

AGDF CORPORATE TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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REGISTERED OFFICE

AGDF Corporate Trust Limited
P. O. Box 674
Kigali, Rwanda

INDEPENDENT AUDITOR

PricewaterhouseCoopers (Rwanda) Limited
5th Floor, Blue Star House
35 KG 7 Ave, Kacyiru Sector
Gasabo District
Kigali, Rwanda

PRINCIPAL BANKERS

National Bank of Rwanda
P.O Box 531
Kigali, Rwanda

Bank of Kigali Plc
P.O Box 175
Kigali, Rwanda

Equity Bank Rwanda Plc
P.O Box 494
Kigali, Rwanda

BPR Bank Rwanda Plc
P.O Box 1348
Kigali, Rwanda

I&M Bank Rwanda Plc
P.O Box 345
Kigali, Rwanda

Guaranty Trust Bank Plc
P.O Box 5230
Kigali, Rwanda

Ecobank Rwanda Plc
P.O Box 3268
Kigali, Rwanda

Commercial Bank of
Rwanda Plc
P.O Box 6774
Kigali, Rwanda

DUTERIMBERE IMF
P.O Box 6719
Kigali, Rwanda

Access Bank Plc
P.O Box 2059
Kigali, Rwanda

Letshego Rwanda Plc
P.O Box 4062
Kigali, Rwanda

Goshen Finance
P.O Box 4787
Kigali, Rwanda

Unguka Bank Plc
P.O Box 6417
Kigali, Rwanda

Umwalimu SACCO
P.O Box 2257
Kigali, Rwanda

AB Bank
P.O Box 671
Kigali, Rwanda

The directors submit their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of AGDF Corporate Trust Limited (the "Company").

PRINCIPAL ACTIVITIES

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

INCORPORATION

The Company operates in accordance with Law No 20/2013 of 25/03/2013 regulating the creation of trusts and trustees as a sovereign wealth Company wholly owned by the people of Rwanda. The address of its registered office is:

P O Box 674
Kigali,
Rwanda

RESULTS AND DIVIDEND

Profit of FRw 83,416,500,000 for the year ended 31 December 2023 (2022 restated: FRw: 22,235,949,000) has been added to retained earnings. The directors do not recommend a dividend (2022: nil).

RESTATEMENT OF PRIOR YEAR RESULTS

The financial statements include a restatement of the statement of profit or loss and other comprehensive income for the year ended 31 December 2022 and the statement of financial position as of that date and 31 December 2021 to correct prior period errors. These are explained in note 3 of the financial statements.

DIRECTORS

The directors who held office during the year and to the date of this report are:

Name	Role
Mr Scott Ford	Chairperson
Dr. Thierry Mihigo Kalisa	Vice Chairman
Mrs. Doreen G Karake	Member
Mr. Aimé Ngarukiyintwali	Member
Mr Andrew Rozanov	Member
Mrs Jeanne Françoise Mubiligi	Member

INDEPENDENT AUDITOR

The Company's auditor, PricewaterhouseCoopers Rwanda Limited, continues in office in accordance with the provisions of Article 132 of Law No. 007/2021 of 05/02/2021 Governing Companies in Rwanda as amended by Law No. 019/2023 of 30/03/2023.

By order of the Board

Chief Executive officer

16 December 2024

Rwandan Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, 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 estimates, in conformity with IFRS Accounting Standards and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023. The directors are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Company and of its profit or loss in accordance with IFRS Accounting Standards and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Going concern

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Approval of the financial statements

The accompanying financial statements on pages 7 to 50 were approved for issue by the Board of Directors and signed on its behalf by:



Director



Director



December 2024



THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGDF CORPORATE TRUST LIMITED

Report on the audit of the financial statements.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of AGDF Corporate Trust Limited (the "Fund") as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of Law No. 007/2021 of 007/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

What we have audited

The Company's financial statements on pages 7 to 50 comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises Company Information, Directors Report and the Statement of Directors' Responsibilities but 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 any form of assurance conclusion thereon.

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PO Box 1495 Kigali, Rwanda
Tel: +250 (252) 588203/4/5/6, www.pwc.com/rw*

Directors: L Akindele P Frobisher M Karanja B Kimacia P Ngahu B Ngunjiri



THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGDF CORPORATE TRUST LIMITED (CONTINUED)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information, 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of Rwandan Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023, 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 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.

The directors are responsible for overseeing the financial reporting process.

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



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AGDF CORPORATE TRUST LIMITED(CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

events or conditions that may cast significant doubt on the 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.

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.

Report on other legal and regulatory requirements

Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i. We have no relationship, interest or debt with the company. As indicated in our report on the financial statements, we have complied with the required ethical requirements. These are the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) which includes comprehensive independence and other requirements.
- ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 the Company's Board of Directors, through a separate management letter, internal control matters identified in the course of our audit including our recommendations in relation to those matters.
- v. According to the best of the information and the explanations given to us as auditors, as shown by the accounting and other documents of the Company, the annual accounts comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

For PricewaterhouseCoopers Rwanda Limited, Kigali.


Brian Ngunjiri
Director

20 December 2024

Statement of profit or loss and other comprehensive income

	Notes	2023 FRw'000	2022 Restated FRw'000
Income			
Interest income on financial assets at fair value through profit or loss	6	8,535,867	6,682,454
Dividend income	7	10,593,123	6,419,894
Net changes in fair value on financial assets at fair value through profit or loss - equities	22	63,778,917	12,586,888
Net changes in fair value loss on other financial assets at fair value through profit or loss	8	(1,402,288)	(947,917)
Net changes in fair value on financial liabilities at fair value through profit or loss	26	214,038	(2,417)
Grant income	9	3,430	7,159
Gain on disposal of shares	10	3,685,823	84,945
Other income	11	1,393,009	909,754
Total income		86,801,919	25,740,760
Operating expenses			
Employee benefits	12	(853,880)	(1,212,258)
Administrative expenses	13	(1,472,239)	(1,088,656)
Total operating expenses		(2,326,119)	(2,300,914)
Operating profit		84,457,800	23,416,208
Finance costs	14	(1,059,300)	(1,203,897)
Profit before income tax		83,416,500	22,235,949
Income tax expense	15	-	-
Profit and total comprehensive income for the year		83,416,500	22,235,949

The notes set out on pages 13 to 50 form an integral part of these financial statements.

Statement of financial position

	Notes	2023	2022	2021
		FRw'000	Restated FRw'000	Restated FRw'000
Assets				
Cash and cash equivalents	16	5,857,642	758,568	113,553
Short term investments	17	46,208,501	33,378,056	27,874,334
Other receivables	18	21,566,688	3,396,407	115,821
Non-current asset held for sale	19	-	787,500	8,076,880
Amount due from related parties	20	2,660,447	2,840,060	3,885,626
Financial assets at fair value through profit or loss (Bonds)	21	43,658,407	39,299,540	29,407,059
Financial assets at fair value through profit or loss (Equities)	22	263,004,889	206,506,666	186,735,467
Right-of-use asset	23	110,460	165,690	-
Property and equipment	24	1,427,363	60,009	70,966
Total assets		384,494,397	287,192,496	256,279,706
Liabilities				
Other liabilities	25	2,741,349	305,335	367,402
Financial liabilities at fair value through profit or loss (Bonds)	26	9,230,922	10,736,378	12,126,132
Deferred revenue	27	-	19,738	19,890
Lease liabilities	28	123,371	175,006	-
Total liabilities		12,095,642	11,236,457	12,513,424
Equity				
Share capital	29	203,240,942	203,240,942	50,000,000
Capital awaiting allotment	30	54,043,648	41,017,432	184,304,566
Retained earnings		115,114,165	31,697,665	9,461,716
Total equity		372,398,755	275,956,039	243,766,282
Total equity and liabilities		384,494,397	287,192,496	256,279,706

The notes set out on pages 13 to 50 form an integral part of these financial statements.

