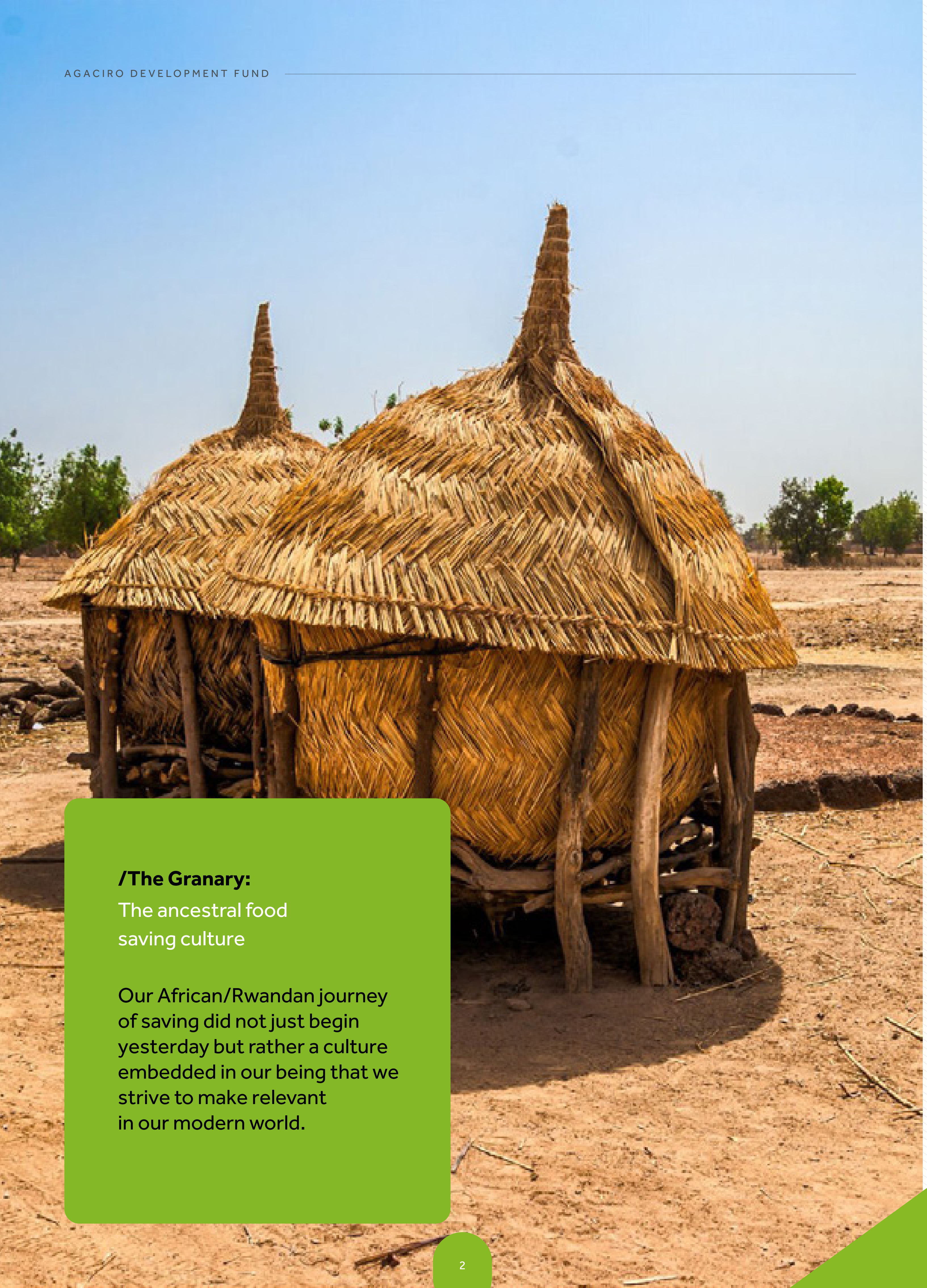
AGACIRO
Development Fund
Rwanda Sovereign Wealth Fund

2021 ANNUAL REPORT

A MEMBER OF THE INTERNATIONAL FORUM OF SOVEREIGN WEALTH FUNDS



/The Granary:
The ancestral food
saving culture

Our African/Rwandan journey of saving did not just begin yesterday but rather a culture embedded in our being that we strive to make relevant in our modern world.

CONTENTS

"The opportunity to raise the quality of life of people is the biggest business opportunity."

PAUL KAGAME.
PRESIDENT OF THE REPUBLIC OF RWANDA
- WORLD ECONOMIC FORUM 2017

AGACIRO
Development Fund
Rwanda Sovereign Wealth Fund

LETTER OF TRANSMITTAL

AGDF CORPORATE TRUST LTD.
RWANDA SOVEREIGN WEALTH FUND
P.O. Box 674 Kigali, Rwanda
E-mail: info@agaciro.rw

Ministry of Finance and Economic Planning,
12 KN3 Avenue
P.O Box 158,
Kigali – Rwanda.

Honourable Minister,

Re: Transmittal of Annual Report for 2021 Financial Year

In accordance with the requirements of Organic Law N°12/2013/OL of 12/09/2013 on State finances and property, I have the honor to submit the Annual Report of Agaciro Development Fund for the period ended 31 December 2021.

Sincerely yours,

Gilbert Nyatanyi
Chief Executive Officer

INTRODUCTION

Agaciro Development Fund ("Agaciro" or the "Fund"), Rwanda Sovereign Wealth Fund was initiated by Rwandans on 16 December 2011 at the 9th Umushyikirano (National Dialogue Council) chaired by His Excellency Mr Paul Kagame, the President of the Republic of Rwanda.

