastructure and investor confidence. Whereas various efforts have been made towards enhancing the first two, this year, CMA's focus was on prioritising investors, leaning heavily on the core objective of Investor protection. The various departmental reports provide detail about the initiatives undertaken to ensure that the investor is key.

During my tenure the Authority made major progress in developing the market on all fronts, with key highlights laid out below;

- CMA was admitted to Appendix B of the International Organization of Securities Commissions (IOSCO) Multi-Lateral Memorandum of Understanding (MMOU). Under this MMOU, CMA is able to cooperate with other capital markets regulators on various issues like information sharing and technical assistance which are critical to building a robust and sound legal and regulatory framework.
- The Board reviewed the CMA Act resulting in the passing of the Capital Markets Amendment Act, 2011, developed and oversaw the passing of the Securities Central Depositories Act, 2009 and approved the Securities Central Depositories Regulations and Rules, 2009. We also amended the Capital Markets Authority (Cross Border Introductions) (Amendment) Regulations, 2009 and the Capital Markets Authority (Prospectus Requirements) (Amendment) Regulations, 2008 – Rights Issues and Capital Markets (Anti Money Laundering) Guidelines.
- We approved issues totaling Ugx. 116.3 billion comprising one Initial Public Offering (IPO), four equity cross listings, three bond issues and one bonus issue.

As we pass on the mantle to new leadership, there are three major recommendations which if implemented will enable the new team make even greater strides in developing Uganda's capital markets:

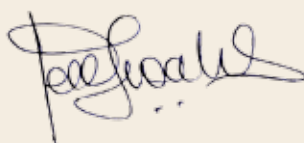
- The newly appointed Board should ensure that the Capital Markets Authority Act is further amended to allow for information sharing with other securities regulators. This will enable CMA to be admitted to appendix A of International Organisation of Securities Commissions (IOSCO) before the 1st January 2013 deadline.
- Oversee the implementation of the Funding strategy to enable CMA improve its financial performance and sustainability.
- Lobby the Government of Uganda through Ministry of Finance to offer more policy incentives to encourage private companies access capital markets as well as expedite outstanding privatizations.



I thank the Ministry of Finance, Planning and Economic Development and Bank of Uganda for their continued support and guidance without which the industry may not have made much progress. I also thank our development partners, especially the World Bank, through the Financial Markets Development Plan for enabling us to conduct various initiatives to achieve our strategic objectives.

I thank my fellow Board members, the Chief Executive Officer, Management and Staff of the Authority for their hard work and dedication. Collectively, we have made an indelible mark on Uganda's capital markets industry.

I conclude with a quote from Sam Walton, *"There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else"*. At CMA, this is why the investor is key.



Twaha Kaawaase
Board Chairman





Japheth Katto
Chief Executive Officer

Message from the

CEO

In the 2010/11 fiscal year, we set out to strengthen the institutional capacity of the CMA with the sole objective of enhancing investor confidence and participation of investors in Uganda's capital markets. This was coupled with initiatives aimed at diversifying the investment and capital raising opportunities in the capital markets. These were further underpinned by efforts to improve the legal and regulatory framework in line with international best practices.

As the East African Community (EAC) common market which came into force on 1st July 2010 takes root, CMA is increasingly receiving applications and interest from market players across the borders who wish to take advantage of the anticipated opportunities in the EAC regional market. These developments will require increased capacity at CMA in both staff and skill set. During the period under review, CMA recruited new staff in the legal and compliance and research and market development departments so as to strengthen the two functions.

In line with its vision of being a centre of capital raising and investment in the region, CMA continued to diversify the investment and capital raising opportunities in Uganda's capital markets. Key among the initiatives undertaken in the period under review towards attaining this vision was the development of regulations for Mergers and Acquisition transactions of companies listed on the Uganda Securities Exchange (USE) and Asset Backed Securities. Research studies were also undertaken to guide Management and the Board on the most appropriate strategies for enhancing the vibrancy of Uganda's capital markets. In the coming fiscal year, CMA will embark on the implementation of the recommendations of these studies, like the diversification of the products available in Uganda's capital markets.

The Authority continued to sensitise the public about capital markets, targeting both investors and prospective issuers of capital. The highlights of CMA's public education strategy were the partnerships it built to take advantages of synergies with various stakeholders. CMA partnered with Monitor Publications and KPMG under the TOP 100 SMEs initiative to reach out to Medium Sized Companies who form the bulk of potential issuers. CMA also partnered with the Association of Certified Chartered Accountants (ACCA) to build capacity among and Financial Journalists so that they can better report on financial issues.

CMA also continued to strengthen and improve the legal and regulatory framework critical not only to enhancing market efficiency but also to attracting both domestic and foreign investors. During the fiscal year, CMA focused on reviewing the entire legal and regulatory framework considering necessary amendments to the capital markets laws to meet international best practices and also pursue admission to Appendix A of the International Organisation of Securities Commissions (IOSCO) Multi-Memorandum of Understanding (MMoU).

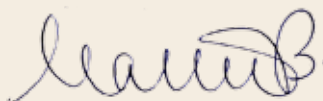
In the coming fiscal year, the Authority will continue to strengthen the legal and regulatory framework and the promotion of capital markets



development in Uganda. The priority will be ensuring admission to appendix A of the IOSCO MMoU and diversification of capital markets products so as to meet the long-term financing needs of the Ugandan Economy especially the private sector and Uganda's infrastructure funding gap.

On behalf of Management and Staff of CMA, I would like to thank the outgoing Board of Directors for their insightful guidance and support in the previous financial year and also throughout their three-year board term. I thank all staff members at the Authority for their relentless dedication, resilience and innovation in developing the capital markets industry and protecting investors. I thank the Minister of Finance, Planning and Economic Development, Ministers of State responsible for various aspects in the Ministry of Finance, the Permanent Secretary/ Secretary to the Treasury and his team at the Ministry, the Governor of the Bank of Uganda and his senior staff for the support extended to CMA in various ways. I thank our development partners, the World Bank through the FMDP/PSCP II/PSFU project. Without this support, we would not have registered the achievements outlined in this report and overcome the many challenges faced during the year.

May I now invite you to read this annual report which provides in greater detail, the achievements, developments and challenges of the Authority in the 2010/11 financial year as we plan and aspire for greater development in the coming financial year.



Japheth Katto
Chief Executive Officer



Directors



Japheth Katto
Chief Executive Officer



Twaha Kaawaase
Chairman



Maris Wanyera
Represents
Permanent Secretary / Secretary
to the Treasury Ministry of
Finance, Planning and Economic
Development



Robert Kabonero
Represents
Uganda National Chamber of
Commerce and Industry



Directors



Bisereko Kyomuhendo
Acting Registrar of
Companies.



Grace J. Kavuma
Represents
Uganda Bankers Association



Miriam Magala
Represents
Insurance Institute of
Uganda



Timothy Masembe Kanyerezi
Represents
Uganda Law Society





Stephen Kaboyo
Represents
The Governor, Bank of
Uganda.



Harriet Lwabi
Acting Solicitor General



Steven M. Turyahikayo
Represents
Institute of Certified Public
Accountants of Uganda



John Wafula (R.I.P.)
Represented
Uganda Manufacturers
Association



Corporate **Governance**

- Board of Directors
- Board Training
- Review of Board Effectiveness
- Remuneration of the Board
- Board Committees
- Legal & Compliance Committee
- The Finance & Planning Committee
- The Human Resource & Administration Committee
- The Audit & Risk Management Committee
- Research & Market Development Committee



Corporate Governance

The Capital Markets Authority (CMA) is committed to the highest level of corporate governance and conducts its affairs in line with the principles set out in the Capital Markets Corporate Governance Guidelines, 2003 and international best practice in corporate governance.

Board of Directors

The CMA is governed by a unitary Board comprising a Chairperson and representatives from the private and public sectors. Six members are ex-officio, by virtue of their public offices while the other six members represent private sector interests. The roles of Chairman and Chief Executive are separate and distinct. With the exception of the Chief Executive Officer, all members of the Board are Non Executive Directors. This ensures that there is sufficient independence in decision making.

The Board is appointed by the Minister of Finance, Planning and Economic Development and is accountable to the Minister, for ensuring compliance with the Capital Markets Authority Act (Cap 84). In 2008, some members of the Board were reappointed for a further term of three years while others were newly appointed by the Minister of Finance, Planning and Economic Development, in accordance with the provisions of section 4(6) of the Capital Markets Authority Act (Cap 84).

The Board Members have experience and expertise in legal, financial, business and administrative matters. Upon joining the Board, new Members receive an induction and industry study tour organized by the Authority. Day to day operations of the Authority are performed by the Management team led by the Chief Executive Officer (CEO). The CEO develops and delivers the strategic objectives agreed to with the Board.

The Board meets once a month, however the Capital Markets Authority Amendment Act 2011 now provides for quarterly meetings. Details of the Board and Committee meetings held in the year under review and attendance of those meetings are set out in Table B below. The Senior Management team attends all Board meetings and there is regular interaction between the Board and Senior Management.