AGDF Corporate Trust Limited
Annual Report and Financial Statements
For the year ended 31 December 2023

Statement of changes in equity

Year ended 31 December 2021

	Share capital	Capital awaiting allotment	Retained earnings	Total
	FRw'000	FRw'000	FRw'000	FRw'000
At start of year	50,000,000	156,437,279	13,812,393	220,249,672
- as previously reported				
- prior year adjustments	-	673,740	(673,740)	-
Privatisation proceeds	-	16,507,162	(16,507,162)	-
Capital injection by MINECOFIN*				
- as restated	50,000,000	173,618,181	(3,368,509)	220,249,672
Profit and total comprehensive income for the year (as initially stated)	-	-	21,585,237	21,585,237
Correction of prior year errors				
Privatisation proceeds	-	901,837	(901,837)	-
Capital injection by MINECOFIN*	-	9,784,548	(9,784,548)	-
Profit and total comprehensive income for the year (restated)	-	10,686,385	10,898,852	21,585,237
RITCO land valuation	-	-	1,931,373	1,931,373
At end of year (restated)	50,000,000	184,304,566	9,461,716	243,766,282

AGDF Corporate Trust Limited
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Statement of changes in equity

Year ended 31 December 2022	Share capital FRw'000	Capital awaiting allotment FRw'000	Retained earnings FRw'000	Total FRw'000
At start of year	50,000,000	156,437,279	37,329,003	243,766,282
- as previously reported				
- prior year adjustments	-	1,575,577	(1,575,577)	-
Privatisation proceeds	-	26,291,710	(26,291,710)	-
Capital injection by MINECOFIN*				
- as restated	50,000,000	184,304,566	9,461,716	243,766,282
Profit and total comprehensive income for the year (restated)	-	-	22,235,949	22,235,949
Transactions with owner:				
Transfer to share capital	153,240,942	(153,240,942)	-	-
Shares transferred to Horizon Group	-	(3,196,337)	-	(3,196,337)
Government commitment on Gasabo 3D shares	-	3,318,853	-	3,318,853
Privatisation proceeds	-	6,340,373	-	6,340,373
Capital injection by MINECOFIN*	-	3,490,919	-	3,490,919
At end of year (restated)	203,240,942	41,017,432	31,697,665	275,956,039

AGDF Corporate Trust Limited
Annual Report and Financial Statements
For the year ended 31 December 2023

Statement of changes in equity

Year ended 31 December 2023	Share capital FRw'000	Capital awaiting allotment FRw'000	Retained earnings FRw'000	Total FRw'000
At start of year	203,240,942	41,017,432	31,697,665	275,956,039
Profit and total comprehensive income for the year	-	-	83,416,500	83,416,500
Transactions with owner:				
Privatisation proceeds	-	6,854,026	-	6,854,026
Capital injection by MINECOFIN*	-	4,802,753	-	4,802,753
Transfer of land to AGDF**	-	1,369,437	-	1,369,437
At end of year	203,240,942	54,043,648	115,114,165	372,398,755

*The restatement is disclosed in note 3.

**The capital injection by MINECOFIN is in the form of capital injection to the Development Bank of Rwanda (BRD) on behalf of AGDF Corporate Trust Limited.

Statement of cash flows

		2023 FRw'000	2022 FRw'000
	Note		
Cash flows from operating activities			
Profit before income tax		83,416,500	22,235,949
Adjustment for:			
– Closing accrued interest income from financial assets at fair value through profit or loss		(3,237,312)	(3,004,017)
– Opening accrued interest income from financial assets at fair value through profit or loss		(3,004,017)	(2,556,879)
– Depreciation on property and equipment	24	41,676	50,782
– Depreciation on right-of-use assets	23	55,230	55,230
– Interest expense on lease liabilities	14	17,918	23,638
– Closing accrued interest expense on corporate bond	26	616,884	2,456,778
– Opening accrued interest expense on corporate bond		2,456,778	3,490,878
– Net changes in fair value on financial assets fair value through profit or loss - Equities	22	(63,778,917)	(12,586,888)
– Net changes in fair value on other financial assets fair value through profit or loss	8	1,402,288	947,917
– Gain on disposal of shares	10	(3,685,823)	(84,945)
– Net changes in fair value on financial liabilities fair value through profit or loss	26	(214,038)	2,417
		<u>14,087,168</u>	<u>11,030,860</u>
Changes in working capital			
Decrease in amounts due from related parties		179,613	1,045,566
Increase in other receivables		(18,170,281)	(3,280,586)
Increase in other liabilities		2,436,014	(62,067)
Deferred revenue		(19,738)	(152)
Cash (used in)/from operations		<u>(1,487,224)</u>	<u>8,733,621</u>
Interest received on financial assets at fair value through profit or loss		8,302,569	6,235,316
Interest paid on the corporate bond		(2,881,276)	(4,765,278)
Net cash from operating activities		<u>3,934,069</u>	<u>10,203,659</u>
Cash flows from investing activities			
Purchase of property and equipment (excluding land transfer)	24	(41,150)	(39,824)
Disposal of property and equipment	24	1,556	-
Equity investments	22	(6,807,350)	(7,599,876)
Disposal of equity investments	22	14,088,045	(645,791)
Investments in bonds	21	(4,800,900)	(10,600,000)
Maturity of bonds	21	50,000	(1,050,000)
Investments in short term deposits	17	(12,999,314)	(11,566,170)
Maturity of short-term deposits	17	1,300,000	5,185,437
Disposal of non-current asset held for sale	19	-	8,195,840
Net cash used in investing activities		<u>(9,209,113)</u>	<u>(18,120,384)</u>
Cash flows from financing activities			
Repayments of lease liabilities	28	(82,661)	(69,552)
Repayment of RSSB corporate bond	26	(1,200,000)	(1,200,000)
Additional share capital (privatisation proceeds)	30	6,854,026	6,340,373
BRD capital injection	30	4,802,753	3,490,919
Net cash from financing activities		<u>10,374,118</u>	<u>8,561,740</u>
Net increase in cash and cash equivalents		5,099,074	645,015
Cash and cash equivalents at beginning of the year		758,568	113,553
Cash and cash equivalents at end of the year	16	<u>5,857,642</u>	<u>758,568</u>

The notes set out on pages 13 to 50 form an integral part of these financial statements.

Notes

1 General information

AGDF Corporate Trust Limited was registered with Rwanda Development Board as a corporate trust Company under registration No103050268. The Company operates in accordance with Law No 20/2013 of 25/03/2013 regulating the creation of trusts and trustees as a sovereign wealth Company wholly owned by the people of Rwanda. When the Company 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 treasury bonds issued by the Government and with banks in fixed term deposits and in equities. This has changed to include active management of equity investments.

The Company 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 Company.

2 Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared on a historical cost basis except where otherwise stated in the accounting policies below. The financial statements are presented in Rwandan Francs (FRw'000) which is the functional and presentation currency rounded to the nearest thousand.

The financial statements are approved and authorized for issue by the board of directors. The directors reserve the right to amend or withdraw the financial statements.

Statement of compliance

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards and Rwandan Law No. 007/2021 of 05/02/2021 Governing Companies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

i) *New and amended standards adopted by the Company*

All new and amended standards and interpretations that have become effective for the first time in the financial year beginning 1 January 2023 have been adopted by the Company. None of them had an effect on the Company's financial statements.

There are no new and amended standards and interpretations that are yet to become effective that have an impact on the Company's financial statements.

