

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2020

REGISTERED OFFICE

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
P.O. Box 674  
Kigali - Rwanda

PRINCIPLE BANKERS

National Bank of Rwanda P.O. Box 531 Kigali - Rwanda	Bank of Kigali PLC P.O BOX 175 Kigali, Rwanda	Banque Populaire du Rwanda PLC Po Box 1348 Kigali - Rwanda
KCB Bank Rwanda PLC P.O BOX 5620 Kigali, Rwanda	I&M Bank Rwanda PLC P.O. BOX 354 Kigali, Rwanda	Equity Bank Rwanda PLC P.O BOX 494 Kigali, Rwanda
Cogebank PLC P.O BOX 5230 Kigali, Rwanda	Ecobank Rwanda PLC P.O BOX 3268 Kigali, Rwanda	Commercial Bank of Africa PLC P O Box 6774 Kigali, Rwanda
GT Bank PLC P.O. Box 331 Kigali, Rwanda	Access Bank PLC P.O Box 2059 Kigali, Rwanda	Letshego P.O. Box 4062 Kigali, Rwanda
Urwego Opportunity Bank P.O. Box 748 Kigali, Rwanda	UNGUKA Bank PLC P.O BOX 6417 Kigali, Rwanda	Goshen Finance Po Box 4787 Kigali, Rwanda
DUTERIMBERE IMF P.O Box 6719 Kigali, Rwanda	AB Bank P.O Box 671 Kigali, Rwanda	Umwarimu SACCO P.O. Box 2257 Kigali, Rwanda

AUDITOR

Ernst & Young Rwanda Limited  
Certified Public Accountant  
M Peace Plaza Executive Wing 6 Floor  
KN 4 AV, 72 ST  
P. O. Box 3638  
Kigali - Rwanda

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors submit their report and the audited financial statements for the year ended 31 December 2020 which show the state of the company's affairs.

1. PRINCIPAL ACTIVITIES

Agaciro Development Fund Corporate Trust Limited was incorporated to act as a Trustee of the Agaciro Development Fund. The purpose of the company is to manage the fund contributions for the benefit of the public and grow the fund for future sustainability. This has changed to include active management of equity investments.

Agaciro Development Fund is Rwanda's solidarity fund, a sovereign wealth Fund which was launched during the National Dialogue Forum held in 2011. The fund was officially launched by His Excellency the President of the Republic of Rwanda on 23 August 2012. Contributions to the fund are based on voluntary donations from the Government of Rwanda, Rwandan citizens in Rwanda, Rwandan citizens abroad, private companies and other well-wishers.

2. RESULTS

The results for the year are set out on page 8.

3. DIRECTORS

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

Mr Scott Ford	Chairperson
Mr Dr Thierry Mihigo Kalisa	Vice- Chairperson
Mrs Doreen G.Karake	Member
Mr Aimé Ngarukiyintwali	Member
Mr Andrew Rozanov	Member
Mrs Jeanne Françoise Mubiligi	Member
Mrs Alysia Silberg	Member

4. Auditors

Ernst & Young Rwanda Limited were appointed as auditors of the company commencing 2019 in accordance with the entity's requirements and have expressed willingness to continue in the office.

On behalf of the Board  
Chief Executive Officer

.....05/11/2021





AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020

The Law No.17/2018 of 14/04/2018 relating to companies requires the directors to prepare financial statements for each financial year which give a true and fair view of the company as at the end of the financial year and of its operating results for that period. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Law No. 17/2018 of 14/04/2018 relating to Companies. 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 company 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 the company will not remain a going concern for at least the next twelve months from the date of this statement.

Doreen G. KARACE  
Director *D. Karace*

Thony Kabwa  
Director 

05.11......2021  
Date

REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF  
AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED

REPORT ON THE AUDITED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Agaciro Development Fund Corporate Trust Limited, which comprise of the statement of financial position as at 31 December 2020, the statement of profit or loss, statement of changes in equity, and statement of cash flows for the year ended 31 December 2020 and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 36.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Agaciro Development Fund Corporate Trust Limited as at 31 December 2020, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and the requirements of Law No. 17/2018 Of 13/04/2018 relating to companies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Agaciro Development Fund Corporate Trust Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report as required by Law No. 17/2018 Of 13/04/2018 relating to Companies. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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



REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF  
AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Law No. 17/2018 Of 13/04/2018 relating to companies, 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting processes.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF  
AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Law No. 17/2018 Of 13/04/2018 relating to companies we report to you, based on our audit, that:

- i) We have no relationship, interests and debts in the Company;
- ii) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- iii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and,
- iv) We have communicated to you through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regard to those matters.



Stephen K Sang  
For Ernst & Young Rwanda Limited

.....05.11.....2021



AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2020

	Notes	2020 Rwf'000'	2019 Rwf'000'
<b>ASSETS</b>			
<b>NON-CURRENT ASSET</b>			
Property, Plant and Equipment	3 (a)	58,435	76,471
Intangible Assets	3 (b)	7,085	171,490
Financial assets-FVTPL (Equities)	4	174,197,000	153,328,857
Financial assets-FVTPL (Bonds)	5	21,714,542	9,937,760
Amount due from related parties	6 (a)	<u>972,300</u>	<u>910,000</u>
		<u>196,949,362</u>	<u>164,424,578</u>
<b>CURRENT ASSETS</b>			
Amount due from related parties	6 (b)	43,539	87,615
Other Receivables	7	116,243	110,167
Short term Investment	8	30,821,628	32,937,494
Cash and cash equivalents	9	91,826	1,737,964
Non-Current asset held for sale	10	5,920,000	-
		<u>36,993,236</u>	<u>34,873,240</u>
<b>TOTAL ASSETS</b>		<u>233,942,598</u>	<u>199,297,818</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	11	50,000,000	50,000,000
Capital awaiting allotment	12	156,437,277	127,908,214
Retained earnings		<u>13,812,395</u>	<u>21,121,041</u>
<b>Total Fund</b>		<u>220,249,672</u>	<u>199,029,255</u>
<b>LIABILITIES</b>			
<b>Non-Current liabilities</b>			
Financial liabilities-FVTPL	13	7,727,962	-
Interests Payable	13	3,149,868	-
<b>Current liabilities</b>			
Financial liabilities-FVTPL		1,180,758	-
Interests Payable		1,393,295	-
Other payables	14	241,043	268,563
		<u>13,692,926</u>	<u>268,563</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>233,942,598</u>	<u>199,297,818</u>