The Board fulfils key functions, including reviewing, guiding and approving corporate strategy, operational plans, risk policy, annual budgets and business plans; setting performance objectives; monitoring corporate performance; and overseeing major capital expenditures.

The Board Secretary (Legal & Compliance Director of CMA), is responsible for proper administration of

the Board proceedings, the provision of administrative and secretarial services as well as legal advice to the Board. The Chairman and the Board Secretary ensure that the agenda of the Board is in tandem with CMA's priorities. The Board Secretary also reviews papers before circulation to Board Members to ensure that the information is accurate and clear. The Members of the Board have all the resources required to carry out their roles and responsibilities.

The Board Members adhere to the standard of conduct expected of them and prescribed in the Board Manual. Instances of conflict of interest are addressed through disclosure and declaration of the interest is required under the Conflict of Interest Guidelines which apply to both Board and Staff.

During the year ended 30th June 2011, one Board Member, Mr. Billy Kainamura a representative of the Solicitor General ceased membership following his appointment as Judge of the High Court of Uganda. He was replaced by Ms. Harriet Lwabi. Ms. Miriam Magala was appointed to the Board as a representative of the Insurance Institute of Uganda.

Board Training

During the year, the Board received continuous professional development on issues that are pertinent to capital markets development. Members of the Audit and Risk Management Committee of the Board attended training on Internal Audit in Kampala.

Review of Board Effectiveness

The Board carried out an evaluation of the performance of its members in compliance with the Board Manual.

Remuneration of the Board

The Members of the Board are entitled to remuneration and allowances out of the general fund of the Authority, as determined by the Minister of Finance, Planning and Economic Development. Below is a table summarizing the allowances relating to meetings.

TABLE A: ALLOWANCES RELATING TO MEETINGS

	Retainer Per Month	Sitting allowance Per Meeting
Chairman	UGX 300,000	UGX 300,000
Members	UGX 200,000	UGX 250,000

TABLE B: CMA BOARD MEMBERS MEETING ATTENDANCE (JULY 2010- JUNE 2011)

Board Member	Board Meetings	Legal & Compliance Committee	Finance & Planning Committee	Human Resource & Admin. Committee	Audit & Risk Mgt Committee	Research & Market Dev. Committee
Twaha Kaawaase	12/12	NA	NA	NA	NA	NA
Harriet Lwabi ¹	6/9	2/5	NA	2/2	NA	NA
Maris Wanyera	7/12	NA	2/2	NA	NA	1/1
Bisereko Kyomuhendo ²	7/12	6/7	NA	2/3	NA	NA
Steven M. Turyahikayo	10/12	NA	NA	NA	3/3	1/1
Grace J. Kavuma	7/12	4/7	2/2	NA	NA	NA
Stephen Kaboyo	8/12	2/7	NA	NA	NA	1/1
Robert Kabonero	8/12	N/A	1/2	NA	NA	NA
Timothy M. Kanyerezi	9/12	4/7	NA	NA	0/3	NA
Miriam Magala ³	9/11	NA	1/1	NA	NA	0/1
Billy Kainamura ⁴	1/2	1/2	NA	0/1	NA	NA
John Wafula	9/12	NA	NA	3/3	3/3	NA
Japheth Katto	11/12	7/7	1/2	3/3	NA	0/1

(Footnotes)

1. Appointment to the Board – September 2010
2. Chairman – Legal & Compliance Committee (Effective 13th December 2010 following resignation of Mr. Kainamura)
3. Appointment to the Board – August 2010
4. Cessation of membership to the Board – September 2010
5. N/A –denotes not applicable

Board Committees

The CMA Board exercises its oversight role through a governance structure comprising various committees namely;

- Finance & Planning Committee
- Legal & Compliance Committee
- Research & Market Development Committee
- Human Resource & Administration Committee
- Audit & Risk Management Committee

All Board Committees are governed by terms of reference developed by the Board and are mandated to make recommendations to the Board on all matters under their consideration. The function and structure of the Committees for the year under review are described below. In terms of composition, the Committees comprise Board Members with pertinent expertise in the various areas in order to maximize technical capability at the Committee level, where issues are dealt with in depth. The Committees meet at least quarterly. The quorum for each Committee is at least half of the appointed Members. Each Committee determines its own procedures.

Legal & Compliance Committee

The purpose of the Legal & Compliance Committee is to oversee the development of an appropriate legal and regulatory framework for the capital markets industry. The Committee oversees the implementation and enforcement of compliance matters by the Authority. During the period July 2010 - June 2011 the Legal Committee convened seven meetings to consider applications for licenses, approval of an application by Stanbic Bank (U) Ltd to issue an aggregate amount of Ugx. 40 Billion (Forty Billion Uganda Shillings) subordinated floating and fixed rate notes. Approval of an application by Centum Investment Co. Ltd to introduce 604,947,0130 shares of par value Kenya Shillings (Ksh.) 0.50 each to the official list of the USE. They also considered the proposed amendments to the Uganda Securities Exchange (USE) Rules and the mid-term inspection report from management.

The Finance & Planning Committee

The Committee is responsible for guiding the Board on policy matters relating to Finance & Planning. The Authority submitted to the Ministry of Finance, Planning and Economic Development, quarterly reports of activities and financial matters. At the end of every financial year, the Authority submits its annual report and audited accounts which are published and made available to the public. The Committee convened two meetings during the period to consider the CMA budget for the financial year 2010/2011, the CMA funding strategy and the Amended Finance and Accounting Manual.

The Human Resource & Administration Committee

The Human Resource Committee assists the Board in the formulation of policies geared towards recruitment, retention and development of qualified personnel to discharge the functions of the Authority. The Committee is also responsible for monitoring and appraising performance of Management, handling disciplinary matters and determining remuneration. The Committee held three meetings during the period under review to consider the CMA succession policy, promotion of staff, review of employment contracts and an application for sabbatical leave.

The Audit & Risk Management Committee

The critical role of internal audit makes it imperative to have an independent Audit Committee. In terms of its functions, the Audit Committee plays a critical role in the corporate governance structure by overseeing internal controls, accountability, reporting structures and risk management. The Audit Committee held three meetings during the period under review to consider the audited

financial statements for the year ended 30th June 2010, the Internal Audit work plan, the internal Audit quarterly reports and the request from Management to renew the contract for internal audit services. The Committee also considered the CMA Internal Audit Charter and the CMA Risk Report for the three months ending June 2010.

Research & Market Development Committee

The role of the Research and Market Development Committee is to assist the Board in the formulation of policies that are geared towards research and market development. The Committee held one meeting during the period under review to consider the formal establishment, mandate and work plan of the CMA Think Tank.

Legal & **Regulatory frame work**

- Legal framework development
- Listings and Corporate actions
- Licensing
- Market Supervision
- Enforcement
- Staffing



Promoting a Transparent Legal and Regulatory Framework to Enhance Investor Protection

The Legal and Compliance Department is tasked with the following responsibilities;

- Overseeing the enforcement of securities laws and regulations in line with CMA's mission and compliance of licensees and listed companies;
- Providing secretarial services to the Board, organizing and coordinating board meetings;
- Implementation of the legal policy framework on capital markets issues;
- Provision of legal services to the Authority;
- Development of laws and regulations to facilitate market development and enhance protection of investors;
- Reviewing license applications, prospectus and information memorandum for all prospective issuers.

The Legal and Compliance Department prioritizes investors in execution of its roles. The efforts undertaken include ensuring compliance of Licenses, market supervision to ensure good conduct of business and facilitating complaint resolutions brought to its attention by the investors.

Legal framework development

In the financial year 2010/11, the department continued with its mandate of developing laws and regulations to promote development of the industry and enhance investor protection. The Capital Markets Authority (Amendment) Bill was passed by the Parliament of Uganda on 29/03/2011. The highlight of the amendment was part 33 of the Companies Act relating to Initial Public Offers that was moved to the CMA Act. Further amendments were made reducing the frequency of the meetings of the Board from monthly to quarterly meetings; unlike in the formative stages of the Authority where the board was required to meet monthly since there was a lot of business to cover and now it is no longer necessary and also providing for administrative fines that will help in fostering compliance of the licensee.

The CMA Board approved the Capital Markets (Statement of Principles and Code of Conduct) Regulations in a bid to enhance our role of investor protection as well as The Capital Markets (Asset Backed Securities) Regulations

that widen the products base in line with our market development role. The CMA Board also considered and approved the Capital Markets (Takeovers and Mergers) Regulation for stakeholder consultation. The proposed regulations will provide a guide to the procedures to be followed in the case of a merger or takeover in the case of listed companies a trend that is growing globally.

Listings and Corporate actions

During the financial year ended 30th June 2011, two applications for listings were approved by the Board. The Board approved applications from Nation Media Group (NMG) and Centum Investments both of which are listed on the Nairobi Stock Exchange to cross list their shares on the Ugandan Securities Exchange. Consequently, the NMG and Centum shares were cross listed on the Uganda Securities Exchange (USE) on 19th October 2010 and 10th February 2011 respectively. This brings the total of cross listed companies to 7(seven) and total listing on USE to 14(Fourteen).