Notes (continued)

2 Summary of material accounting policies (continued)

i) New and amended standards adopted by the Company (continued)

Title	Key requirements	Effective date
IFRS 17, 'Insurance contracts'	<p>The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.</p> <p>Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.</p> <p>Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contracts, including those with a coverage period of one year or less.</p> <p>For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.</p>	<p>Annual periods beginning on or after 1 January 2023</p> <p>(Published May 2017)</p>
IFRS 17, Insurance contracts Amendments	<p>In response to some of the concerns and challenges raised, the Board developed targeted amendments, and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the Fundamental principles of the standard.</p>	<p>Annual periods beginning on or after 1 January 2023</p> <p>(Published June 2020)</p>

Notes (continued)

2 Summary of material accounting policies (continued)

i) New and amended standards adopted by the Company (continued)

Title	Key requirements	Effective date
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.	Annual periods beginning on or after 1 January 2023. (Published February 2021)
Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies	The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. (Published May 2023)
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023. (Published May 2021).
Amendments to IAS 1 - Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes (continued)

2 Material accounting policies (continued)

b) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rwanda Francs (FRw) rounded off to the nearest thousand (Frw'000), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income.

c) Financial assets and financial liabilities at fair value through profit or loss

i) Classification

Assets

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss

Liabilities

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss

As such, the Company classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

The Company's policy requires the Chief Investment Officer and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information

Notes (continued)

2 Material accounting policies (continued)

c) Financial assets and financial liabilities at fair value through profit or loss (continued)

ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When the Company purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Company writes an option, an amount equal to fair value which is based on the premium received by the Company is recorded as a liability. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss.

Subsequent to initial recognition, all financial assets, and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Company's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income. Dividend expense on short sales of equity securities is included within other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.

iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets¹ (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the year end date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Company's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency, or securities affected by that event so that they cannot be considered 'readily available' market quotations.

Notes (continued)

2 Material accounting policies (continued)

c) Financial assets and financial liabilities at fair value through profit or loss (continued)

iii) Fair value estimation(continued)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs

iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

d) Offsetting financial instrument

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

e) Other receivables

Other receivables are recognised initially at fair value and are subsequently measured at amortised cost. The other receivables balance is held for collection

f) Expected credit losses on financial assets measured at amortised cost

At each reporting date, the Company shall measure the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that amounts may be credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount (after deduction of the loss allowance). A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and brokers and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

Notes (continued)

2 Material accounting policies (continued)

h) 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 Frw 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 recognized 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
IT equipment	2 years

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

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

i) Leases

The company recognises right-of-use assets and lease liabilities at the lease commencement date for most leases. However, the company has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets and for short-term leases, i.e. leases that at commencement date have lease terms of 12 months or less.

The lease liability is initially measured at the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the company's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the company uses its incremental borrowing rate as the discount rate.

The right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.

Notes (continued)

2 Material accounting policies (continued)

i) Leases (continued)

The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease terms on a straight-line basis.

j) Other liabilities

Other liabilities are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

k) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

l) Interest income and interest from financial assets at fair value through profit or loss

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents and short-term investments. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

m) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably. Dividend revenue is presented gross as AGDF is exempted from corporate income tax.

n) Grant income

Grant income is recognized in the statement of profit or loss and other comprehensive income in the year in which the expenses for which the grant funds are to be used are incurred.

Grant income consists of voluntary contributions from the Central Government Rwanda Citizens, private companies and other contributions.

o) Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

Notes (continued)

2 Material accounting policies (continued)

p) Employee benefits

i) Defined contribution plan

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the Company does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company and all its employees contribute to the Rwanda Social Security Board, which is a defined contribution scheme. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

q) Income tax expense

The Company is domiciled in Rwanda. Under the current laws of Rwanda, there is no income, corporation, capital gains or other taxes payable by the Company.

r) Interest income

Interest income and expense on financial assets are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Interest income from financial assets at fair value through profit or loss disclosed separately in the statement of comprehensive income as "interest income on instruments measured at FVTPL".

Notes (continued)

3 Critical accounting estimates and judgements

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below

i) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market is determined by the Company using reputable pricing sources or indicative prices from bond/debt market makers. The Company exercises judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Company values positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows. The models used to determine fair values are validated and periodically reviewed by experienced personnel at AGDF Corporate Trust Limited, independent of the third party valuer mandated to prepare these.

The model used for debt securities is based on the net present value of estimated future cash flows. The model uses observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

Changes in assumptions about the above factors could affect the reported fair value of financial instruments. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs, taking into consideration historical volatility and estimations of future market movements. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to fair value estimation under note 5 below for further details.

Notes (continued)

3 Critical accounting estimates, judgements and errors (continued)

- ii) Correction of material errors in accounting treatment for privatisation proceeds, capital contributions and reclassification of Gasabo 3D commitment.

Privatisation proceeds

The Cabinet meeting of 14 September 2018 resolved that the Company, as a sovereign wealth fund, would be responsible for all government assets including management of all proceeds from sale of any government properties.

Management previously recognised these proceeds as revenue in the statement of profit or loss and other comprehensive income. The receipt of privatisation proceeds does not fall within the Company's ordinary activities as defined by IFRS 15 *Revenue from contracts with customers*. The proceeds should be included under equity as capital awaiting allotment.

The previous accounting treatment was therefore erroneous and resulted in material misstatement in the statement of profit or loss and other comprehensive income and capital awaiting allotment under equity in the Statement of Financial Position.

Capital contributions to the Development Bank of Rwanda

The Ministry of Finance & Economic Planning has injected capital into BRD, on behalf of the Company, from 2019 to date.

Management previously recognised these contributions as fair value gains on their investment in BRD. These contributions should be included under equity as capital awaiting allotment until the shares are authorised by the shareholder.

The previous accounting treatment was therefore erroneous and resulted in material misstatement in the statement of profit or loss and other comprehensive income and capital awaiting allotment under equity in the Statement of Financial Position.

Commitment for Government of Rwanda to compensate Gasabo 3D

In 2022, the Ministry of Finance and Economic Planning decided to transfer Gasabo 3D to Horizon Group and the Ministry accepted to compensate the Company for Gasabo 3D that was in the Company's portfolio. This compensation will be in form of GoR's shares in other companies worth the value of Gasabo 3D at the time of its transfer to Horizon Group.

Management previously recognised the commitment as an equity investment. The outstanding compensation from the Government should have been treated as a receivable.

The previous classification was therefore erroneous and resulted in a material reclassification between financial assets at fair value through profit or loss and other receivables in the statement of financial position.

Accumulated capital contributions and privatisation proceeds received prior to 2022 have been corrected through retained earnings as seen in the statement of changes in equity.

The errors have been corrected by restating each of the affected financial statement line items as follows.

Notes (continued)

3 Critical accounting estimates, judgements and errors (continued)

- iii) Correction of material errors in accounting treatment for privatisation proceeds, capital contributions and reclassification of Gasabo 3D commitment.

Statement of comprehensive income (extract)

	31-Dec-22 As previously stated FRw'000	Adjustment FRw'000	31-Dec-22 Restated FRw'000
Privatisation proceeds	6,340,373	(6,340,373)	-
Net changes in fair value on financial assets at fair value through profit or loss (Equities)	16,077,807	(3,490,919)	12,586,888
Profit before income tax	32,067,241	(9,831,292)	22,235,949

Statement of financial position (extract)

	31-Dec-22 As previously stated FRw'000	Adjustment FRw'000	31-Dec-22 Restated FRw'000	31-Dec-21 As previously stated FRw'000	Adjustment FRw'000	31-Dec-21 Restated FRw'000
Other receivables	77,554	3,318,853	3,396,407	115,821	-	115,821
Financial assets at fair value through profit or loss (Equities)	209,825,519	(3,318,853)	206,506,666	186,735,467	-	186,735,467
Total assets	287,192,496	-	287,192,496	256,279,706	-	256,279,706
Capital awaiting allotment	3,318,853	37,698,579	41,017,432	156,437,277	27,867,289	184,304,566
Retained earnings	69,396,244	(37,698,579)	31,697,665	37,329,005	(27,867,289)	9,461,716
Total equity	275,956,039	-	275,956,039	243,766,282	-	243,766,282

Notes (continued)

4 Financial risks

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. All securities investments present a risk of loss of capital. The maximum loss of capital on purchased options, long equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the Chief Investment Officer under policies approved by the Board of Trustees. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Company's use of leverage and borrowings can increase the Company's exposure to these risks, which in turn can also increase the potential returns the Company can achieve. The Chief Investment Officer manages these exposures on an individual securities level. The Company has specific limits on these instruments to manage the overall potential exposure.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

a) Market risk

i) Price risk

The Company is exposed to equity securities price risk. 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 Trustees.