These financial statements were approved by the Board of Directors on.....2021 and  
 signed on its behalf by: -

*BORIS KARAKI*  
 Director  
*D. Karaki*

*Thierry Valisa*  
 Director  


AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
 STATEMENT OF PROFIT OR LOSS  
 FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 Rwf'000'	2019 Rwf'000'
Grant income	15	1,333,868	7,188,489
Privatisation proceeds	16	673,740	-
Investment income	17a)	4,968,266	4,288,631
Investment surpluses	17(b)	(12,599,876)	1,286,108
Fair Value loss on financial liabilities	18	(510,477)	-
Gain on Asset disposal	19	1,214,489	-
Dividends	20	522,519	3,171,001
Other income	21	<u>55,150</u>	<u>793,361</u>
		(4,342,321)	16,727,590
Employee benefits expense	22	990,757	872,338
Administrative expenses	23	<u>1,034,069</u>	<u>752,905</u>
Profit before finance cost		(6,367,147)	15,102,347
Interest expense	24	941,407	-
Profit before tax		(7,308,553)	15,102,347
Income tax expense	25	<u>-</u>	<u>-</u>
(Loss)/Profit for the Year		<u>(7,308,553)</u>	<u>15,102,347</u>



AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	Share capital FRw'000	Capital awaiting allotment FRw'000	Retained earnings FRw'000	Total FRw'000
As at 1 January 2019	50,000,000	127,897,564	6,018,694	183,916,258
Equities transferred from Government	-	10,650	-	10,650
Profit for the Year	-	-	<u>15,102,347</u>	<u>15,102,347</u>
At 30 December 2019	<u>50,000,000</u>	<u>127,908,214</u>	<u>21,121,041</u>	<u>199,029,255</u>
As at 1 January 2020	50,000,000	127,908,214	21,121,041	199,029,255
Equities transferred from Government	-	28,529,065	-	28,529,065
Adjustment	-	-	(93)	(93)
Loss for the Year	-	-	<u>(7,308,553)</u>	<u>(7,308,553)</u>
At 30 December 2020	<u>50,000,000</u>	<u>156,437,279</u>	<u>13,812,395</u>	<u>220,249,672</u>

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		FRw'000	FRw'000
Cash flows from operating activities			
(Loss)/Profit before tax		(7,308,553)	15,102,347
Adjustment for:			
Depreciation on property, plant and equipment		66,073	71,772
Amortization of intangible assets		14,406	7,242
Treasury bond discount earned		-	(1,789)
Interest accrued		(2,642,047)	(34,206)
Investments surplus/(loss)		12,599,876	(1,286,108)
Unrealised exchange gain on Investments		-	(780,215)
Interest payable		941,407	-
Donation of Intangible asset		150,000	-
Fair value gain/loss on Financial liability		510,477	-
Gain on asset disposal		(1,214,489)	-
Changes in working capital			
- Increase in other receivables	7	(6,076)	(72,990)
- Increase in due from related party		(18,224)	(997,615)
- Increase in trade and other payables	14	(27,518)	40,518
Net cash generated from operating activities		<u>3,268,490</u>	<u>12,048,956</u>
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	3	(48,044)	(14,446)
Asset held for sale		(11,571,044)	-
Investment in equities	4	(2,389,418)	(9,338,770)
Investment in T Bond	5	(6,995,400)	(4,355,200)
Investment in Corporate Bond		(3,500,000)	-
Matured Bonds		-	4,500,000
Investment in ST Deposits	8	(6,494,783)	(1,466,040)
Matured Term deposits		<u>7,766,786</u>	-
Net cash used investing activities		<u>(23,231,903)</u>	<u>(10,674,456)</u>
Cashflow from Financing activities			
Proceed from bond issued		12,000,000	-
Shares disposed		3,468,538	-
Interest received		2,326,219	-
Dividend received		<u>522,519</u>	-
Net cash generated from financing activities		<u>18,317,276</u>	-
Net (decrease) /increase in cash and cash equivalents		<u>(1,646,138)</u>	<u>1,374,500</u>
Cash and cash equivalents at beginning of the period	9	<u>1,737,964</u>	<u>363,464</u>
Cash and cash equivalents at end of period	9	<u>91,826</u>	<u>1,737,964</u>

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

1. CORPORATE INFORMATION

Agaciro Development Fund was registered with Rwanda Development Board as a corporate trust fund under registration No103050268. The Fund operates in accordance with Law No 20/2013 of 25/03/2013 regulating the creation of trusts and trustees as a sovereign wealth fund wholly owned by the people of Rwanda. When the Fund was instituted, its initial assets were contributions by Rwandans at home and in diaspora, private sector, and friends of Rwanda. At the onset, collected funds were invested in T-bonds issued by the Government and with banks in fixed term deposits and in equities.

The Fund was set up to build up public savings to achieve self-reliance, maintain stability in times of shocks to the national economy and accelerate Rwanda's socio-economic development goals. Prosperity for generations of Rwandans is the core objective of the Fund.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared on a historical cost basis, except financial instruments that have been measured at fair value. The financial statements are presented in Rwandan Franc (Frw) and all values are rounded to the nearest thousand (Frw '000'), except when otherwise stated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Significant accounting judgements, estimates and assumptions

In the process of applying the Company's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgments and estimates are as follows:

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in the accounting policy.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

- a) The classification of financial assets;
- b) Whether assets are impaired.



AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (continued)

2.2 Significant accounting judgments, estimates and assumptions (continued)

Impairment losses on trade and other receivables

The company reviews its trade and other receivables at each reporting date to assess whether an allowance for impairment should be recognised in profit or loss. In particular, judgement by the directors is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on the assumptions about a number of factors and may result to future changes in impairment charge.

Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is possible that taxable profit will be available against which the losses can be utilised. Significant directors' judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2. ACCOUNTING POLICIES (continued)  
2.3 Changes in accounting policies and disclosures

i) New and amended standards and interpretations

The company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2020. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective

*Amendments to IFRS 3: Definition of a Business*

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the company financial statements of the company but may impact future periods should the company enter into any business combinations.

*Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the company as it does not have any interest rate hedge relationships.

*Amendments to IAS 1 and IAS 8 Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the company.

*Conceptual Framework for Financial Reporting issued on 29 March 2018*

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the company.

*Amendments to IFRS 16 Covid-19 Related Rent Concessions*

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.



2. ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policy and disclosures (continued)

ii) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

*Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The company is currently assessing the impact the amendments will have on current practice.

*IFRS 17 Insurance Contracts*

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- ▶ A specific adaptation for contracts with direct participation features (the variable fee approach)
  - ▶ A simplified approach (the premium allocation approach) mainly for short-duration contracts
- IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the company.

*Reference to the Conceptual Framework - Amendments to IFRS 3*

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.



2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

ii) Standards issued but not yet effective (continued)

*Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16*

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the company.

*Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37*

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments

*Definition of Accounting Estimates - Amendments to IAS 8*

Effective for annual periods beginning on or after 1 January 2023

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities’ financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

*Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12*

Effective for annual periods beginning on or after 1 January 2023

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

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2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies

a) Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates (Frw) prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the income statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

b) Grant income

Grant income is recognised on the statement of comprehensive income in the year in which the expenses for which the grant funds are to be used are incurred.

Grant income consist of voluntary contributions from the Central Government, Rwandan citizens in Rwanda, Rwandan citizens abroad, private companies and Other contributions (Friends of Rwanda).

Contributions from the Central Government, Rwanda citizens and private companies are recorded when they are received.

c) Dividend revenue

Dividend revenue is recognised on the date when the Fund's right to receive the payment is established. Dividend revenue is presented net of any non-recoverable withholding taxes.

d) Interest revenue and expense

Interest revenue is recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.



2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

e) Property, plant and equipment

All categories of office furniture and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All purchases of items that are capital in nature with a value below Rwf 500,000 are expensed upon payment as capital expenditure in the year of acquisition. However, AGDF maintains a fixed assets register of all these items.

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

Depreciation is calculated using the straight-line method to allocate the cost of assets less their residual values over their estimated useful lives, as follows:

Office furniture	4 years
Motor Vehicles	4 years
ICT Equipment	2 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

f) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite and amortized using the straight-line basis as follows: -

Development of database	-	50%
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Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

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2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

g) *Related party transactions*

AGDF Corporate Trust Limited is a Company limited by shares established on 01 August 2013. The Company is financed through donations from the Government of Rwanda as well as Rwanda Citizens. The donations received from the Central Government during the year are disclosed under Note 13. Transactions related to government securities are included under note 5. Transactions with RSSB related to contributions and these are disclosed under note 17. Transactions with Rwanda Interlink Transport Company (RITCO), Kinazi Cassava Plant(KCP) and Africa Olleh Services Ltd (AOS) are disclosed under note 6

Cash transactions with BK Group Plc and National Bank of Rwanda are disclosed below:

	31-Dec-2020 FRw'000	31-Dec-2019 FRw'000
Cash at Bank		
Bank of Kigali Plc	464,529	2,139,229
National Bank of Rwanda	<u>244</u>	<u>255,586</u>
	<u>464,773</u>	<u>2,394,815</u>

In addition to transactions with the Government and Government related entities, the entity enters into transactions with key management as shown below

The following transactions were carried out with related parties:

Key management compensation

Key management refers to the Secretary of the Board who is the Chief Executive Officer, Chief Finance Officer, Chief Shared Services and the Chief Investment Officer. The compensation paid to key management for employee services is shown below:

	31-Dec-2020 FRw'000	31-Dec-2019 FRw'000
Salaries and other short-term employment benefits	<u>164,803</u>	<u>177,360</u>

h) Financial instruments

i) Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other receivables.



2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

i) Financial instruments(continued)

i) Financial assets(continued)

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell

Or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category:

Equity instruments: Included within equity instruments are investments in subsidiaries and associates:

Investment in subsidiaries: in accordance with the exception under IFRS 10, the Fund does not consolidate subsidiaries in the financial statements unless the subsidiary is not itself an investment entity and its main purpose and activities are providing services that relate to the Fund's investment activities.

The Fund has no consolidated subsidiaries. The Fund measures unconsolidated subsidiaries (including loans to subsidiaries) at FVPL.

Investment in associates: In accordance with the exemption in IAS 28 Investments in Associates and Joint Ventures, the Fund does not account for its investments in associates using the equity method. Instead, the Fund has elected to measure its investments in associates at FVPL.

Debt instruments.

These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Instruments held for trading. This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. This category also includes derivative contracts in an asset position

Impairment of financial assets

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Summary of significant accounting policies (continued)

- f) Financial instruments(continued)
- i) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities at amortized cost, minus directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdraft, loans and interest-bearing borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and A gain or loss from the original financial liability is recognised in the profit or loss.

- j) Employee benefits

Retirement benefit costs

The company contributes to a statutory defined contribution pension scheme, the Rwanda Social Security Board (RSSB). Contributions are determined by local statute and are currently limited to 5.3% of the employees' gross salary. The Company's RSSB contributions are charged to the statement of comprehensive income in the period to which they relate.

- k) Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts.



AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
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3(a) PROPERTY, PLANT AND EQUIPMENT

31 December 2020

	Equipment, furniture and fittings Rwf'000	ICT equipment Rwf'000	Motor vehicles Rwf'000	Total Rwf'000
<b>COST</b>				
At 01 January 2020	122,449	106,116	17,512	246,072
Additions	-	48,044	-	48,044
At 31 December 2020	<u>122,449</u>	<u>154,160</u>	<u>17,512</u>	<u>294,121</u>
<b>DEPRECIATION</b>				
At 01 January 2020	90,763	65,034	13,810	169,607
Charge for the year	24,711	37,666	3,702	66,079
At 31 December 2020	<u>115,474</u>	<u>102,700</u>	<u>17,512</u>	<u>235,686</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>6,975</u>	<u>51,460</u>	<u>-</u>	<u>58,435</u>

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
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3(a) PROPERTY, PLANT AND EQUIPMENT-Group (Continued)

31 December 2019	Equipment, furniture and fittings Rwf'000	ICT equipment Rwf'000	Motor vehicles Rwf'000	Total Rwf'000
COST				
At 01 January 2019	122,449	106,110	17,512	246,071
Additions	-	14,446	-	14,446
At 31 December 2019	<u>122,449</u>	<u>106,116</u>	<u>17,512</u>	<u>246,077</u>
DEPRECIATION				
At 01 January 2019	60,173	28,226	9,435	97,834
Charge for the year	30,590	36,807	4,375	71,772
At 31 December 2019	<u>90,763</u>	<u>65,033</u>	<u>13,810</u>	<u>169,606</u>
NET BOOK VALUE				
At 31 December 2019	<u>31,686</u>	<u>41,083</u>	<u>3,702</u>	<u>76,471</u>

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3 (b) Intangible assets	2020 FRw'000	2019 FRw'000
Cost at 1 January	178,732	178,732
Additions	-	-
Cost at 31 December	<u>178,732</u>	<u>178,732</u>
Amortisation at 1 January	7,242	-
Amortisation charge for the year	<u>14,405</u>	7,242
Donation	<u>(150,000)</u>	-
Net book value at the of the period	<u>7,085</u>	<u>171,490</u>
<b>4. FINANCIAL ASSETS AT FVTPL; EQUITIES (continued)</b>		
Equity investments include:	2020 Rwf'000' Fair Value	2019 Rwf'000' Fair Value
Gatsibo Rice company Ltd	343,695	341,227
Gisakura Tea Company Ltd	-	241,793
Kirehe Rice Company Ltd	476,858	404,637
Rwanda Gaming Corporation	214,835	216,892
Shagasha Tea Company Ltd	118,280	218,879
Mayange Rice Company Ltd	374,560	411,476
Gasabo 3D Ltd	2,987,258	3,923,064
RFCC (Rwanda Farmers Coffee Company) Ltd	300,816	549,073
Rwanda Stock Exchange (RSE) Ltd	208,636	51,767
Ritco (Rwanda Interlink Transport Company)	2,566,240	3,004,821
AOS (Africa Olleh Services) Ltd	1,966,097	2,966,914
BSC (Broadband Systems Corporation) Ltd	12,462,587	11,805,000
KTRN (Koreah Telecommunication Rwanda Networks)	4,168,396	6,706,578
Mata Tea company Ltd	-	2,012,256
Rwanda Printing and Publishing Company (RPPC) Ltd	169,546	219,124
Kinazi Cassava Plant	658,892	492,550
Africa Improved Food	1,005,609	264,551
Gisovu Tea Company	4,407,429	4,308,428
Prime Economic Zone	2,426,176	5,202,548
BK Group Plc	46,268,814	52,623,329
Cimerwa Limited	13,939,831	10,210,280
Sonarwa General Insurance Company Limited	24,007	39,361
Development Bank of Rwanda	51,390,551	21,658,167
GT Bank (Rwanda) Plc	736,493	689,914
Mara Phone ltd	200,483	-
Rwanda Tea Packers	-	10,650
Rwanda National Investment Trust Ltd	764,487	688,610
I&M Bank Rwanda Plc	1,003,968	1,003,968
World vu satellites	586,723	23,063,000
Irembo	15,485,847	-
Multisector Investment Company (MIG)	1,221,039	-
Mushubi Tea Company	203,572	-
Ngali Holdings Ltd	4,026,550	-
Rwanda Printery Company (RPC)	2,250,616	-
Investment in Rwanda Fertilizers Co Ltd	<u>1,238,108</u>	-
	<u>174,197,000</u>	<u>153,328,857</u>



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The Company has classified and measured all their financial investments, including debt and equity instruments at fair value through profit or loss on adoption of IFRS 9 and in accordance with amendments to IFRS 10, IFRS 12 and IAS 27 - Investment entities. Being a wealth fund, performance can only be measured if all investments are at fair value. Note that the fair value used for unquoted companies is for the period ended December 2020

In 2017, the Company entered into a partnership Agreement for a joint investment with the Ministry of Finance and Economic planning (MINECOFIN) and Rwanda Social Security Board in the share capital of WorldVu satellites limited (currently known as OneWeb) to be represented by MINECOFIN. The aim was making internet access available and affordable. The company invested USD 25,000,000 equivalent to 0.68% of shareholding from 2017 to June 2020. WorldVu was at the advanced development stages. However, in year 2020, with the effect of Covid -19, WorldVu Satellites was not able to proceed with its operation and filed for US Chapter 11 of Bankruptcy Code which permit the debtors to remain in charge of business as debtor in possession but under the oversight of the bankruptcy court.

The oneweb Global ltd's chapter 11 bankruptcy plan which was approved by United States Bankruptcy Court, resulted by losing a portion of the investments by equity holders.

The organization plan as a result of Oneweb Global ltd's chapter 11 provided for conversion of the remaining investments into equity in the new operating company Bidco 100 ltd.

Due to the investment made in former Worldvu satellites were in partnership with Rwanda Social Security Board, the new company Oneweb Global ltd decided to combine the remaining investments and be registered in the name of one company and choose RSSB as shareholder, meaning that in the period ended December 2020, the AgDF's part was registered in the name of Rwanda Social Security Board. The share certificate indicates that the total number of shares registered in the name of RSSB is 1,629 with USD 1,000 price per value. From this, the remaining investment of AgDF registered in the name of RSSB had a value of USD 603,333 basing on the total shares and the remaining proportion of investments for both institutions (AgDF and RSSB).

*Equity share granted from LEAF4Life*

LEAF4Life LLC is a subsidiary of LEAF Holdings Group. It is a limited liability company formed on 26 September 2018 with its registered office in the State of Delaware, Corporate Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. Its mission is to discover, develop, manufacture and commercialize innovative and safe medicines, in particular, medicines that target high unmet medical needs arising from the complications of hypoxia (oxygen deprivation). LEAF4Life LLC wants to make these treatments available to patients across the globe, including emerging economies.