The CMA Board on 23rd November 2010 approved a 10-year subordinated fixed rate Note of Ugx.40 billion issued by Standard Chartered Bank Uganda (SCBU) Ltd; while at the same time permitting the Bank to redeem the Ugx. 6.45 billion 10-year bond it had issued and listed on the USE in 2006. The 2010 bond issue was a private placement, though the Bank has the option of listing it on the USE at a later date, if it deems it appropriate

In March 2011, the CMA Board approved a Bank of Baroda bonus issue to enable the Bank introduce an additional 600 million shares of par value UGX. 10 to the USE with each shareholder receiving 1.5 bonus shares for every share held. The bonus issue was undertaken to comply with the Financial Institutions (Revision in Minimum Capital Requirements) Instrument 2010, which requires commercial banks to raise their minimum unimpaired capital from Ugx. 4 billion to Ugx. 25 billion by 2013 in a phased manner. The bonus shares were capitalized from the bank's reserves and increased the paid up capital from Ugx. 4 billion to Ugx. 10 billion, the minimum capital threshold for the first phase.

Licensing

During the period under review, the Board approved three new Licensee applications;

- Standard Chartered Bank Ltd as an Investment Adviser License (part A & B),
- PCP (U) Ltd as an Investment Advisor part “A, B and C” Fund Management, and
- CFC Stanbic Financial Services as an investment advisor (part A & B), Broker/Dealer license.

In total, the Board renewed eight broker dealer licenses, seven licenses were renewed for fund management and twenty two Licenses for investment advisory. The full list of licensees as at July 2011 is at the back of this report.

Market Supervision

In line with her mandate over licensed persons, CMA conducted the annual inspections of all its licensees and the exercise was concluded in April 2011. This was done before the licenses for the next year 2011/2012 were issued to ensure that all licensees were in compliance with the CMA Laws and regulations.

Enforcement

The Board at its meeting of 31st August 2010 revoked the license of Fidelity Capital Management Ltd because they did not meet the statutory requirements of Capital Adequacy to hold the CMA license.

The Board at its meeting of 24th May 2011 also revoked the license of MBEA Brokerage Services Ltd since they did not meet the statutory requirements of Capital Adequacy to hold the CMA license.

Staffing

During the year ended, the Authority increased its staffing of the Legal and Compliance department. Mr Patrick Kadema, formerly Senior Finance Officer was transferred on promotion to the department as Compliance Manager and Ms. Nusula Nassuna was recruited as Compliance Officer. The drive is meant to enhance capacity of the department in effectively supervising and surveiling the market and ensuring compliance of the Licensees.



Ensuring the **Investor is King**

- 🌐 Prioritizing Quality
- 🌐 Prioritising Quantity
- 🌐 Prioritising Safety

Education = future

Public Education;

Ensuring the Investor is King

Safety is the first criteria when war clouds gather on the horizon. In such times investors have traditionally looked for ways of quickest returns while at the same time taking precaution. The information put on the market therefore should be well balanced to increasingly make a plausible situation for investors looking for a gold haven.

At the Capital Markets Authority (CMA), prioritising investors is the backdrop of our public education. As one of the CMA strategic Objective states 'Sensitize' and 'Empower' the public to 'Invest' in Capital Markets. So whether it is to save for retirement, to fund a university education, or to supplement current income, the key to successful investing and informed choices is knowledge. CMA combines knowledge and creates avenues to support investors who participate in the market. CMA is out to build long term relationships with investors to provide financial protection and promote their well being in the long run leading to economic growth.

In the 2010/11 financial year CMA reached out to over 1,830 people through public and school seminars, exhibitions, various youth programmes and the media. To achieve this, the public education unit, undertook a three pronged approach; Prioritizing quality, quantity and safety.

Prioritizing Quality

Financial Education through the Media -CMA and the Association of Chartered Certified Accountants (ACCA) signed a Memorandum of Understanding (MOU) under which a partnership was established to enhance the quality of financial journalism in Uganda. The initiative is geared at building capacity of financial journalists in order to enhance their financial reporting. Journalists are the avenues through which the public is educated and sensitised about financial issues hence the essence for their mentorship to deliver quality financial journalism to the public. The capacity building is done through training seminars and interaction with various financial sector experts who form the Technical Advisory Committee (TAC).

The TAC is an eight member team of high profile professionals in the financial sector referred to as 'financial experts' who have volunteered to advise and provide support to the journalists through an online discussion forum 'The Press Room' and other media. The TAC expertise covers banking, capital markets, insurance, micro finance, economics, taxation and other general financial areas.

Under the partnership, a two day training seminar on various aspects of financial reporting was organized for about 20 journalists' from radio, television and print media houses in Uganda. The 2011 Financial Journalism Awards were also organised under the CMA-ACCA Partnership. The Journalism Award is administered under the Kikonyogo Capital Markets Award (KCMA) a celebrated annual dinner event organised by CMA to recognize persons and institutions that have made a contribution towards the development of capital markets. The Award is held in Honour of Mr. Charles. N. Kikonyogo (R.I.P), Governor of Bank of Uganda (May 1990 to May 2000), who played a critical role in the development of the capital markets in Uganda. For the past three years, the Award has focused on honouring journalists that have excelled at financial reporting. The winner of the 2011 Award received funds to invest in the capital markets as well as an all expenses paid study tour of South Africa's capital market.

Going forward, CMA and ACCA plan to extend the period and scope of the MOU for another three years to include among other activities the facilitation and promotion of investment clubs in secondary schools and universities across the whole of Uganda. It is envisaged that under this partnership more journalists and students will be empowered to participate in Uganda's capital market.

Financial Inclusion and Integration among the Youth - Financial education for the youth has been a special area for CMA. This initiative has been approached through the formal school education, competitions namely the schools and university challenges and seminars which involve the Ministry of Education and Sports, the National Curriculum Development Centre, secondary school teachers and students.

To compliment the school programmes, CMA carries out school and university seminars all through the year. The seminars are in form of presentations that detail issues of saving and investment in capital markets.

In a bid to further promote youth financial literacy, CMA has created investment clubs that are avenues for continued financial literacy.

Face – to - face Education - is another priority we undertook to ensure that the investor gets quality education. Direct provision of investor awareness programmes, in particular face-to-face seminars provides good results. The more proactively the advice is offered, the more effective it is. Personal involvement and direct

contact has been achieved through exhibitions, seminars and the Office to Office initiative – where CMA visits different offices and sensitizes staff members about investing and saving in capital markets.

Prioritising Quantity

The public education unit carried out various programmes to enhance countrywide public awareness and participation in the market. These included school seminars in Kampala and Mbale, exhibitions in Kampala and Arua. Many of the directly interactive programmes were held in Kampala, with a few up-country given the high logistical costs for upcountry activities. Nonetheless through channels such as the website, e-mails and publications sent to various upcountry contacts, CMA interacted with a number of upcountry based audiences. The department plans to partner with various organizations such as FinLit Foundation (a concerted effort of financial sector players including Bank of Uganda, CMA, Uganda Insurance Commission, Uganda Insurers Association, Uganda Insurance Brokers Association, Uganda Bankers Association and Association of Microfinance Institutions in Uganda (AMFIU), to deliver public education to more upcountry investors/potential investors.

Prioritising Safety


CMA sensitises investors on how to invest wisely and make safe investments by providing sufficient information and updating them on market developments. This is to ensure that whoever participates does so from an informed perspective so that the investor, above all else, is able to protect oneself from market fraud. A brochure highlighting safe investing in capital markets has been produced to get the investor alert to various market fraud possibilities. Various newspaper messages have been published in the same regard to keep the investor informed of market developments.

Prioritizing quality, quantity and safety gives the investor, new financial freedom helping them understand their choices and the likely implications of alternative choices. Unfortunately, many Ugandans have a weak grasp of basic personal finance principles and the challenge lies in both lack of information and interpretation of the information. Regardless of this challenge, CMA continues to empower investors as it searches for better ways to create an environment where the investor is king.



Developing the **Capital Markets Industry**

Domestic Initiatives

-  Primary Activity and Corporate Actions
-  Secondary Market Activity

Fund Management

Regional Initiatives

-  East African Regional Corporate Bond Market Initiative
-  Future Outlook



Developing the Capital Markets Industry in Uganda & the East African Region to Create Investment Opportunities

The 2010/11 fiscal year witnessed a recovery at the Uganda Securities Exchange as investor confidence returned to both the global and regional capital markets. This fiscal year also marked the commencement of the East African Community (EAC) Common Market which will play a major role in the integration of the EAC capital markets. Plans are already underway to implement a number of initiatives to that effect.

Domestic Initiatives

Primary Activity and Corporate Actions

The Standard Chartered Bank Uganda Limited (SCBU) issued subordinated fixed rate notes of Ugx. 40 billion through a private placement, at the same time redeeming a Ugx. 6.45 billion 10 year bond it had issued and listed on the Uganda Securities Exchange in 2006. SCBU has the option of listing this bond if the investors deem it appropriate.