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:

At 31 December 2023		FRw'000
Rwanda Stock Exchange	+/-5%	2,998
At 31 December 2022		FRw'000
Rwanda Stock Exchange	+/-5%	3,455

The sensitivity rate derived from the experience of the change in values of the Bank of Kigali and I&M bank equities during the past five years.

Notes (continued)

4 Financial risks (continued)

a) Market risk(continued)

ii) *Foreign currency 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. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated/quoted assets and liabilities.

The Company does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements. When the Chief Investment Officer formulates a view on the future direction of foreign exchange rates and the potential impact on the Company, the Chief Investment Officer factors that into its portfolio allocation decisions

While the Company has direct exposure to foreign exchange rate changes on the price of non-Rwandan Franc-denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Company invests, even if those companies' securities are denominated in Rwandan Francs. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Company's net assets attributable to holders of redeemable shares of future movements in foreign exchange rates.

The table below summarises the company's assets which are denominated in foreign currency.

	Currency	2023	2022
		FRw'000	FRw'000
Investment in One Web Satellite	USD	391,624	645,995
East and Southern Africa Trade & Development Bank	USD	12,198,744	9,664,666
Investment in BK Capital	USD	3,791,791	-
Cash at bank	USD	5,567,782	-
Investment in Eastern and Southern Africa Trade fund	USD	675,681	-
Investment in Zaria court	USD	252,786	-
5% movement (2022: 5%)		1,143,920	216,232

As shown in the table on above, the Company is primarily exposed to changes in USD/FRw exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from the USD denominated financial instruments above.

The impact of a 5% currency movement to the loss before tax is disclosed in the table above.

The company's exposure to other foreign currencies is not material.

Notes (continued)

4 Financial risks (continued)

a) Market risk(continued)

iii) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Company holds fixed interest securities that expose the Company to fair value interest rate risk. The Company also holds a limited amount of Rwandan Franc-denominated floating rate debt, cash and cash equivalents that expose the Company to cash flow interest rate risk. The Company's policy requires the Chief Investment Officer to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Company's portfolio is a measure of the sensitivity of the fair value of the Company's fixed interest securities to changes in market interest rates.

The Company has direct exposure to interest rate changes on the valuation and cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Company invests.

Exposure to interest rate risk is limited for the Company.

b) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. 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 cash from return on investments that covers the company's activities for the year. Therefore, 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.

Notes (continued)

4 Financial risks (continued)

b) Liquidity risk (continued)

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.

	Between 1 – 3 months FRw'000	Up to 12 months FRw'000	Over 12 months FRw'000	Total FRw'000
At 31 December 2023:				
Other liabilities	2,741,349	-	-	2,741,349
Financial liabilities at fair value through profit or loss (Bonds)	-	413,000	9,797,322	10,210,322
Lease liabilities	-	-	123,371	123,371
	2,741,349	413,000	9,920,693	13,075,042
At 31 December 2022:				
Other liabilities	305,335	-	-	305,335
Financial liabilities at fair value through profit or loss (Bonds)	-	472,000	12,293,978	12,765,978
Deferred revenue	19,738	-	-	19,738
Lease liabilities	-	-	175,006	175,006
	325,073	472,000	12,468,984	13,266,057

c) Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Company is exposed arises from the Company's investments in debt securities. The Company is also exposed to counterparty credit risk on, cash and cash equivalents, amounts from related parties, short term investments and other receivable balances.

Notes (continued)

4 Financial risks (continued)

c) Credit risk (continued)

Credit risk is managed by the finance department under policies set out by the Board of Trustees. For banks and financial institutions, only reputable well established financial institutions are accepted.

The Company does not grade the credit quality of receivables. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

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

	2023	2022
	FRw'000	FRw'000
Amount due from related parties	2,660,447	2,840,060
Financial assets at fair value through profit or loss (Bonds)	43,658,407	39,299,540
Short term investments	46,208,501	33,378,056
Other receivables	21,566,688	3,396,407
Bank balances	5,857,642	758,568
	119,951,685	79,672,631

From the assets above, the Company issued FRw 20.1 billion to Rwanda Security Board as security on corporate bond issued in April 2020, maturing in April 2025. In addition to this, the Company issued a corporate guarantee to Rwanda Interlink Transport Company Ltd (RITCO).

The corporate guarantee issued, was for a Bank of Kigali loan of FRw 3,289,185,102. This loan was for the purchase of fifty buses in July 2019. The final payment was due January 2024.

None of the balances are past due or impaired.

d) 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.

The entity is not subject to any external capital requirements.

Notes (continued)

5 Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The Company utilises the last traded market price for both financial assets and financial liabilities.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

Fair value measurement and environmental, social and governance (“ESG”) factors

For the Company, the most significant impact is on fair value measurement, given that the measurement will be impacted by how a market participant view may include assumptions about ESG-related risk.

Fair value measurement for an asset would be based on a hypothetical sale transaction for that particular asset. For the Company, the fair value of such an investment would generally be determined by reference to the quoted price in an active market (i.e. a level 1 fair value measurement) and therefore would reflect market participants’ assumptions on different risks including climate and other ESG related risks. Since the quoted price has to be used and should reflect market participants’ assumptions about ESG factors no further adjustments have been made. In determining the fair value for items not traded in an active market, judgement will need to be applied. Where quoted prices in an active market are not available, the fair value model (level 2 or 3) incorporates assumptions about how a market participant would take into account ESG factors such as climate change in a hypothetical exit transaction. Entity specific assumptions that are more conservative or more optimistic than what market participants would consider should not be used. For the Company this did not give rise to a significant judgement.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Notes (continued)

5 Fair value estimation (continued)

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, supported by market transactions, and provided by independent sources that are actively involved in the relevant market.

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

2023	Carrying amounts	Quoted prices in active market FRw'000 Level 1	Significant observable inputs FRw'000 Level 2	Significant unobservable inputs FRw'000 Level 3
Assets				
<i>Valuation technique</i>				
Yield curve - bonds	43,658,407	43,658,407	-	-
Quoted price - equities	61,406,209	61,406,209	-	-
Net asset value	12,874,425	-	12,874,425	-
Discounted cash flows	188,471,469	-	-	188,471,469
Cost	252,786	252,786	-	-
Total assets at fair value through profit or loss	306,663,296	105,317,402	12,874,425	188,471,469
Liabilities				
Corporate bond	9,230,922	9,230,922	-	-
Total liabilities at fair value through profit or loss	9,230,922	9,230,922	-	-
2022				
	Carrying amounts	Quoted prices in active market FRw'000 Level 1	Significant observable inputs FRw'000 Level 2	Significant unobservable inputs FRw'000 Level 3
Assets				
<i>Valuation technique</i>				
Yield curve - bonds	39,299,540	39,299,540	-	-
Quoted price - equities	70,685,263	70,685,263	-	-
Net asset value	83,416,417	-	83,416,417	-
Discounted cash flows	52,404,986	-	-	52,404,986
Total assets at fair value through profit or loss	245,806,206	109,984,803	83,416,417	52,404,986
Liabilities				
Yield curve - bond	10,736,378	10,736,378	-	-
Total liabilities at fair value through profit or loss	10,736,378	10,736,378	-	-