LEAF4Life LLC is owned by Clet Niyikiza, PhD with 1,162.5 units representing 93% and AgDF with 87.5 units representing 7%. On 29 January 2019, AgDF was gifted with this 7% ownership stake by Clet Niyikiza and no consideration was paid for it. AgDF did not include in the financials for the period ended December 2020 the value of this grant because there were some missing legal documents confirming the full ownership of these shares in LEAF4Life.

	2020	2019
	FRw'000	FRw'000
5.a) Financial assets at FVTPL; Treasury Bonds		
Government treasury bonds	<u>21,714,542</u>	<u>9,937,760</u>
Opening balance	9,673,442	9,225,141
Discount	-	1,789
Matured	-	(4,500,000)
Additions	6,995,400	4,355,200
Fair value gain	<u>462,853</u>	<u>591,312</u>
	<u>17,131,695</u>	<u>9,673,442</u>
Accrued interest	<u>440,002</u>	<u>264,318</u>
	<u>17,571,697</u>	<u>9,937,760</u>

AGACIRO DEVELOPMENT FUND CORPORATE TRUST LIMITED  
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	2020	2019
	FRw'000	FRw'000
5b) Financial assets at FVTPL; Corporate Bonds		
Opening balance	-	-
Addition	3,500,000	-
Matured	-	-
Fair value gain	257,845	-
	3,757,845	-
Accrued interest	<u>385,000</u>	-
	<u>4,142,845</u>	-

The amount on the treasury bonds and Corporate bonds have fixed and determinable payments and measured at fair value by discounting expected cash flow in form of coupon using the yield rates availed by the National Bank of Rwanda.

6. AMOUNTS DUE FROM RELATED PARTY	2020	2019
	FRw'000	FRw'000
a) Non-current		
Rwanda Interlink Transport Company (Ritco)	910,000	910,000
Kinazi Cassava Plant	62,300	-
	<u>972,300</u>	<u>910,000</u>
b) Current		
Kinazi Cassava Plant	42,595	86,671
AOS (Africa Olleh Services) Ltd	<u>944</u>	<u>944</u>
	<u>43,539</u>	<u>87,615</u>

Amount due from Rwanda Interlink Transport Company (RITCO) relates to an advance made in December 2020 to clear taxes on purchase of new buses.

In addition, shareholder's (Government of Rwanda-GOR) loan of Frw 3,515,662,000 was not incorporated in this report due to lack of terms and conditions relating to the loan between the two shareholders of RITCO (GOR and JALI). The loan is the value amount of the assets GOR contributed to RITCO.

Amount due from Kinazi Cassava Plant relates to loan and advance given to purchase spare parts. GOR has invested preference shares equivalent to USD 7,530,000 non-voting redeemable shares in AOS (Africa Olleh Services) Ltd. The shares represent the value amount of assets GOR transferred to Africa Olley Services Ltd (AOS). The existing non-voting shares of Government of Rwanda were revalued at FRW 887, equivalent to FRW 6,679,110,000.

6. AMOUNTS DUE FROM RELATED PARTY (Continued)

The shares are redeemable at par at the earlier of when the company has sufficient distributable earnings to redeem at least the portion of the outstanding preference shares; or on the expiration of the project term; or on mutual agreement by the parties to terminate the shareholder agreement. Given the conditions attached to these preference shares of distributing dividends once Africa Olley Services Ltd (AOS) has sufficient distributable earnings, and considering the performance of AOS, management assessment is that there is little possibility that Africa Olley Services Ltd (AOS) will be able to pay by due date (agreement is going to expire in 2023).

Agaciro Development Fund has also invested in Korean Telecommunication Rwanda Network (KTRN) preference shares equivalent to Frw 74,081,005,209. The preference shares do not have voting rights and are not convertible into common shares unless otherwise agreed by both shareholders. The shares are redeemable at par at earliest of when the company has sufficient distributable earnings.

Given the performance of Korean Telecommunication Rwanda Network (KTRN), management has assessed that there is little possibility that Korean Telecommunication Rwanda Network (KTRN) will be able to pay by due date.



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7. OTHER RECEIVABLES	2020 FRw'000	2019 FRw'000
Security and rental cost (RSSB)	11,592	11,592
Prepaid on rental sport (SERENA)	-	210
Employee Advance	332	168
Sonarwa	24,948	2,532
Prepaid of Staff Insurance	-	18,257
Co-ownership vehicle	54,509	37,797
Interest on Bond receivable from National Bank of Rwanda	<u>24,862</u>	<u>39,611</u>
	<u>116,243</u>	<u>110,167</u>

Trade and other receivables are non-interest bearing and are generally on short term period of 30 to 90 days and are expected to be recovered within twelve months after the reporting date.

8. SHORT TERM DEPOSITS	2020 FRw'000	2019 FRw'000
At 1 January	31,017,829	31,480,255
Additions	6,494,783	5,500,000
Maturity	(8,304,869)	(5,962,426)
	-	31,017,829
Interest accrued	1,817,045	2,155,078
Impairment on fixed term deposits	<u>(203,160)</u>	<u>(235,413)</u>
At 31 December	<u>30,821,628</u>	<u>32,937,494</u>

The short-term investments are held with several banks in Rwanda. The interest rates are fixed and all mature within one year.

9. Cash and cash equivalents	2020 FRw'000	2019 FRw'000
Cash in hand	184	173
Cash at Bank	<u>91,642</u>	<u>1,737,791</u>
	<u>91,826</u>	<u>1,737,964</u>

10. Non-Current asset held for sale  
 AgDF Corporate Trust Ltd has refunded USD 12,372,954 equivalent to Frw 11,571,044,005 to an investor invested in Umubano Hotel who has not meet the expectation as agreed at the sale. AgDF owns the hotel 100% and by now is being facilitated by RDB to get a new investor. According to IFRS 5, the management has decided to classify this hotel as Non-current asset held for sale after analysing all conditions related as per the standard.  
 During the year under reporting, the management has conducted an impairment assessment and decided to impair the hotel as there were a difference between the carrying value and fair value less cost to sale as per the standard. The fair value less cost to sale considered was a price quoted by a buyer of USD 5.9 million equivalent to Frw 5,920,000,000 and the difference between carrying value and fair value has been reported to profit or loss.