CMA also approved the Bank of Baroda Bonus Issue in which it intended to introduce an additional 600 million shares of par value Ugx. 10 to the Uganda Securities Exchange. Each of the Bank of Baroda shareholders

would get 1.5 shares for every share held. The Bonus issue was in compliance with the Financial Institutions (Revision in Minimum Capital Requirements) Instrument 2010, which requires commercial banks to raise their minimum unimpaired capital from Ugx. 4 billion to Ugx. 25 billion by 2013 in a phased manner. The bonus shares were capitalized from the bank's reserves and will increase the paid up capital from Ugx. 4 billion to Ugx. 10 billion, which is the minimum capital threshold for the first phase.

Secondary Market Activity

The Uganda Securities Exchange recorded an increase of 55% in the volume of shares traded and 53% in turnover in the 2010/11 fiscal year compared to the secondary market activity in the 2009/10 fiscal year. With the cross listing of Nation Media Group and Centum Investments from the Nairobi Stock Exchange, the USE market capitalization also increased by 58% from Ugx. 9 trillion to Ugx. 14 trillion. In addition, the USE All – Share Index gained 27% as investor confidence returned to the markets due to the recovery in the global and regional capital markets. Table 1 shows the trends in market activity at the USE from 2007/08 to 2010/11. The USE also increased the number of trading days to five in line with the other capital markets in the East African Community.

Table C: Trends in Market Activity at the Uganda Securities Exchange (2007/08-2010/11)

	2007/08	2008/09	2009/10	2010/11
Volume of Shares Traded (Million Ugx.)	287.4	343.8	120.8	187.0
Turnover (Million)-Ugx.	88,284	44,472	23,321	35,727
Market Capitalization (Billion Ugx.)⁵	5,970.8	5,033.0	8,649.9	13,683
All Share Index⁶	987.6	652.3	886.3	1,122.31

Source: Uganda Securities Exchange Market Reports

(Footnotes)

5. End of period figures

6. End of period figures

Fund Management

The fund management industry grew by 30% the 2010/11 fiscal year from Ugx. 333 billion funds managed in 2009/2010 up to Ugx. 434 billion funds managed in 2010/2011 (See table 2). Over a four year period the funds under management grew by 107% from Ugx. 209 billion funds managed in 2007/2008 up to Ugx. 434 billion funds managed in 2010/2011 (See table 2). The growth of the fund management industry has mainly been driven by the increased outsourcing of fund management services by the private occupational provident funds.

framework and a host of other regional integration initiatives is also bound to increase investor and fund raising opportunities in the East African capital markets. In a bid to better understand the market as it fulfills its mandate of developing the capital markets in Uganda, the CMA also plans to undertake two surveys in the next financial year; one on the market players and the second one on investors both institutional and retail.

Table D: Trends in Funds under Management (2007/08-2010/11)

Year	Funds under Management (Billion Ugx.)
2007/08	210
2008/09	127
2009/10	333
2010/11	434 ⁷

Source: Capital Markets Authority, Legal and Compliance Department

(Footnotes)

Figures as at end of March 2011

Regional Initiatives

East African Regional Corporate Bond Market Initiative

CMA together with other capital markets regulators under their regional forum, the East African Securities Regulatory Authorities (EASRA) in April 2011 adopted procedures to promote the issuance the regional corporate bonds across the five EAC Partner States. This is in line with the provisions of free movement of capital in the East African Community Common Market Protocol. Before the proposed procedures become law in each of the Partner States, they will have to undergo extensive stakeholder consultations and also go through the necessary approvals in the respective States.

Future Outlook

The capital markets industry in Uganda is destined for more growth with the recent coming into force of the Uganda Retirement Benefits Regulatory Authority (URBRA) Act and the discussions on the Pension Liberalization Bill. These developments are bound to increase the institutional investor base, very critical to the levels of liquidity in the capital market. The eventual implementation of the regional corporate bond

Aligning **Human Resources to strategy**

- Human Resource Management
 - Talent acquisition
 - Staff training & development
- Planned activities for 2010/11



Aligning

Human Resources to strategy

The Human Resource and Administration department is responsible for the strategic and comprehensive approach to managing people; the workplace culture and environment to enable employees contribute effectively and productively to the accomplishment of the organization goals and objectives. During the year under review, the department through its four distinct functions; **Human Resource Management, Administration, Information Technology and Procurement services** contributed to prioritizing investors as follows;

Human Resource Management

a. Talent acquisition

Two new staff were recruited; Ms. Nusula Nassuna Kizito for the position of Compliance Officer. The scope of her work particularly entails market surveillance and monitoring compliance of market players, which functions are critical to CMA's mandate of ensuring investor protection and enhancing market efficiency. Ms. Kizito's recruitment thus enhances CMA's capacity to deliver on this mandate.

To further facilitate CMA activities in prioritizing investors, quality logistical support is required. Consequently, Mr. Emmanuel Mwanguhya, was recruited as a driver, to consolidate the capacity of CMA to ably deliver on its mandate.

b. Staff training & development

Various training interventions and initiatives were implemented to enhance the capacity of CMA to meet investor's expectations. Key among these staff trainings and development was;

- i. **Corporate Governance;** Three members of Senior Management attended Corporate Governance training as a mechanism of enhancing their leadership abilities.
- ii. **Regional Conference on the East African Community Integrated Payment and Settlement Systems in Kigali Rwanda, December 8-10, 2010;** The regional conference on the East African Community (EAC) Integrated Payment and Settlement Systems was held from 8th to 10th October, 2010 in Kigali Rwanda. The conference was organized with the aim of forming an action plan on the way forward for the Partner States on matters pertaining to innovation, development and integration of payment and settlement systems

in the region.

- iii. 11th Emerging Markets Programme; **Aftermath: The consequences of the Global Financial Crisis for Emerging Market Regulators** organized by the Securities Commission Malaysia, Kuala Lumpur; CMA nominated the Director, Legal & Compliance to attend this important programme, which formulated key discussions on the root causes of the global financial crisis, its consequences and key regulatory changes required to prevent a similar occurrence.
- iv. **Financial Services Authority (FSA) Annual International Seminar, 2010 - London, UK;** the theme of the seminar was "Supporting Financial Stability" – which is relevant to prioritizing investors. The seminar provided an opportunity for CMA to share with and learn from other regulatory bodies around the world with specific regard to enforcement, financial stability, cross border supervision, recent international developments and their potential impact on domestic capital markets.

Planned activities for 2011/12

With the steady growth of the market, there will be need for a review of the positioning/structuring of CMA to enable the organisation meet the ever changing and challenging investor expectations.

Furthermore, in light of the rapidly growing e-industry that enables instant outreach to both local and international investors, CMA plans to develop a new dynamic website with the latest technology. The website will showcase various capital markets products and services as well as enable investors to receive news updates and information on market development and regulation. In-built interactive tools will facilitate two-way communication with investors, thus enhancing the Authority's ability to further fulfill its mandate.

CMA also plans to automate the offsite backup of its data, which shall ensure the continuity of the organization's operations in event of data loss at the CMA office.

Financial **Highlights**

- Income
- Government Grants
- Donations
- Prospectus and floatation fees
- Licensing fees
- Interest income
- Expenditure



Financial Highlights

At the conclusion of the financial year 2010/2011, CMA posted a surplus of Ugx. 25.5 million, an improvement from a surplus of Ugx. 20.8 million in the previous financial year.

Income

The Authority's sources of income remained the same. A total of Ugx. 2.58 billion was received from Government grants, donations and from the internal generated sources namely prospectus and floatation fees, licensing fees and interest income. The income received in 2010/11 represents a decrease of 5% from the previous financial year.

Government Grants

During the year ended 30th June 2011, the grant from Government of Uganda through Ministry of Finance Planning and Development increased from Ugx. 497 million to Ugx. 1.438 Billion. However the grant from Bank of Uganda on behalf of the Government of Uganda decreased from Ugx. 1.1 Billion to Ugx. 550 Million.

Donations

A total of Ugx. 150 million was received as donations in the year ended 30 June 2011, representing 5.8% of the total income. The donations declined from Ugx. 363.7 million for the prior year due to the winding down of the Financial Markets Development Plan (FMDF) funding.

Prospectus and floatation fees

Ugx. 85 million was realized in prospectus and floatation fees in the year 2010/11 hence a 56% increase in this income line from the year 2009/10. This income line comprises application fees to issue or list a security on the Uganda Securities Exchange. During the period under review, fees were received from the Housing Finance Bank bond listing, Nation Media Group cross listing from the Nairobi Stock Exchange, Standard Chartered Bank Corporate Bond, Centum Investment Company cross listing from the Nairobi Stock Exchange and Bank of Baroda bonus share listing.

Licensing fees

Licensing fees during the year ended 30th June 2011 grew from Ugx. 46 million to Ugx. 58.6 million in the year ended 30th June 2010

Interest income

There was decline in interest income of 60% from Ugx. 95 million in 2009/10 to Ugx. 37.2 million in the year under review. This is due a decrease in the Authority's reserves available for investment.