Notes (continued)

5 Fair value estimation (continued)

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

2023	Carrying amounts	Quoted prices in active market FRw'000 Level 1	Significant observable inputs FRw'000 Level 2	Significa unobservat input FRw'000 Level 3
Assets				
Financial assets at fair value through profit or loss:				
Equity securities				
Agriculture	16,560,494	-	-	16,560,494
Information, communication & technology companies	52,413,858	370,947	-	52,042,911
Commercial banks	62,075,692	59,979,095	-	2,096,597
Development finance institutions	117,012,286	-	12,874,423	104,137,863
Other sectors	14,869,657	1,308,955	-	13,560,702
Insurance	72,902	-	-	72,902
Debt securities				
Treasury bonds	43,658,407	43,658,407	-	-
Total assets at fair value through profit or loss	306,663,296	105,317,404	12,874,425	188,471,472
Liabilities				
Corporate bond	9,230,922	9,230,922	-	-
Total liabilities at fair value through profit or loss	9,230,922	9,230,922	-	-

Notes (continued)

5 Fair value estimation (continued)

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

2022	Carrying amounts	Quoted prices in active market FRw'000 Level 1	Significant observable inputs FRw'000 Level 2	Significant unobservable inputs FRw'000 Level 3
Assets				
Equity securities				
Agriculture	6,653,919	-	1,055,531	5,598,388
Information, communication & technology companies	32,709,739	645,995	-	32,063,744
Commercial banks	56,930,820	55,171,382	-	1,759,439
Development finance institutions	82,360,885	-	82,360,885	-
Other sectors	27,805,416	14,867,888	-	12,937,528
Insurance	45,886	-	-	45,886
Debt securities				
Treasury bonds	39,299,540	39,299,540	-	-
Total assets at fair value through profit or loss	245,806,206	109,984,804	83,416,416	52,404,986
Liabilities				
Corporate bond	10,736,378	-	-	10,736,378
Total liabilities at fair value through profit or loss	10,736,378	-	-	10,736,378

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities listed on Rwanda Stock Exchange and London Stock Exchange and a new non-operational investment valued at cost. The Company does not adjust the quoted price for these instruments.

These relate to investments in the following;

- GoR treasury bonds
- Bank of Kigali Plc
- I&M Bank Rwanda Plc
- World Vu Satellite/Eutelsat Communications
- RNIT Iterambere Fund
- Zaria Court

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Notes (continued)

5 Fair value estimation (continued)

These relate to investments in East and Southern African Trade & Development Bank (TDB) and East and Southern African Trade Fund (ESATF) which are valued based on their Net Asset Value. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

Level 3 valuations are reviewed on an annual basis by the Company's investment committee who report to the Board of Trustees on an annual basis. The committee considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry.

These relate to the following equity investments;

- Africa Improved Foods (AIF)
- Africa Olleh Services Ltd (AOS)
- Broadband Systems Corporation PLC (BSC)
- Development Bank of Rwanda (BRD)
- Gisovu Tea Company
- Guaranty Trust Bank (Rwanda)
- Irembo Limited
- Kinazi Cassava Plant
- Kirehe Rice Company Ltd
- Korean Telecom. Rwanda Networks (KTRN)
- Mayange Rice Company Ltd
- Prime Economic Zone (PEZ)
- Rwanda Farmers Coffee Company Ltd (RFCC)
- Rwanda Fertilisers Co Ltd (RFC)
- Rwanda Interlink Transport Co (RITCO)
- Rwanda Printery Company (RPC)
- Rwanda Stock Exchange Ltd (RSE)
- Shagasha Tea Company Ltd
- Sonarwa General Insurance Company
- Ngali Holdings Ltd

The Company utilises the Discounted Cash Flow approach which converts future cash flows to a single current discounted amount. The DCF includes the following:

- Free cash flow projections for the years 2024 to 2028. A terminal value has been included for cash flows arising after 2028,
- The discount rate applied is the weighted average cost of capital (WACC). This accounts for the rate of return expected by shareholders.

Notes (continued)

5 Fair value estimation (continued)

The Level 3 equities amount to as at 31 December 2023 FRw'000 188,471,469. The table below shows the direction an increase or decrease in the respective input variables for the material equities amounting to Frw' 188,065,152.

Company	Fair value at 31 Dec 2023 FRw'000	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/-	Change in Valuation + FRw'000	Change in Valuation (-) FRw'000
Development Bank of Rwanda	104,137,863	Discounted cash flows	WACC	19.2%	2.0%	24,917,677	(22,700,201)
Irembo Limited	35,618,330	Discounted cash flows	WACC	22.3%	2.0%	6,631,114	(5,183,931)
			CAGR	26.0%	5.0%	34,817,394	(34,817,393)
			Terminal growth rate	5.0%	2.0%	3,847,187	(3,050,671)
BSC (Broadband Systems Corporation) Ltd	12,516,222	Discounted cash flows	WACC	19.6%	2.0%	1,652,972	(1,311,765)
Gisovu Tea Company	9,086,879	Discounted cash flows	WACC	22.6%	2.0%	1,120,779	(914,260)
			Year 1 revenue growth rate	45.0%	5.0%	58,651	(57,630)
			Terminal growth rate	2.0%	2.0%	568,181	(467,581)
Rwanda Printery Company (RPC)	4,046,078	Discounted cash flows	WACC	28.3%	2.0%	162,409	(29,981)
			Terminal growth rate	2.0%	2.0%	189,099	(52,898)
Africa Olleh Services (AOS)	3,908,359	Discounted cash flows	Market rate of interest	6.5%	2.0%	535,637	(491,961)
Rwanda Interlink Transport Co (RITCO)	3,656,571	Discounted cash flows	WACC	20.7%	2.0%	800,879	(613,056)
Rwanda Fertilisers Co Ltd (RFC)	3,367,906	Discounted cash flows	WACC	15.9%	2.0%	456,400	(352,080)
			Year 1 revenue growth rate	80.0%	5.0%	24,720	(24,630)
			Gross profit margin	14.0%	5.0%	650,907	(652,172)
			Terminal growth rate	2.0%	2.0%	222,984	(166,912)
Ngali Holdings Limited	2,653,215	Discounted cash flows	WACC	13.8%	2.0%	211,125	(190,894)
Prime Economic Zone (PEZ)	2,673,456	Discounted cash flows	WACC	25.1%	2.0%	205,712	(176,224)
			Terminal growth rate	0.0%	2.0%	75,073	(64,005)
GT Bank (Rwanda) Plc	2,096,597	Discounted cash flows	WACC	19.5%	2.0%	521,360	(412,307)
Rwanda Farmers Coffee Company Ltd (RFCC)	624,659	Discounted cash flows	WACC	21.5%	2.0%	27,393	(21,645)
			Terminal growth rate	2.0%	2.0%	17,849	(14,525)
Kirehe Rice Company Ltd	895,765	Discounted cash flows	WACC	18.9%	2.0%	98,268	(118,547)
			Terminal growth rate	2.0%	2.0%	30,604	(65,801)
Africa Improved Foods (AIF)	923,411	Discounted cash flows	WACC	20.4%	2.0%	766,192	(492,827)
Kinazi Cassava Plant	677,978	Discounted cash flows	WACC	17.9%	2.0%	67,047	(60,720)
			Revenue CAGR	6.0%	5.0%	716,043	(677,978)
			Terminal growth rate	2.0%	2.0%	35,764	(36,348)

Notes (continued)

5 Fair value estimation (continued)

Company	Fair value at 31 Dec 2023 FRw'000	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/-	Change in Valuation + FRw'000	Change in Valuation (-) FRw'000
Mayange Rice Company	650,481	Discounted cash flows	WACC	20.0%	2.0%	95,384	(71,078)
			Gross profit margin	12.4%	5.0%	601,860	(575,764)
			Reduction in indirect costs	4.0%	5.0%	32,140	(6,044)
			Terminal growth rate	2.0%	2.0%	39,991	(27,059)
Rwanda Stock Exchange (RSE)	531,382	Discounted cash flows	WACC	18.5%	2.0%	60,311	(47,751)
Total	188,065,152						

The Level 3 equities amount to as at 31 December 2022 FRw'000 52,404,986. The table below shows the direction an increase or decrease in the respective input variables for the material equities amounting to Frw' 52,216,800.