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11.	Share capital Authorized, issued and fully paid 1 share of Rwf 50 Billion		
12.	Capital awaiting allotment In 2018, Government of Rwanda transferred its equity investments in 28 companies to AgDF Corporate Trust Ltd. During the period under reporting the Government transferred to AgDF addition equity investments equivalent to Frw 28,529,064,000. These investments have been accounted for an investment and capital awaiting allotment. The total capital awaiting for allotment were Frw 156,437,277,238 as at December 2020.		
13.	Corporate bonds payable and other payables	2020 FRw'000	2019 FRw'000
	Non -Current liabilities		
	Corporate Bonds payable	7,727,962	-
	Interest payable	<u>3,149,868</u>	-
		<u>10,877,830</u>	-
	Current liabilities		
	Corporate Bonds payable	1,180,758	-
	Interest payable	<u>1,393,295</u>	-
		<u>2,574,053</u>	-
14.	Other payables		
	Accrued audit fees	9,975	67,537
	Accrued technical assistance fees	-	26,350
	Accrued leave	51,456	33,166
	Other accruals	13,273	33,285
	VAT	8,605	24,746
	Pivot access	-	4,112
	Withholding tax payable	3,540	3,991
	PAYE	20,425	18,927
	RSSB	-	3,465
	Performance Bonus	56,070	52,809
	Symphony Rwanda ltd	42,250	-
	ABC Rwanda	-	175
	BRD Refund	<u>35,451</u>	-
		<u>241,043</u>	<u>268,563</u>
15	Contributions to Agaciro Development fund		
	Contributions from the Government of Rwanda	340,000	3,462,009
	Civil servants	778,528	3,038,020
	Corporates	11,611	101,209
	Individual citizens	19,027	51,071
	Business employees	160,933	462,061
	Non-governmental organisations	3,628	10,341
	Cooperatives	2,508	36,990
	Public enterprises	<u>17,634</u>	<u>26,788</u>
		<u>1,333,868</u>	<u>7,188,489</u>

Contributions to the fund are based on voluntary donations from the Government of Rwanda, Rwandan citizens in Rwanda, Rwandan citizens abroad and private companies and Friends of Rwanda. There are no restrictions on these contributions. However, in March 2020, the Government of Rwanda stopped receiving contribution from Rwandans.

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	2020	2019
	FRw'000'	FRw'000'
16 Proceeds from Privatization		
Inyange Industries	300,000	-
BDL Acquisition	135,000	-
Nshili Kivu Plantation	71,369	-
Mageragere Incinrator	67,292	-
Kobil Petroleum	48,640	-
Aquahort Expert ltd	10,000	-
Uzima Chicken Ltd	30,000	-
Nyagatare Agroventure	4,877	-
Gasana Bart	2,743	-
Ndagijimana Jonas	1,520	-
Banzi Didas	400	-
Ange	600	-
Mukeshimana Felicitte	1,100	-
Banji Didas	200	-
TOTAL	<u>673,740</u>	<u>-</u>

AgDF Corporate Trust Ltd is responsible for management of all proceeds from sale of Government properties to private investors comprising State Owned Enterprises, houses, land and equipment. The amount stated above is the total collection received from privatization proceeds for the period ended December 2020.

	2020	2019
	FRw'000'	FRw'000'
17.(a) Investment Income		
Interest on short term deposits	3,038,569	3,148,489
Interest on financial assets - FVTPL (Bonds)	<u>1,929,569</u>	<u>1,140,142</u>
	<u>4,968,266</u>	<u>4,288,631</u>

Interest income relates to income earned from investment in treasury bond, Corporate bond and short-term deposits during the year.

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17(b) Investments surplus	2020 FRw'000'	2019 FRw'000'
Impairment on Umubano Hotel	(5,651,044)	-
Impairment on Investment in WorldVu	(22,476,277)	-
Fair value gain on revaluation of Equities (RNIT)	75,877	54,225
Fair value gain on revaluation of Bonds	462,852	591,312
Fair value gain on revaluation of Corporate Bonds	257,845	-
Fair value loss on revaluation of Equities (I&M)	-	(8,155)
Impairment of Term Deposit	32,253	(16,341)
Fair value loss on revaluation of Equities (BK)	(6,354,515)	(2,581,522)
FV Gain/Loss- Gisakura Tea Company Ltd	-	(190,467)
FV Gain/Loss- Kirehe Rice Company Ltd	72,221	17,137
FV Gain/Loss- Rwanda Gaming Corporation	(2,057)	12,261
FV Gain/Loss- Rwanda Stock Exchange (RSE) Ltd	156,869	(129,109)
FV Gain/Loss- Mayange Rice Company Ltd	(36,915)	114,347
FV Gain/Loss- Gasabo 3D Ltd	(935,806)	726,729
FV Gain/Loss- RFCC (Rwanda Farmers Coffee Company) Ltd	(248,257)	(334,433)
FV Gain/Loss- Gatsibo Rice company Ltd	2,467	74,727
FV Gain/Loss- Shagasha Tea Company Ltd	(100,599)	84,879
FV Gain/Loss- RITCO (Rwanda Interlink Transport Company)	(438,581)	717,080
FV Gain/Loss- AOS (Africa Olleh Services) Ltd	(1,000,817)	1,963,929
FV Gain/Loss- BSC (Broadband Systems Corporation) Ltd	657,587	3,797,259
FV Gain/Loss- KTRN (Koreah Telecommunication Rwanda Networks)	(2,538,181)	(2,882,638)
FV Gain/Loss- Mata Tea company Ltd	-	287,256
FV Gain/Loss- Rwanda Printing and Publishing Company (RPPC) Ltd	(49,578)	196,314
FV Gain/Loss- Kinazi Cassava Plant	166,342	(54,450)
FV Gain/Loss- Africa Improved Food	(189,656)	(69,507)
FV Gain/Loss- Gisovu Tea Company	99,000	(2,597,791)
FV Gain/Loss- Prime Economic Zone	(2,776,371)	(1,459,278)
FV Gain/Loss- Cimerwa	3,750,439	2,076,045
FV Gain/Loss- Sonarwa	(15,353)	(41,961)
FV Gain/Loss- BRD	25,629,051	633,214
FV Gain/Loss- GT Bank	46,579	305,046
FV Gain/Loss- Rwanda Tea Packers	(10,650)	-
FV Gain/Loss- Maraphone	-	-
	<u>(1,184,602)</u>	<u>-</u>
Total FV Gain	<u>(12,599,876)</u>	<u>1,286,108</u>