Expenditure

The total expenditure incurred by the Authority in 2010/11 financial year amounted to Ugx. 2.548 billion, a 6% decrease from 2009/10 expenditure. Overall there was a decrease in administrative, operating and withholding tax expenses. Only staff costs increased by 9% due to a 3% annual salary increment and increased inflation on staff welfare costs. The general fund posted an increase of Ugx. 25.5 million in line with the surplus posted.



Capital Markets Authority
Protecting Your Investments

CAPITAL MARKETS AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

- Report of the Auditor General
- Company information
- Report of the Directors
- Statement of Directors' responsibilities
- Report of the independent auditors to the Auditor General

FINANCIAL STATEMENTS

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in reserves
- Statement of cash flows
- Notes to the financial statements



Report of the **Auditor General**

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2011

I have audited the accompanying financial statements of Capital Markets Authority, which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 36 to 50.

Directors' responsibility for the financial statements

The Authority's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards in a manner required by the Capital Markets Authority Act (Cap 84) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

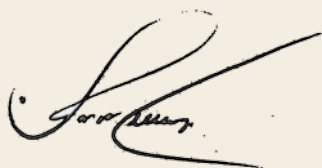
Our responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether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

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

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

Opinion

In my opinion the financial statements present fairly in all material respects, the financial position of Capital Markets Authority as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority Act (Cap 84).



John F. S. Muwanga
AUDITOR GENERAL
KAMPALA

29th December 2011

Company Information



Principal place of business and registered office

Capital Markets Authority
8th Floor, Jubilee Insurance Centre
14 Parliament Avenue
P.O. Box 24565
Kampala.

Bankers

Stanbic Bank Uganda Limited
17 Hannington Road
Crested Towers
P.O. Box 7131
Kampala.

Standard Chartered Bank Uganda Limited
5 Speke Road
P.O. Box 7111
Kampala.

Secretaries

Director Legal and Compliance
Capital Markets Authority
8th Floor, Jubilee Insurance Centre
14 Parliament Avenue
P.O. Box 24565
Kampala.

Auditors

Auditor General
Ministry of Finance Building
Plot 2/12 Apollo Kaggwa Road
P.O. Box 7083
Kampala

Delegated Auditors

Ernst & Young
Ernst & Young House
18 Clement Hill Road
Shimoni Office Village
P.O. Box 7215
Kampala.

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 30 June 2011, which disclose the state of affairs of Capital Markets Authority ('the Authority').

1. PRINCIPAL ACTIVITY

The Authority was established under the Capital Markets Authority Act (CAP 84) for the purpose of promoting and facilitating the development of an orderly, fair and efficient capital markets industry in Uganda and regulating stock exchanges, brokers/dealers, investment advisors and all other persons dealing in securities business.

2. RESULTS

The results for the year are set out on page 36.

3. DIRECTORS

The Directors who served during the year and to the date of this report were:

- | | |
|--------------------------------------|----------------------------------|
| • Mr. Twaha Kaawaase (Chairman) | - Term expired on 21 August 2010 |
| • Mr. John Wafula | - Term expired on 21 August 2010 |
| • Mr. Timothy Masembe Kanyerezi | - Term expired on 21 August 2010 |
| • Ms. Maris Wanyera | - Term expired on 21 August 2010 |
| • Mr. Robert Kabonero | - Term expired on 21 August 2010 |
| • Mr. Stephen Turyahikayo | - Term expired on 21 August 2010 |
| • Mr. Bisereko Kyomuhendo | - Reappointed on 10 October 2011 |
| • Ms. Harriet Lwabi | - Reappointed on 10 October 2011 |
| • Mr. Grace Jethro Kavuma (Chairman) | - Reappointed on 10 October 2011 |
| • Mr. Stephen Kaboyo | - Reappointed on 10 October 2011 |
| • Ms. Miriam Magala | - Reappointed on 10 October 2011 |
| • Mr. Deo J. Kayemba | - Appointed on 10 October 2011 |
| • Mr. Paul Patrick Mwanja | - Appointed on 10 October 2011 |
| • Ms. Agnes Tibayeita Isharaza | - Appointed on 10 October 2011 |
| • Mr. Emmanuel Muwazi | - Appointed on 10 October 2011 |
| • Mr. John Fisher Kanyemibwa | - Appointed on 10 October 2011 |
| • Mr. Awel Uwhanganye | - Appointed on 10 October 2011 |
| • Mr. Japheth Katto (CEO) | - Ex officio |

4. AUDITORS

The auditors, Ernst & Young, who were appointed by the Auditor General during the year, have expressed their willingness to continue in office.

By Order of the Board



Secretary

13th December 2011

Statement of **Directors' Responsibilities**

The Capital Markets Authority Act requires the Directors of the Authority to prepare financial statements for each financial period, which give a true and fair view of the state of the financial affairs of the Authority as at the end of the financial year and of its operating results for that year. It also requires the Directors to ensure the Authority keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

The Directors are ultimately responsible for the internal control of the Authority. The Directors delegate responsibility for internal control to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the Authority's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent and going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Capital Markets Authority Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and of its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

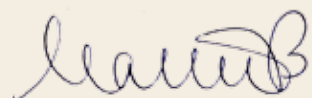
Nothing has come to the attention of the Directors to indicate that any breakdown in the functioning of these controls, resulting in material loss to the Authority has occurred during the year.

The Directors have a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

The financial statements were approved by the Board of Directors on 13th December 2011 and signed on its behalf by:



Director



Director

Report of the

Independent Auditors to the Auditor General

We have audited the accompanying financial statements of Capital Markets Authority, which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 36 to 50.

Directors' responsibility for the financial statements

The Authority's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in a manner required by the Capital Markets Authority Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Capital Markets Authority as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority Act.



KAMPALA

21st December 2011



Statement of Comprehensive Income

	Note	2011 Ugx. '000	2010 Ugx. '000
Revenue			
Government grants	2	2,012,403	2,066,300
Donations	3	150,231	363,792
Prospectus and floatation fees		85,000	54,540
Licensing fees income		58,650	46,150
Interest income		37,269	94,929
Release of capital grants		63,247	65,572
Other income	4	173,294	70,792
		2,580,094	2,762,075
Expenses			
Staff costs	5	(1,570,592)	(1,437,633)
Administrative expenses	6	(588,733)	(591,661)
Other operating expenses	7	(389,624)	(695,855)
		2,548,949	2,725,149
Surplus before tax	8	31,145	36,926
Withholding tax at source on investment income		(5,589)	(16,077)
Surplus for the year		25,556	20,849
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year, net of tax		25,556	20,849

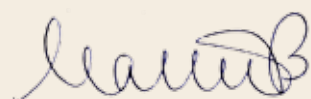
Statement of Financial Position

	Note	General Fund	Investor Compensation Fund	2011	2010 Restated	2009 Restated
		Ugx. '000	Ugx. '000	Ugx. '000	Ugx. '000	Ugx. '000
ASSETS						
Non-current assets						
Property and equipment	9	73,496	-	73,496	127,046	167,069
Intangible assets	10	12,753	-	12,753	17,414	191
		86,249	-	86,249	144,460	167,260
Current assets						
Held to maturity investments	11	622,359	450,363	1,072,722	547,395	667,612
Receivables	12	88,531	3,098	91,629	730,907	190,663
Broker/dealer account		5,202	-	5,202	5,270	16,149
Investor Compensation Fund account	14	-	30,031	30,031	38,358	343,186
Cash & bank balances	13	677,458	-	677,458	547,457	544,748
		1,393,550	483,492	1,877,042	1,869,387	1,762,358
Total assets		1,479,799	483,492	1,963,291	2,013,847	1,929,618
Capital Employed and Liabilities						
Capital employed						
General fund		1,139,048	-	1,139,048	1,115,577	1,094,728
Non-current liabilities						
Investor Compensation Fund liabilities	14	-	483,492	483,492	451,098	397,166
Capital grant	15	73,496	-	73,496	127,046	167,069
		73,496	483,492	556,988	578,144	564,235
Current liabilities						
Broker/dealer deposits		115,000	-	115,000	105,000	90,000
Payables & accrued expenses	16	152,255	-	152,255	215,126	180,655
		267,255	-	267,255	320,126	270,655
Total equity and liabilities		1,479,799	483,492	1,963,291	2,013,847	1,929,618

The financial statements were approved by the Board of Directors on 13th December 2011 and were signed on its behalf by:



Director



Director

Statement of Changes in Reserves

	General Fund
	Ugx. '000
2009	
At 1 July	1,826,648
Prior year adjustment (Note 15)	6,798
At 1 July-restated	1,833,446
Deficit for the year	(738,718)
Other comprehensive income	-
Total comprehensive income	(738,718)
At 30 June	1,094,728
2010	
At 1 July	1,094,728
Surplus for the year	20,849
Other comprehensive income	-
Total comprehensive income	20,849
At 30 June	1,115,577
2011	
At 1 July	1,115,577
Surplus for the year	25,556
Other comprehensive income	-
Total comprehensive income	25,556
Transfer to compensation fund	(2,085)
At 30 June	1,139,048