Company	Fair value at 31 Dec 2022 FRw'000	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/-	Change in Valuation + FRw'000	Change in Valuation (-) FRw'000
Irembo Limited	19,586,315	Discounted cash flows	WACC	26.0%	2.0%	2,154,585	(1,687,089)
			Revenue CAGR	11.4%	5.0%	6,186,669	(5,208,824)
			Terminal growth rate	6.2%	2.0%	1,400,969	(1,143,966)
BSC (Broadband Systems Corporation) Ltd	10,330,217	Discounted cash flows	WACC	4.5%	5.0%	121,338	(211,522)
Gisovu Tea Company	1,873,617	Discounted cash flows	WACC	18.5%	2.0%	679,997	(485,243)
			Year 1 revenue growth rate	6.5%	2.0%	443,361	(316,256)
			Terminal growth rate	6.5%	2.0%	679,997	(485,243)
Rwanda Printery Company (RPC)	3,876,929	Discounted cash flows	WACC	25.6%	2.0%	165,423	(134,477)
			Terminal growth rate	6.2%	2.0%	195,613	(159,020)
Rwanda Interlink Transport Co (RITCO)	3,152,206	Discounted cash flows	WACC	23.9%	2.0%	610,771	(377,716)
Ngali Holdings Limited	2,972,639	Net present value	NAV	3,288,112	5.0%	148,632	(148,632)
Prime Economic Zone (PEZ)	2,697,140	Discounted cash flows	WACC	31.2%	2.0%	128,613	(104,749)
			Terminal growth rate	6.2%	2.0%	79,555	(67,751)
Korean Telecom. Rwanda Networks (KTRN)	2,147,212	Discounted cash flows	WACC	19.5%	2.0%	99,770	(62,697)
GT Bank (Rwanda) Plc	1,759,439	Discounted cash flows	WACC				

Notes (continued)

5 Fair value estimation (continued)

Company	Fair value at 31 Dec 2022	Valuation Technique	Unobservable Inputs	Input	Reasonable possible shift +/-	Change in Valuation +	Change in Valuation (-)
Kirehe Rice Company Ltd	1,016,196	Discounted cash flows	WACC Terminal growth rate	24.6% 6.2%	2.0% 2.0%	109,808 72,580	(84,725) (58,340)
Rwanda Farmers Coffee Company Ltd (RFCC)	774,807	Discounted cash flows	Year 1 revenue growth rate WACC	10.8% 29.4%	5.0% 2.0%	(905,678) 28,096	(1,055,150) (22,628)
Africa Improved Foods (AIF)	716,916	Discounted cash flows	Terminal growth rate WACC	6.2% 18.0%	2.0% 2.0%	17,644 710,853	(14,847) (487,561)
Kinazi Cassava Plant	626,421	Discounted cash flows	Revenue CAGR WACC	24.9% 24.2%	5.0% 2.0%	214,892 61,182	(189,857) (48,932)
Mayange Rice Company	448,132	Discounted cash flows	Terminal growth rate WACC	6.2% 23.6%	2.0% 2.0%	71,539 64,777	(57,215) (49,936)
Rwanda Stock Exchange (RSE)	238,615	Discounted cash flows	Terminal growth rate WACC	8.2% 16.8%	2.0% 2.0%	37,352 38,603	(28,740) (26,998)
Total	52,216,800						

The change in valuation disclosed in the above tables shows the direction an increase or decrease in the respective input variables would have on the valuation result. No interrelationships between unobservable inputs used in the Company's valuation of its Level 3 equity investments have been identified.

The following table presents the transfers between levels for the year ended 31 December 2023

	FRw'000 Level 1	FRw'000 Level 2	FRw'000 Level 3
Transfers between Levels 1 and 2	-	-	-
Transfers between Levels 2 and 3	-	(72,696,221)	72,696,221
Development Bank of Rwanda (BRD)	-	(1,055,531)	(1,055,531)
Rwanda Fertilisers Co Ltd (RFC)	-	-	-

Transfers between levels of the fair value hierarchy for the purpose of preparing the above table, are deemed to have occurred at the beginning of the period. There were no transfers between the levels as at 31 December 2022.

Notes (continued)

	2023 FRw'000	2022 FRw'000
6 Interest income on financial assets at fair value through profit or loss		
Interest income on treasury bonds	4,452,513	3,330,260
Interest Income on short term deposits	2,865,781	2,436,681
Interest income on corporate bonds (CVL)	456,250	456,250
Interest income on subsidiary loans	270,428	226,838
Interest income on commercial paper	110,149	110,152
Interest income on corporate bonds (Energicotel)	57,078	64,141
Interest income on BRD sustainability linked bonds	46,411	-
Interest income on current accounts	277,257	58,132
	<u>8,535,867</u>	<u>6,682,454</u>
<p>The contractual interest rate approximates the effective interest rate. There are no significant fees and other administrative costs in relation to origination of the placements. Consequently, interest has been computed based on the contractual interest rate which is representative of the effective interest rate.</p>		
7 Dividend income		
Bank of Kigali Plc	8,156,096	5,696,349
I&M Bank Rwanda Plc	51,432	33,134
Rwanda Stock Exchange	33,547	15,000
Gisovu Tea Company	120,000	462,146
Mayange Tea Company	97,005	29,887
Kirehe Rice Company	138,492	63,500
Cimerwa Plc	1,732,099	-
East and Southern Africa Trade & Development bank (TDB)	92,407	-
Shagasha Tea Company	65,834	-
Broadband System Corporation (BSC)	106,211	54,269
Prime Economic Zones	-	65,609
	<u>10,593,123</u>	<u>6,419,894</u>
8 Net changes in fair value on other financial assets at fair value through profit or loss		
Fair value (loss)/gain on treasury bonds	(550,141)	75,539
Fair value loss on Gasabo 3D transfer	-	(122,518)
Fair value gain/(loss) on short term deposits	62,880	(18,419)
Fair value loss on corporate bonds (CVL)	(100,433)	(18,844)
Impairment of non current asset held for sale	(787,500)	-
Fair value loss on corporate bonds (Energicotel)	(14,394)	(10,263)
Fair value (loss)/gain on loan to related parties	(115,887)	45,628
Fair value gain on BRD sustainability bond	103,187	-
Revaluation gain on non current asset held for sale	-	118,960
Loans written off	-	(1,018,000)
	<u>(1,402,288)</u>	<u>(947,917)</u>

Notes (continued)

9 Grant income	2023 FRw'000	2022 FRw'000
Civil servants	488	1,494
Individual citizens	2,742	2,778
Business employees	200	2,887
	<u>3,430</u>	<u>7,159</u>

Grant income relates to voluntary contributions to the Agaciro Development Fund.