The fair valuation of the investments in our companies was carried out and the gain or loss reported represent the differences between the carrying value and fair value. The fair value gain or losses on investments relates to the revaluation of equity investments are reported in profit or loss. Following the Oneweb ltd 's chapter 11 bankruptcy which was approved by United state court, all equity holder of Oneweb ltd did not receive any from the proceeds for their first investment. From this, AgDF has write off a portion of his investments in the books as loss. The same year AgDF has impaired the non-current asset held for sale as the asset presented a big difference between carrying value and fair value less cost to sale.



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	2020	2019
	FRw'000	FRw'000
18. Revaluation gain-Corporate Bond RSSB	<u>59,043</u>	<u>408,457</u>

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss. The amount on the Corporate Bonds have fixed and determinable payments and measured at fair value by discounting expected cash outflow in form of coupon using the yield rates availed by the National Bank of Rwanda at 31 December 2020.

	2020	2019
	FRw'000	FRw'000
19. Gain on Assets Disposal		
Mata Tea company	595,892	-
Gisakura Tea Company	<u>618,597</u>	-
	<u>1,214,489</u>	-

During the period under reporting, AGDF CORPORATE TRUST LTD has disposed Mata and Gisakura Tea companies and realized a gain on disposal totaling Frw 1,214,489,508.

	2020	2019
	Rwf'000	Rwf'000
20. Dividends		
I&M Bank PLC	-	62,982
Bank of Kigali PLC	-	2,424,028
Mata Tea Company	-	358,634
Gisakura Tea Company	-	53,812
Gisovu Tea Company	477,226	210,000
Shagasha Tea Company	<u>45,292</u>	<u>61,545</u>
	<u>522,519</u>	<u>3,171,001</u>
21. Other income		
Foreign Currency Exchange gain	408	780,215
Other miscellaneous income	<u>54,742</u>	<u>13,146</u>
	<u>55,150</u>	<u>793,361</u>

The exchange gain on Equities related to investment in Oneweb which was translated to Rwandan francs at the year end using BNR average rate as at 31<sup>st</sup> December 2020.

	2020	2019
	Rwf'000'	Rwf'000'
22. Employee benefits expense		
Salaries and wages	611,560	578,284
Medical insurance	40,636	40,532
Contributions to Rwanda Social Security Board	29,124	27,337
Leave accrual	27,218	10,068
Lumpsum	158,134	152,737
Performance Bonus	53,809	51,165
Transport facility	986	4,644
Co-ownership vehicles	8,387	7,571
Pension Scheme	<u>60,904</u>	-
	<u>990,757</u>	<u>872,338</u>

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23	Administrative expenses	2020 Rwf'000'	2019 Rwf'000'
	Advertisement and publicity	41,356	56,165
	Audit Fees	19,214	19,214
	Contractual services	994	133,928
	Telephone Expenses	16,708	17,643
	Sports and recreation facilities	611	9,457
	Grant	150,000	-
	International travels	383	30,684
	Local travel allowance	745	3,985
	International Perdiem	-	12,221
	Office supplies	13,940	13,587
	Office Rent	69,552	69,552
	Electricity	13,842	-
	Internet cost	9,767	4,657
	Symposia, Seminars and Sensitization	-	71,378
	Bank charges	1,975	44,468
	Transaction Expenses	183,152	29,027
	Other commission	29,517	727
	Other communication cost	-	1,607
	Postage and courier	86	229
	Office cleaning	20,850	5,152
	Printing and stationery	8,237	14,746
	Official reception	7,818	5,619
	Journals and newspaper	399	442
	Public holiday ceremonies	-	3,607
	Membership to local institutions	-	1,796
	Membership to International organisation	24,487	23,772
	Training Fees	6,506	45,585
	Insurance for Vehicle	1,379	711
	Group insurance	13,392	8,571
	Local travel	25	1,392
	Other insurance	5,702	63
	Fuel for vehicle	1,965	2,280
	Depreciation and amortization	80,479	79,014
	Maintenance or repair of office Equipment	-	182
	Maintenance and repairs of Vehicle	1,386	1,334
	Maintenance and repairs of Network infrastructure	3,694	9,800
	Representation cost	2,133	1,747
	Web database hosting	15,509	19,922
	Mileage Allowance	985	2,006
	Security	12,018	1,912
	Corporate social responsibility	-	4,724
	Technical assistance remuneration	<u>275,263</u>	-
		<u>1,034,069</u>	<u>752,905</u>
24.	Finance cost	<u>941,407</u>	-
	Finance cost	<u>941,407</u>	-
	These are interest related to Corporate Bond offered to RSSB.		

25. INCOME TAX EXPENSE

The organization is exempted from income tax as per the income tax law, Article 39 Paragraph 7 on exemption from corporate income tax.

26. Financial risk management objectives and policies

The Company has exposure to the following risks from its use of financial instruments:

- i. Market risk
- ii. Credit risk
- iii. Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

*(i) Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments.

a) Price risk

Equity price risk arises from FVPL equity securities held. Management of the Company monitors equity securities in its portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

The company is exposed to equities securities price risk because of investments in quoted and unquoted shares. The quoted shares are traded in the Rwanda Stock Exchange (RSE).