Statement of Cash Flows

	Note	2011	2010
		Ugx. '000	Ugx. '000
Operating activities			
Surplus for the year		25,556	20,849
Adjustments for:			
Interest income		(37,269)	(94,929)
Depreciation of equipment		63,247	65,572
Amortisation of software		4,661	1,418
Release of capital grants		(63,247)	(65,572)
Gain on disposal of equipment		-	(5,736)
		(7,052)	(78,398)
Decrease/(increase) in receivables		639,278	(540,244)
Increase in broker/dealer deposits		10,000	15,000
Increase in investor compensation fund		32,394	53,932
(Decrease)/increase in payables and accrued expenses		(62,871)	34,472
Net cash from/(used in) operating activities		611,749	(515,238)
Investing activities			
Purchase of equipment		(9,697)	(25,549)
Purchase of treasury bills		(1,566,146)	(2,395,522)
Interest income received on investments		21,869	48,532
Redemption of treasury bills		631,921	2,411,443
Proceeds on disposal of equipment		-	5,736
Purchase of software		-	(18,641)
Net cash (used in) / from investing activities		(922,053)	25,999
Financing activities			
Capital grant received		9,697	25,549
Net cash from financing activities		9,697	25,549
Net decrease in cash and cash equivalents		(300,607)	(463,690)
Cash and cash equivalents at 01 July		1,013,298	1,476,988
Cash and cash equivalents at 30 June	13	712,691	1,013,298

Notes to the **Financial Statements**

I. AUTHORITY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

I.1 Authority information

The Authority is established in Uganda under the Capital Markets Authority Act (Cap 84) 1996, and domiciled in Uganda.

The financial statements of the Authority were authorized for issue in accordance with the resolution of the directors on the 13th December 2011

I.2 Basis of accounting, statement of compliance and presentation currency.

The financial statements have been prepared on a historical cost basis except as otherwise stated. The financial statements are presented in Uganda shillings and all values are rounded to the nearest thousand (Ugx.'000) except where otherwise indicated.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Capital Markets Authority Act.

I.3 Changes in accounting policies

The accounting policies adopted are consistent with those used in the previous financial year.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Authority's financial statements are listed below. This listing is of standards and interpretations issued, which the Authority reasonably expects to be applicable at a future date. The Authority intends to adopt those standards when they become effective.

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard. The Authority expects the amended standard to have an impact on the disclosures in the financial statements but no impact on the financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the Board will address impairment and hedge accounting. The completion of this project is expected in mid 2011. The adoption of the first phase of IFRS 9 will primarily have an effect on the classification and measurement of the Authority's financial assets. The Authority is currently assessing the impact of adopting IFRS 9. However, the impact of adoption depends on the assets held by the Authority at the date of adoption and it is not practical to quantify the effect.

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is expected to have no impact on the financial statements of the Authority.

1.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimations and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. The key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date, that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as below:

Provisions

Where the Authority has a legal or constructive obligation as a result of a past event that will result in an outflow of economic benefits from the Authority, provisions are recognized. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the reporting date.

1.5 Significant accounting policies**a) Revenue recognition**

Government grants and donations including non-monetary grants are only recognised when there is reasonable assurance that the grants and donations will be received and the Authority will be able to comply with the conditions attaching to them. The grants are recognised as income on a systematic and rational basis over the useful life of the assets they are used to acquire.

Interest income is recognised in the statement of comprehensive income on an accruals basis. Licensing fees from broker/dealers and investment advisers are recognised when the Authority has received an application for licence or renewal well as trading fees from brokers/dealers is recognised when received.

b) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda shillings at rates ruling at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

c) Financial Instruments

Financial assets and liabilities are initially recognised in the Authority's statement of financial position at cost using settlement date accounting, when the Authority has become a party to the contractual provisions of the instrument.

Held-to-maturity Investments.

Investments with fixed or determinable payments and fixed maturity where the Authority has the positive intent and ability to hold to maturity are measured at amortised cost less accumulated impairment losses. Investments in treasury bills and bank balances are held-to-maturity.

d) Property and equipment.

All categories of property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred. Critical estimates are made in determining depreciation rates for property and equipment. Depreciation is calculated on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Office equipment	3 years
Furniture and fittings	4 years
Motor vehicles	4 years

Property and equipment is periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in the statement of comprehensive income.

e) Intangible assets

Where software is not an integral part of the related hardware, computer software is treated as an intangible asset. Intangible assets are measured initially at cost and are subsequently shown at historical cost less any accumulated amortization. Intangible assets are amortized on a straight-line basis over their useful lives of 4 years.

f) Investor Compensation fund

The investor compensation fund consists of contributions by the Authority (10% of any surplus for the year) from the general fund, compensation fund fee charged on brokers' commission and interest accruing from investment of the fund cash in treasury bills.

g) Taxation

Capital Markets Authority is an exempt organization in accordance with Section 2 of the Income Tax Act 1997.

h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash on hand, cash at bank, investments maturing within 3 months and other short term highly liquid investments.

i) Financial instruments-Initial recognition, subsequent measurement and derecognition

(i) Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

(ii) Subsequent measurement-Bank balances, held-to-maturity investments and receivables

Bank balances, held-to-maturity investments and receivables are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'Financial assets held for trading', designated as 'Financial Investments-available-for-sale' or Financial assets designated at fair value through profit or loss'. After initial measurement, bank balances, held-to-maturity investments and receivables are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment. Amortisation is calculated by taking into account any discount or premium on acquisition fees and costs that are an integral part of the effective interest rate. The amortization is included in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income.

(iii) De-recognition of financial assets and financial liabilities

Financial Assets

A financial asset is derecognized where:

- The rights to receive cash flows from the asset have expired; or
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(iv) Impairment of financial assets

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

Evidence of impairment may include indications that the debtor or group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income.

	2011 Ugx. '000	2010 Ugx. '000
2 GOVERNMENT GRANTS		
Bank of Uganda (note a)	540,303	1,074,451
Privatisation Unit	-	494,349
Ministry of Finance, Planning and Economic Development	1,472,100	497,500
	2,012,403	2,066,300
a) Bank of Uganda grant		
Total funds received	550,000	1,100,000
Transfer to capital grant	(9,697)	(25,549)
	540,303	1,074,451
3 DONATIONS		
Private Sector Foundation Uganda	150,231	363,792
4 OTHER INCOME		
Share trading commission	163,203	58,056
Sale of tender documents & sponsorships	10,091	7,000
Gain on disposal of equipment	-	5,736
	173,294	70,792
5 STAFF COSTS		
Salaries and wages	1,137,840	1,055,030
Staff Provident Fund	157,012	144,185
NSSF contribution	89,910	89,462
Staff gratuity	62,228	48,734
Staff medical scheme	46,853	48,490
Staff welfare	66,447	45,542
Overtime & other allowances	10,302	6,190
	1,570,592	1,437,633

	2011 Ugx. '000	2010 Ugx. '000
6 ADMINISTRATIVE EXPENSES		
Office general expenses	101,876	81,645
Office rent	140,545	136,444
Depreciation	63,247	65,573
Legal and Compliance	54,078	75,967
Motor vehicle maintenance and fuel	48,726	57,685
Telephone, fax, postage and e-mail	18,574	49,735
Subscriptions	62,972	36,596
Publication, printing and stationery expenses	21,923	19,214
Statutory audit expenses	19,601	18,411
Consultancy fees	7,223	16,649
Internal audit fees	17,820	15,460
Office repairs and maintenance	19,852	7,142
Bank charges	4,026	5,718
Advertisement and media coverage	3,609	4,004
Amortisation of software	4,661	1,418
	588,733	591,661

7 OTHER OPERATING EXPENSES		
Mass education	96,253	245,875
Capacity building	91,322	190,061
Regional Co-operation	116,552	157,176
Directors' fees and allowance	60,650	66,952
Other Board expenses	24,847	35,791
	389,624	695,855

8 SURPLUS BEFORE TAX		
The surplus before tax is stated after charging:		
Auditors' remuneration	16,414	15,602
Depreciation	63,247	65,573
Directors' fees and allowances	60,650	66,952

9 PROPERTY AND EQUIPMENT				
	Office equipment Ugx. '000	Furniture & fittings Ugx. '000	Motor Vehicles Ugx. '000	Total Ugx. '000
COST				
At 1 July 2009	211,188	282,983	327,923	822,094
Additions	17,710	7,839	-	25,549
Disposals	(31,485)	(1,380)	(29,098)	(61,963)
At 30 June 2010	197,413	289,442	298,825	785,680
At 1 July 2010	197,413	289,442	298,825	785,680

Additions	9,447	250	-	9,697
At 30 June 2011	206,860	289,692	298,825	795,377

DEPRECIATION

At 1 July 2009	170,823	274,447	209,755	655,025
Charge for the year	25,559	4,118	35,895	65,572
Eliminated on disposal	(31,485)	(1,380)	(29,098)	(61,963)
At 30 June 2010	164,897	277,185	216,552	658,634

At 1 July 2010	164,897	277,185	216,552	658,634
Charge for the year	22,494	4,858	35,895	63,247
At 30 June 2011	187,391	282,043	252,447	721,881

NET CARRYING VALUE

At 30 June 2011	19,469	7,649	46,378	73,496
-----------------	--------	-------	--------	--------

At 30 June 2010	32,516	12,257	82,273	127,046
-----------------	--------	--------	--------	---------

At 30 June 2009	40,365	8,536	118,168	167,069
-----------------	--------	-------	---------	---------

10 INTANGIBLE ASSETS	2011	2010	2009
	Ugx. '000	Ugx. '000	Ugx. '000
Cost			
At 1 July	18,641	9,161	9,161
Additions	-	18,641	-
Eliminated on disposal	-	(9,161)	-
At 30 June	18,641	18,641	9,161
Amortization			
At 1 July	1,227	8,970	7,335
Charge for the year	4,661	1,418	1,635
Eliminated on disposal	-	(9,161)	-
At 30 June	5,888	1,227	8,970
Net carrying value	12,753	17,414	191

11 HELD TO MATURITY INVESTMENTS**Treasury bills**

Maturing within three months	-	422,213	572,905
Maturing after three months	1,072,722	125,182	94,707
	1,072,722	547,395	667,612

The weighted average effective interest rate earned on the above investments for the year ended 30 June 2011 was 8 % (2010: 5.5%, 2009: 6%).