10 Gain on disposal of shares	2023 FRw'000	2022 FRw'000
Cimerwa Plc	3,685,823	-
Multisector Investment Group	-	40,221
Gatsibo Rice Company	-	36,778
Umubano Hotel	-	7,946
	<u>3,685,823</u>	<u>84,945</u>

11 Other income		
Unrealized foreign exchange gains	1,365,488	216,232
Realized exchange losses	(11,809)	(1,135)
Other income	39,330	694,657
	<u>1,393,009</u>	<u>909,754</u>

12 Employee benefits		
Salaries and wages	459,068	671,976
Leave pay	(412)	8,390
Contributions to Rwanda Social Security Board	21,628	31,658
Medical insurance	32,540	44,759
Lump sum	235,579	342,843
Co-ownership vehicle	61,486	42,966
Staff pension scheme	43,991	69,666
	<u>853,880</u>	<u>1,212,258</u>

Notes (continued)

13 Administrative expenses	2023	2022
	FRw'000	FRw'000
Advertisement and publicity	46,461	18,458
Audit fees	35,400	19,214
Contractual services	597,535	219,733
Telephone expenses	13,151	18,712
International travels	56,217	23,201
International per diem	62,960	22,634
Office supplies	11,611	15,756
Water and electricity	9,176	12,932
Internet cost	17,292	18,270
Office cleaning	10,066	25,307
Printing and stationery	1,150	5,004
Seminars and sensitizations	177,414	-
Staff retreat	868	12,657
Membership to international organisations	28,778	28,398
Training fees	80,300	42,435
Group insurance	10,401	12,347
Depreciation of property and equipment (Note 24)	41,676	50,782
Amortisation of right-of-use assets (Note 23)	55,230	55,230
Repairs and maintenance	4,053	2,132
Security	3,186	16,544
Support to TASCO	69,218	176,877
Corporate social responsibility	26,612	129,878
Board sitting allowances (Note 20)	49,066	56,700
Other administrative expenses	64,418	105,455
	1,472,239	1,088,656
14 Finance costs		
Interest expense on RSSB corporate bond	1,041,382	1,180,259
Interest on lease liabilities	17,918	23,638
	1,059,300	1,203,897
15. Income tax expense		

The Company is exempt from income tax as per the income tax law, Article 39 paragraph 7 on exemption from corporate income tax.

Notes (continued)

16 Cash and cash equivalents	2023 FRw'000	2022 FRw'000
Cash in hand and at bank	5,857,642	758,568
	<u>5,857,642</u>	<u>758,568</u>
17 Short term investments		
Investment in short term deposits	45,077,370	34,255,067
Accrued interest	1,652,642	1,612,987
ECL on short term investments	(521,511)	(2,489,998)
Total	<u>46,208,501</u>	<u>33,378,056</u>
		-
At 1 January	33,378,056	27,874,334
Additions	12,999,314	11,566,170
Matured	(1,300,000)	(5,185,437)
Fair value gain	(521,511)	(2,489,998)
Accrued interest	1,652,642	1,612,987
At 31 December	<u>46,208,501</u>	<u>33,378,056</u>

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

18 Other receivables	2023 FRw'000	2022 FRw'000
National Cement Holding	17,599,028	-
Commitment by GoR to compensate the Company for the transfer of Gasabo 3D	3,318,853	3,318,853
Kinazi Cassava Plant	204,471	-
Security and rental cost (RSSB)	11,592	11,592
BNR interest on reopening bond	2,620	2,620
Employee advances	332	332
Sonarwa insurance	9,357	1,821
Prepaid staff insurance	493	14,278
Co-ownership vehicle for staff	37,533	46,790
Other receivables	382,409	121
	<u>21,566,688</u>	<u>3,396,407</u>

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 reporting date.

The amount due from National Cement Holding relates to the sale of Cimerwa Plc in 2023. The amount has been subsequently received by the Company.

In 2022, the Company transferred its investment in Gasabo 3D to Horizon Group. The compensation from the Ministry of Finance and Economic Planning was outstanding as at year-end. This compensation will be in the form of GoR's shares in other companies worth the same value of Gasabo 3D at the time of its transfer to Horizon Group.

Notes (continued)

19 Non-current asset held for sale

The non-current asset held for sale of FRw 787,500,000 related to Imvaho Nshya and archive initially owned by AGDF Corporate Trust Limited in Rwanda Printing and Publishing Company (RPPC). After management discussions with the Government, it was decided that these assets be transferred to Ministry of National Unity & Civic Engagement (MINUBUMWE) and removed from the books of Agaciro.

20 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Government of Rwanda is the ultimate parent of the Company.

i) Amount due from related parties	2023	2022
	FRw'000	FRw'000
Kinazi Cassava Plant	474,995	87,951
Rwanda Interlink Transport Company (RITCO)	2,037,738	2,564,258
Rwanda Farmers Coffee Company	147,714	187,851
	<u>2,660,447</u>	<u>2,840,060</u>

Movement in related party loans is as follows:

Kinazi Cassava Plant Loan

At 1 January	51,604	62,300
Additions	435,442	42,595
Fair value loss	(22,274)	(7,413)
Loan repayment	-	(10,695)
Accrued interest	10,223	1,164
At 31 December	<u>474,995</u>	<u>87,951</u>

AGDF's stake in Kinazi Cassava Plant is 57.33%. Amount due from Kinazi Cassava Plant relates to loan and advance given to purchase spare parts and for working capital.

Notes (continued)

20 Related party transactions (continued)

i) Amount due from related parties (continued)

	2023 FRw'000	2022 FRw'000
Rwanda Interlink Transport Company Loan		
At 1 January	2,546,172	2,841,373
Loan repayment	(442,745)	(295,201)
Fair value gain	(103,862)	(5,254)
Accrued interest	38,173	23,340
At 31 December	2,037,738	2,564,258

RITCO is a transport company and AGDF's stake is 52%. Amount due from Rwanda Interlink Transport Company (RITCO) relates to an advance of FRw 910 million made in December 2020 to clear taxes on purchase of new buses and FRw 1.9 billion being Government contribution towards land and buildings converted into loan.

	2023 FRw'000	2022 FRw'000
Rwanda Farmers Coffee Company Loan		
At 1 January	187,851	187,851
Fair value loss	(2,417)	-
Loan repayment	(37,720)	-
At 31 December	147,714	187,851

Amount given to Rwanda Farmers Coffee Company were given as loan to support the Company in their daily activities.

ii) Senior management

	2023 FRw'000	2022 FRw'000
Executive compensation	469,329	362,328
	469,329	362,328

ii) Directors' remuneration

	2023 FRw'000	2022 FRw'000
Directors' fees and other benefits	49,066	62,960

Notes (continued)

21 Financial assets at fair value through profit or loss (Bonds)	2023	2022
	FRw'000	FRw'000
Treasury bonds	37,271,703	34,696,676
Corporate bonds	6,386,704	4,602,864
	<u>43,658,407</u>	<u>39,299,540</u>

Movement in bonds is as follows:

Treasury bonds

At 1 January	31,950,600	22,350,600
Additions	3,000,000	10,600,000
Matured	-	(1,000,000)
Fair value gain	1,243,367	1,793,509
Accrued interest	1,077,734	952,567
At 31 December	<u>37,271,702</u>	<u>34,696,676</u>

Corporate bonds - Crystal Ventures Limited

At 1 January	3,500,000	3,500,000
Fair value gain	95,313	195,746
Accrued interest	387,500	386,250
At 31 December	<u>3,982,813</u>	<u>4,081,996</u>

Corporate bonds - Energicotel

At 1 January	450,000	500,000
Repayment	(50,000)	(50,000)
Fair value gain	28,765	43,160
Accrued interest	24,629	27,708
At 31 December	<u>453,394</u>	<u>520,868</u>

Notes (continued)

21 Financial assets at fair value through profit or loss (Bonds) (continued)

	2023	2022
	FRw'000	FRw'000
Corporate bonds - BRD		
At 1 January	-	-
Additions	1,800,900	-
Fair value gain	103,187	-
Accrued interest	46,410	-
At 31 December	<u>1,950,497</u>	<u>-</u>

Treasury bonds are government bonds security in which the Company has invested 34.9 billion at 31 December 2023. The contractual interest rates varies depending on the tenor of the bond. The Company has also invested in corporate bonds with Crystal ventures Limited, Energicotel and BRD Sustainability linked bond.