If prices in the RSE changed by +/-5%, the effect on the Surplus for the period is as follows:

As at 31 December 2020

Rwanda Stock Exchange	+/-5%	+/-7,987 (FRw'000)
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As at 31 December 2019

Rwanda Stock Exchange	+/-5%	+/-7,987
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The sensitivity rate derived from the experience of the change in values of the I&M equity during the past five years



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20. Financial risk management objectives and policies (continued)

(i) Market risk (continued)

(b) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The table below summarises the company's assets, which are denominated in USD:

	As at 31 Dec 2020 FRw'000	As at 31 Dec 2019 FRw'000
Investment in WorldVu Satellite	586,723	23,063,000
Maraphone	200,483	-

The table below summarises the sensitivity of the Company's assets to changes in foreign exchange movements at 31 December 2020. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	Dec 2020 (Decrease)/Increase in profit before tax			Dec 2019 (Decrease)/Increase in profit before tax		
	Change in exchange rate %	Weakening in functional currency FRw '000'	Strengthening in functional currency FRw '000'	Change in exchange rate %	Weakening in functional currency FRw '000'	Strengthening in functional currency FRw'000'
US dollar	5	-	-	5	(780,215)	780,215

c) Cash flow and interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair value of financial instruments.

The company ensures that its investments are held primarily at fixed interest rates to avoid fluctuations in earnings due to change in interest rates though they are exposed to fair value changes.

The company has short term fixed deposits with banks and long terms investments on bonds.

	Change in interest rate	Effect on PBT FRW 000
31 Dec 2019		
Short term deposits	+/-1%	+/- 305,027
31 December 2020		
Short term deposits	+/-1%	+/-10,487

This sensitivity percentage derived from the experience of interest rate change in the past four years

20. Financial risk management objectives and policies (continued)

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position.

Credit risk is managed by the finance department under policies set out by the Board of Trustees. The company has significant concentrations of credit risk under short term deposits. For banks and financial institutions, only reputable well established financial institutions are accepted. The funds collected by the banks and telecommunication companies on behalf of the Fund are transferred to the National Bank of Rwanda, where the main account for the Fund is held.

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- ▶ Cash at bank;
- ▶ Short term deposits;
- ▶ Financial assets - FVTPL (Equities);
- ▶ Financial assets - FVTPL (Bonds)
- ▶ Amount due from related parties

The amount that best represents the Company's maximum exposure to credit risk is made up of the following:

	31-Dec-2020	31-Dec-2019
	FRw'000	FRw'000
Short term deposits	30,821,628	32,937,494
Cash at bank	91,826	1,737,964
Financial assets - FVTPL (Equities)	174,197,000	153,328,857
Financial assets - FVTPL (Bonds)	21,714,542	9,937,760
Amount due from related parties	1,015,839	997,615
Other receivables	<u>116,243</u>	<u>110,167</u>
	<u>227,957,078</u>	<u>199,049,857</u>

No collateral is held for any of the above assets. None of the assets are either past due or impaired.

*Fair Value Measurement*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the fair value hierarchy of the company's financial assets and liabilities that are measured at fair value:



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20. Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

*Fair Value Measurement* (continued)

31-Dec-2020	Carrying amounts	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	FRw'000	FRw'000	FRw'000	FRw'000
Assets				
FVPL - Quoted securities	61,212,613	61,212,613	-	-
FVPL - Unquoted securities	112,984,387	-	-	112,984,387
31-Dec-2019	Carrying amounts	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	FRw'000	FRw'000	FRw'000	FRw'000
Assets				
FVPL - Quoted securities	53,627,297	53,627,297	-	-
FVPL - Unquoted securities	99,701,560	-	-	99,701,560

There were no transfers between levels 1 and 2 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Rwanda Securities Exchange ("RSE"). Equity investments traded in the RSE, and government bonds are classified as available for sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The company has utilised a mix of methods to determine the fair value of the unquoted securities. Use of comparable trading multiples in arriving at the valuation. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy. Management then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortisation (EBITDA). The trading multiple is then discounted for considerations such as illiquidity and differences between the comparable companies based on company-specific facts and circumstances.

The company has also valued other investments using the net present value of estimated future cash flows. For these the company has also considered other liquidity, credit and market risk factors, and adjusted the valuation models as deemed necessary.

(iii) *Liquidity risk*

Liquidity risk is the risk that the business will encounter difficulty in raising funds to meet commitments associated with financial instruments and insurance liabilities.



20. Financial risk management objectives and policies (continued)

(iii) *Liquidity risk* (continued)

The Company monitors its daily cash flow requirements and optimizes its cash return on investments by immediately investing any excess cash on hand. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. The company's operations are fully funded by the Government through MINECOFIN on the basis of an annual budget that covers the company's activities for the year. Hence, the company is able to meet its payment obligations as they fall due.

Management performs cash flow forecasting and monitors rolling forecasts to ensure it has sufficient cash to meet the obligations that are due. The table below analyses the company's financial liabilities that will be settled on a net basis on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 year 'Rwf'
At 31 December 2019	
Other Payables	268,563
At 31 December 2020	Less than 1 year 'Rwf'
Other payables	241,043

*Capital risk management*

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for the Government of Rwanda on behalf of the people of Rwanda and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the capital structure, the company invests contributions received and does not use contributions received to fund its operations.

The entity is not subject to any external capital requirements.

*Critical accounting estimates and judgements*

In the process of applying the company's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgments and estimates are as follows:

*Fair value of financial instruments*

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

*Offsetting financial assets and financial liabilities*

The Fund presents the fair value of its derivative assets and liabilities on a gross basis, no such assets or liabilities have been offset in the statement of financial position.

21. EVENTS AFTER THE REPORTING DATE

Apart from uncertainties arising from COVID-19 as discussed below, there are no events after the reporting date that would require adjustments to, or disclosure in, the financial statements.

The outbreak of the Coronavirus Disease 2019 (COVID-19) has stricken communities across the globe. The virus' rapid geographical spread has caught the world off-guard, with major implications for personal health, business continuity and the world economic order. Globally, integrated supply chain models have been disrupted, threatening a financial slow-down. Unfortunately, most organizations around the world are ill-prepared to navigate through these uncertain times and the Company is not an exception.

Management has put in place ample measures such as remote working for some employees, with an exception of those offering essential services to ensure continuity in business operations

Management assesses that it is not practicable to accurately estimate the financial impact on COVID-19 now as the effects are yet to fully materialise.