12 RECEIVABLES	2011	2010	2009
	Ugx. '000	Ugx. '000	Ugx. '000
Staff advances	56,498	35,741	52,093
Prepayments	5,868	11,207	11,026
Activity advance	589	10,010	-
Other receivables	28,674	240	1,753
Private Sector Foundation Uganda (FMDP)	-	179,360	125,791
Government of Uganda/Privatisation Unit	-	494,349	-
	91,629	730,907	190,663

13 CASH AND BANK BALANCES AND CASH AND CASH EQUIVALENTS

	2011	2010	2009
	Ugx. '000	Ugx. '000	Ugx. '000
Cash and bank balances	677,458	547,457	544,748

For the purposes of the statement of cash flows, cash and cash equivalent comprise cash in hand, deposits held at call with banks and investments in money market instruments maturing within three months net of bank overdrafts. The year-end cash and cash equivalents comprise the following

	2011	2010	2009
	Ugx. '000	Ugx. '000	Ugx. '000
Broker/dealer account	5,202	5,270	16,149
Investor compensation fund account	30,031	38,358	343,186
Cash at bank and in hand	677,458	547,457	544,748
Held to maturity investments (due within 3 months)	-	422,213	572,905
	712,691	1,013,298	1,476,988

14 INVESTOR COMPENSATION FUND

a) Investor compensation fund account	30,031	38,358	343,187
b) Investor compensation fund liabilities			
Amount on investor compensation fund account	30,031	38,358	343,187
Investments	450,363	412,740	53,979
Receivables	3,098	-	-
	483,492	451,098	397,166

15 CAPITAL GRANT

At 1 July	127,046	167,069	44,698
Capital grant received during the year	9,697	25,549	183,603
Prior year adjustment	-	-	(6,798)
Release of capital grant to income	(63,247)	(65,572)	(54,434)
At 30 June	73,496	127,046	167,069

The prior year adjustment relates to the correction of the capital grant amortisation that had been understated in the prior years.

16 PAYABLES AND ACCRUED EXPENSES

2011 2010 2009

Ugx. '000 Ugx. '000 Ugx. '000

Creditors	111,192	183,119	157,367
Other payables	41,063	32,007	23,288
	152,255	215,126	180,655

18 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2011 (2010: Nil).

19 CAPITAL COMMITMENTS

2011 2010 2009

Ugx.'000 Ugx.'000 Ugx.'000

Authorised and contracted for	-	-	6,996
-------------------------------	---	---	-------

17 RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

	2011	2010	2009
	Ugx.'000	Ugx.'000	Ugx.'000
i) Key management compensation			
Salaries and other short term employment benefits	248,670	194,936	183,840
Gratuity	62,227	48,734	45,960
ii) Board Members' remuneration			
Members' fees and allowances	60,650	66,952	33,500

20. FINANCIAL RISK MANAGEMENT POLICIES

The Authority has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

The Authority's business activities include the promotion and facilitation of the development of an orderly, fair and efficient capital markets industry in Uganda. Management endeavours at all times to minimise risks. Management has put in place elaborate policies in all its functions as a control against risk exposure.

The Authority generates some of its revenues by investing in various income generating activities which involve trading in Government securities. These activities expose the Authority to a variety of financial risks, including credit risk, liquidity and market risk. The Authority's overall risk management programme focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by management under policies approved by the Board. Management reviews the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate against market risks. Management provides written principles for overall risk management, as well as written policies covering specific areas such as foreign currency risk, interest rate risk, credit risk and investing excess liquidity.

The financial management objectives and policies are as outlined below:

(a) Credit risk

Credit risk arises from amounts receivables. As part of the credit risk management system, management monitors receivables regularly.

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

	Total	Fully Performing	Past due	Impaired
	Ugx. '000	Ugx. '000	Ugx. '000	Ugx. '000
At 30 June 2011				
Cash and cash equivalents	712,691	712,691	-	-
Receivables	91,629	91,629	-	-
At 30 June 2010				
Cash and cash equivalents	1,013,298	1,013,298	-	-
Receivables	730,907	730,907	-	-
At 30 June 2009				
Cash and cash equivalents	1,476,988	1,476,988	-	-
Receivables	190,663	190,663	-	-

No collateral is held for any of the above financial assets. All receivables that are neither past due or impaired are within their approved credit limits, and no receivables have had its terms renegotiated.

(b) Liquidity risk management

Prudent liquidity risk management includes maintaining sufficient cash and market securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

	Total	Less than 3 Months	Between 3-6 months	Between 6-12 months	Over 12 Months
	Ugx. '000	Ugx. '000	Ugx. '000	Ugx. '000	Ugx. '000
At 30 June 2011					
Financial Assets					
Cash and cash equivalents	712,691	712,691	-	-	-
Held-to-maturity investments	1,072,722	-	-	1,072,722	-
Receivables	91,629	91,629	-	-	-
	1,877,042	804,320	-	1,072,722	-
Financial Liabilities					
Payables and accrued expenses	152,255	120,215	32,040	-	-
Broker and dealer deposits	115,000	-	-	-	115,000
	267,255	120,215	32,040	-	115,000
Net liquidity position	1,609,787	684,105	(32,040)	1,072,722	(115,000)
At 30 June 2010					
Financial Assets					
Cash and cash equivalents	1,013,298	1,013,298	-	-	-
Held-to-maturity investments: maturing after 3 months	125,182	-	125,182	-	-
Receivables	730,907	683,973	35,741	11,193	-
	1,869,387	1,697,271	160,923	11,193	-
Financial Liabilities					
Payables and accrued expenses	215,126	183,119	-	32,007	-
Broker and dealer deposits	105,000	-	-	-	105,000
	320,126	183,119	-	32,007	105,000
Net liquidity position	1,549,261	1,514,152	160,923	(20,814)	(105,000)

(b) Liquidity risk management

	Total	Less than 3 months	Between 3-6 months	Between 6-12 months	Over 12 months
	Ugx. '000	Ugx. '000	Ugx. '000	Ugx.'000	Ugx. '000
At 30 June 2009					
Financial Assets					
Cash and cash equivalents	1,476,988	1,476,988	-	-	-
Held-to-maturity investments	94,707	-	94,707	-	-
Receivables	190,663	127,904	6,325	56,434	-
	1,762,358	1,604,892	101,032	56,434	-
Financial Liabilities					
Payables and accrued expenses	180,655	157,367	-	23,288	-
Broker and dealer deposits	90,000	-	-	-	90,000
	270,655	157,367	-	23,288	90,000
Net liquidity position	1,491,703	1,447,525	101,032	33,146	(90,000)

(c) Market risk

Interest rate risk

	Weighted average effective interest rate	Total	Up to 3 months	>3 months to 1 year	1 to 5 years
		Ugx.'000	Ugx.'000	Ugx.'000	Ugx.'000
As at 30 June 2011					
Variable interest rate instruments	8%	1,072,722	-	1,072,722	-
As at 30 June 2010					
Variable interest rate instruments	5.5%	547,395	422,213	125,182	-
As at 30 June 2009					
Variable interest rate instruments	6%	667,612	572,905	94,707	-

Foreign currency risk

The Authority undertakes certain transactions denominated in foreign currencies and as such is exposed to exchange rate fluctuations. The Authority minimises the impact of foreign exchange rate fluctuations through negotiation of rates

List of Licensed Persons

List of persons licensed by the Capital Markets Authority to conduct securities business in Uganda

Uganda Securities Exchange (USE)

Stock Exchange, Securities Central Depository
2nd Floor Northern Wing
Worker's House
1 Pilkington Road,
P.O. Box 23552 Kampala
Tel: +256 414 343 297/ 342818
Fax: +256 414 340841
E-mail: info@use.or.ug
Contact: Mr. Joseph Kitamirike
Chief Executive Officer