The treasury bonds and corporate bonds amounts have fixed and determinable payments, and are measured at fair value by discounting expected cash flows in the form of coupons using the yield rates availed by the National Bank of Rwanda.

Notes (continued)

22 Financial assets at fair value through profit or loss (Equities)

	%	2023	2022
	Shareholding	FRw'000	Restated FRw'000
1	Africa Improved Foods	6.98%	923,411
2	Africa Olleh Services Ltd	49.00%	3,908,359
3	Bank of Kigali Plc	21.60%	58,752,023
4	Broadband Systems Corporation	100.00%	12,516,222
5	Development Bank of Rwanda (BRD)	74.30%	104,137,863
6	Gisovu Tea Company	30.00%	9,086,879
7	GT Bank Rwanda	3.62%	2,096,597
8	I&M Bank Rwanda	1.84%	1,227,072
9	Irembo Limited	85.00%	35,618,330
10	Kinazi Cassava Plant	57.33%	677,978
11	Kirehe Rice Company Ltd	30.00%	895,765
12	Korean Telecom Rwanda Networks	49.00%	-
13	Mayange Rice Company Ltd	40.00%	650,481
14	Prime Economic Zone	32.80%	2,673,456
15	RNIT Iterambere Fund	N/A	1,056,169
16	Rwanda Farmers Coffee Company	36.63%	624,659
17	Rwanda Fertilisers Co Ltd	32.60%	3,367,906
18	Rwanda Interlink Transport Co	52.00%	3,656,571
19	Rwanda Printery Company	100.00%	4,046,078
20	Rwanda Stock Exchange Ltd	20.00%	531,382
21	Shagasha Tea Company Ltd	10.00%	333,415
22	Sonarwa General Insurance Company	1.60%	72,902
23	East and Southern African Trade & Development Bank	0.47%	12,198,744
24	Ngali Holdings Ltd	100.00%	2,653,215
25	World vu satellites	0.02%	370,947
26	Eastern and Southern Trade Fund	N/A	675,680
27	Zaria Court	2.11%	252,786
28	Cimerwa Plc	0.02%	-
		263,004,839	206,506,666

The Company disposed off of the shares in Cimerwa Plc during the year.

The dividends received in respect of these investments have been disclosed in note 7.

Notes (continued)

22 Financial assets at fair value through profit or loss (Equities) (continued)

Movement in equity investments is as follows

	2023 FRw'000	2022 Restated FRw'000
At 1 January	206,506,666	186,735,467
Shares in Rwanda Fertilisers Co Ltd	1,200,000	-
Shares in BRD	4,802,753	-
Investment in Zaria Court	252,786	-
Investment in ESATF	551,811	-
Investment in TDB	-	7,599,876
Disposal of RPPC shares	-	230,225
Disposal of Cimerwa shares	(13,920,523)	(17,091)
Disposal of shares in Kirehe Rice Co	(167,522)	-
Disposal of shares in MIG	-	(228,381)
Disposal of shares in Gatsibo Rice Co	-	(283,350)
Disposal of shares in Mushubi Tea Company	-	(116,969)
Fair value gain	63,778,917	12,586,888
At 31 December	263,004,889	206,506,666

23 Right-of-use asset

At 1 January	165,690	220,920
Amortisation	(55,230)	(55,230)
At 31 December	110,460	165,690

24 Property and equipment

	IT equipment FRw'000	Furniture and fittings FRw'000	Motor vehicles FRw'000	Land FRw'000	Total FRw'000
31 December 2023					
Cost					
At 1 January	243,635	125,688	17,512	-	386,835
Additions	41,150	-	-	1,369,437	1,410,587
Disposals	(1,556)	-	-	-	(1,556)
At 31 December	283,229	125,688	17,512	1,369,437	1,795,866
Accumulated depreciation					
At 1 January	185,569	123,746	17,512	-	326,827
Depreciation charge	40,867	809	-	-	41,676
At 31 December	226,436	124,555	17,512	-	368,503
Net book value	56,793	1,133	-	1,369,437	1,427,363

Notes (continued)

24 Property and equipment

	IT equipment FRw'000	Furniture and fittings FRw'000	Motor vehicles FRw'000	Total FRw'00
31 December 2022				
Cost				
At 1 January	125,689	203,811	17,512	347,012
Additions	-	39,824	-	39,824
At 31 December	125,689	243,635	17,512	386,836
Accumulated depreciation				
At 1 January	120,031	138,502	17,512	276,045
Depreciation charge	3,715	47,067	-	50,782
At 31 December	123,746	185,569	17,512	326,827
Net book value	1,943	58,066	-	60,009

25 Other liabilities

	2023 FRw'000	2022 FRw'000
Received from MINECOFIN	2,087,816	-
BK Capital	249,594	-
National Resources Institute	106,539	-
Staff leave provision	53,211	55,301
TASCO (Recurring expenses)	49,337	-
EHA Advisory Ltd	37,918	104,393
Withholding tax payable	32,880	18,923
Value-added tax (VAT)	30,441	13,331
Audit fee	29,100	9,975
Pay as you Earn (PAYE)	20,801	27,744
RSSB	2,889	3,404
Performance bonus	-	2,266
Elite Digital Rwanda	-	37,701
Other accruals	40,823	32,297
Total	2,741,349	305,335

The amount received from the Ministry of Finance and Economic Planning relates is due to Kinazi Cassava Plant for revamping the Casava plant. This amount will be accounted for as capital injection by the shareholder.

Notes (continued)

26 Financial liabilities at fair value through profit or loss (Bonds)	2023	2022
	FRw'000	FRw'000
Opening	9,600,000	9,482,017
Repayment	(1,200,000)	(1,200,000)
Fair value gain/(loss)	214,038	(2,417)
Accrued interest	616,884	2,456,778
At 31 December	9,230,922	10,736,378
Non-current portion	4,478,664	8,449,713
Current portion	4,752,258	2,286,665
	9,230,922	10,736,378

The balance 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 2023.

27 Deferred revenue	2023	2022
	FRw'000	FRw'000
Deferred revenue from commercial paper	-	19,738

Deferred revenue related to interest received in advance on the Horizon Commercial Paper, which was amortised over the period of the commercial paper.

28 Lease liabilities	2023	2022
	FRw'000	FRw'000
At 1 January	175,006	220,920
Interest expense	31,026	23,638
Principal repayments	(82,661)	(69,552)
At 31 December	123,371	175,006
29 Share capital	203,240,942	203,240,942
Authorised and issued share capital	203,240,942	203,240,942

The fund has 1 authorized, issued and fully paid ordinary share with a par value of FRw 203,240,942 per share.

Notes (continued)

30 Capital awaiting allotment	2023	2022
	FRw'000	FRw'000
At 1 January	41,017,430	184,304,564
Transfer to share capital		(153,240,942)
Shares transferred to Horizon Group	-	(3,196,337)
Government commitment on Gasabo 3D shares	-	3,318,853
Privatisation proceeds received	6,854,026	6,340,373
BRD capital injection	4,802,755	3,490,919
Transfer of land to AGDF	1,369,437	-
At 31 December	54,043,648	41,017,430

In 2023:

- Nine plots of land in different parts of the country which were previously owned by Office National de Transport en Commun ("ONATRACOM") were transferred by Cabinet decision to AgDF in order to serve the activities of RITCO (through contribution in kind and capital increase or lease). The land titles of seven plots were transferred to AGDF and the two remaining have not yet been transferred,
- There were additional capital contributions by the Ministry of Finance and Economic Planning to Development Bank of Rwanda on behalf of Agaciro Development Fund, and
- Privatisation proceeds from sales of various government properties were received by AGDF.