African Alliance Uganda Limited*

*Fund Manager, Unit Trust Manager,
Investment Advisor & Broker/Dealer*
6th Floor Workers House
1 Pilkington Road
Kampala
Tel: +256 414 235577
Fax: +256 414 235575
E-mail: info@africanalliance.co.ug
Contact: Mr. Kenneth Kitariko

PineBridge Investment Co. Limited

Fund Manager & Investment Advisor
1 Pilkington Road, Workers House, 7th Floor
P O Box 9831, Kampala, Uganda
Tel: +256 414 340708/50, 0312-265618
Fax: +256 414 340750
E-mail: Nicholas.Malaki@pinebridge.com
Contact: Mr. Nicholas Malaki

PCP Uganda Limited

Fund Manager & Investment Advisor
Plot 4 Chwa II Road, Mbuya
P. O. Box 15373 Kampala, Uganda
Tel: +256 312 264 980/3/4
Fax: +256 312 264 985
Email: info@pearlcapital.net
Contract: Mr. Edward Isingoma Matsiko

ICEA Investment Services Limited

Fund Manager & Investment Advisor
Rwenzori Courts
P. O. Box 33953 Kampala, Uganda
Tel: +256 414 347535/ 0414 232337
E-mail: icea@africaonline.co.ug
Contact: Mr. Dennis Mugalya

Stanbic Investment Management Services

Fund Manager & Investment Advisor
4th Floor, Crested Towers (Short)
17 Hannington Road
P.O. Box 7131, Kampala, Uganda
Tel: +256 312 224322/600
Fax: +256 414 254697
E-mail: investorinfo2@stanbic.com
Contact: Ms. Annette Rumanyika

First Renaissance Securities Limited*

Investment Advisor (Part A & B)
Unit 3, Plot 15 Kitante Close
P. O. Box 893 Kampala, Uganda
Tel: +256 414 340018/9,312 264775/6
Fax: +256 414 340016
E-mail: enquiries@renaissance.co.ug
Contact: Mr. Keith Kalyegira

UAP Financial Services Limited*

*Broker/Dealer, Fund Manager
& Investment Advisor*
1st Floor Communications House,
1 Colville Street
P.O. Box 1610 Kampala
Tel: +256 312 370290
Fax: +256 414 346449
Email: financialservices@uap.co.ug,
info@uap.co.ug
Contact: Mr. Kennedy Riungu

Baroda Capital Markets Limited*

Broker/Dealer & Investment Advisor
Plot 18 Kampala Road
P.O. Box 7197 Kampala, Uganda
Tel: +256 414 233 680/3
Fax: +256 414 258263
E-mail: barodacapitalmarket@gmail.com
Contact: Mr. Suraj Kumar Srivastava

Crane Financial Services Limited*

Broker/Dealer & Investment Advisor
Crane Chambers
Plot 38 Kampala Road
P.O. Box 22572 Kampala
Tel: +256 414 341414/345345
Fax: +256 414 341414
E-mail: cfs@cranefinancialservices.com
Contact: Mr. Ajay Kumar

Crested Stocks and Securities Ltd*

Broker/Dealer & Investment Advisor
6th Floor Impala House
Plot 13/15 Kimathi Avenue
P. O. Box 31736, Kampala, Uganda
Tel: +256 414 230900
Fax: +256 414 230612
E-mail: info@crestedsecurities.com
Contact: Mr. Robert Baldwin



Dyer and Blair Uganda Limited*

Broker/ Dealer and Investment Advisor
 Ground Floor, Rwenzori House
 P.O. Box 36620, Kampala, Uganda
 Tel: +256 414 233 050, 312 265 469
 Email: sharesuganda@dyerandblair.com
 Contact: Mr. Paul Bwiso

Equity Stock Brokers Limited*

Broker/Dealer & Investment Advisor
 Plot 6/6A Orient Plaza
 P.O. Box 3972, Kampala
 Tel: +256 414 236012/3/4/5
 Fax: +256 414 348039
 E-mail: equity@orient-bank.com
 Contact: Mr. Edward Ruyonga

CFC Stanbic Financial Services Ltd

Broker /Dealer & Investment Advisor
 4th Floor, Crested Towers (Short)
 17 Hannington Road
 P.O.BOX 7131 Kampala, Uganda
 Tel: +256 414 715460 / 312 224 600
 +256 312 224985
 E-mail: mburuc@stanbic.com
 Contact: Ms. Consolata Mburu

Dero Capital Limited

Investment Advisor
 3 Buziga Road, Munyonyo (opposite Palm Villas)
 P. O. Box 5970 Kampala, Uganda
 Tel: +256 712 638644, 0702 638644
 Fax: +256 414 220727
 Email: info@derocapital.com
 Contact: Mr. David Ofungi

Devere and Partners Limited

Investment Advisor
 B4 Adam House
 Plot 11, Portal Avenue
 P. O. Box 21409 Kampala, Uganda
 Tel: +256 414 342411/ 340846/ 78 807079
 Fax: +256 414 342411
 Email: helpdesk@devere-group.com
 Contact: Ms. Julie Crombie

Deloitte Uganda Limited

Investment Advisor
 3 Floor Rwenzori House
 1 Lumumba Avenue
 P.O. Box 10314, Kampala, Uganda
 Tel: +256 414 343850, 256 752 740300
 Email: admin@deloitte.co.ug
 Contact: Mr. George Opiyo

PKF Consulting Limited

Investment Advisor

Plot 37 Yusuf Lule Road
P. O. Box 24544, Kampala
Tel: +256 414 341523/5
Fax: +256 414 251370, 341371
E-mail: pkfkam@ug.pkfea.com
Contact: Mr. Murtuza Dalal

PricewaterhouseCoopers Limited

Investment Advisor

10th Floor Communications House
1 Colville Street
Kampala
Tel: +256 414 236018, 414 233 743
Fax: +256 414 239153
E-mail: general@ug.pwc.com
Contact: Mr. Francis Kamulegeya

Profin Group (Uganda) Limited

Investment Advisor

Plot 10 School Lane Naguru, Kampala
P O Box 36697, Kampala
Tel: +256 414 533261/2
Fax: +256 414 533261
Email: Uganda@theprofinugroup.com
Contact: Mr. Gareth Burge

DFCU Bank Limited

Trustee, Collective Investment Schemes

Impala House, 13 Kimathi Avenue
P.O. Box 70, Kampala, Uganda
Tel: +256 414 231784/256891/3,
+256 312 300300
Fax: +256 414 231687/344260
E-mail: official@dfcugroup.com
Contact: Ms. Agnes Tibayeita

Standard Chartered Bank Uganda Limited

Investment Adviser

Plot 5, Speke Road,
PO Box 7111
Kampala.
Tel; +256 31 229 4459/ 41434 0077
Fax: +256 414231473
Email: ug.service@sc.com
Contact: Mr. Arthur Kiwanuka

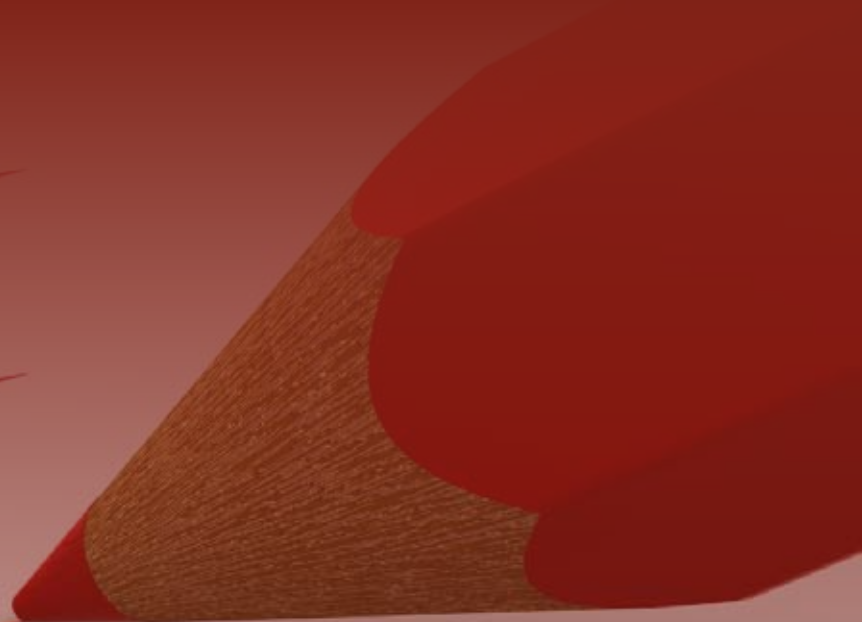


Regulate

Develop

Educate

Integrate





Capital Markets Authority

8th Floor, Jubilee Insurance Centre
14 Parliament Avenue
P.O. Box 24565 Kampala - UGANDA
Tel: +256 414 342 788
+256 312 264 950/1
Mob: +256 772 589 997
Fax: +256 414 342 803
E-mail: info@cmauganda.co.ug
Website: www.cmauganda.co.ug