Rwandans floated an idea to establish a national fund as a home-grown initiative aimed at shielding the country against economic shocks, building savings for future generations and accelerating socio-economic development.
The Fund was born out of the need for Rwandans to achieve self-reliance by putting together resources through contributions by the Government of Rwanda ("GoR"), the public and private sector, Rwandans and friends of Rwanda.

On 10 August 2012, the Cabinet meeting chaired by His Excellency President Paul Kagame was given an update on the growing momentum by Rwandans to establish the Fund which was then named "Agaciro Development Fund" with different institutions and individuals already making voluntary contributions.
Agaciro Development Fund was then launched officially by His Excellency President Paul Kagame on 23 August 2012.

The name "Agaciro" conveys the idea of "Dignity" which was embraced as Rwanda's key moral value in its journey towards sustainable socio-economic development. Further summarised as "Prosperity for generations" - "Umurage w'ubukungu".

> Dignity is defined as "The quality or state of being worthy, honoured or esteemed"

The Memorandum of Association of AGDF CORPORTATE TRUST LTD ("AgDF") was registered with Rwanda Development Board on 29 July 2013 and on 01 August 2013 AgDF was registered as a private company limited by shares with company code 103050268.

On 11 September 2013, the Cabinet meeting chaired by President Paul Kagame, approved the proposal for the management of Agaciro's proceeds and appointed its first Chief Executive Officer. On 28 March 2014, the Cabinet meeting appointed Agaciro's Board members.

In October 2014, a Trust Deed executed by the Minister of Finance and Economic Planning established AGDF CORPORATE TRUST LTD as a trust subjected to Law No20/2013 of 25/03/2013 regulating the creation of trusts and trustees.

Agaciro is unique of its kind as it was created basing on voluntary contributions from Rwandans living in home country and abroad as well as friends of Rwanda. For that matter, the Fund is generally referred to as the "People's Fund".

As per purposes of Sovereign Wealth Funds, AgDF is classified as a stabilization, saving and development fund, the objectives that were possible to meet at the time AgDF would still be receiving voluntary contributions.

Subsequent to contributions that were terminated from April 2020 requiring alternative sources of income together with GoR assets transferred to AgDF, as well as strategies to grow the Fund, there is a need to redesign the current structure.

ORGANIZATION TIMELINE

2011

15-16 December 2011: The 9th National Dialogue (Umushyikirano) chaired by His Excellency President Paul Kagame resolved to establish a National Fund as a home grown solution to cushion the country against economic shocks, building savings for future generations and accelerating socio-economic development.

2012 established

10 August 2012: The Cabinet meeting chaired by President Paul Kagame was informed of and appreciated the initiative of "Agaciro Development Fund". President Kagame and Cabinet Members supported the Fund and made their own contributions amounting to Frw 33,500,000. The Cabinet meeting requested the Minister of Finance and Economic Planning to refine the initiative to allow Rwandans to voluntarily deposit therein their contributions.

23 August 2012: Agaciro Development Fund was officially launched by President Paul Kagame at Kigali Serena Hotel.

2013

01 August 2013: AGDF was registered with Rwanda Development Board (RDB) and incorporated as AGDF Corporate Trust Ltd.

11 September 2013: A Cabinet meeting chaired by President Kagame reaffirmed the value of supporting Agaciro Development Fund and pledged to contribute, for the second time. Members of the government raised Frw36m. At the same time, the Cabinet Meeting approved the proposal for the management of Agaciro Development Fund proceeds and requested to improve its management and organizational structure.
The Cabinet appointed the late Mr. Vianney Kagabo as the Chief Executive Officer of AgDF.

27 November 2013: The Cabinet meeting welcomed the new mechanism allowing Rwandans to easily contribute to Agaciro Development Fund and called upon citizens to fully support the Fund as a contribution to building their Nation.

2014

28 March 2014: The Cabinet meeting approved the members of the AgDF Board of Trustees namely; Kampeta Sayinzoga (Chairperson), Sanjeev Anand (vice Chairperson), Scott Ford, Sandra Rwamushaija, Françoise Kagoyire and Robert Bayigamba.

12 November 2014: The Cabinet Meeting adopted strategies to increase contributions to the Fund and urged all Rwandans in general to continue to voluntarily support it in order to build their country

ifswf

2016

29 February 2016: The Board of the International Forum of Sovereign Wealth Funds (IFSWF) approved the application for AgDF associate membership in IFSWF.

18 March 2016: The Cabinet appointed Mr. Jack Kayonga as the Chief Executive Officer of AgDF

2018

14 September 2018: The Cabinet meeting resolved that AGDF should be responsible for all Government assets including management of all proceeds from the sale of any Government property.

26 September 2018: AGDF gained full IFSW Membership.

Starts to manage assets on behalf of governmentt

2020

02 April 2020: Voluntary contributions phase-out.

10 September 2020: The Cabinet appointed Mr. Gilbert Nyatanyi as the Chief Executive Officer.

2021

14 July 2021: The Cabinet appointed new Board of Directors of AGDF Corporate Trust Ltd.

Mr. Scott Ford
Chairperson

Mr. Dr. Thierry Mihigo Kalisa
Vice- Chairperson

Mr. Aimé Ngarukiyintwali
Member

Mrs. Alysia Silberg
Member

Mr. Andrew Rozanov
Member

Mrs. Doreen G. Karake
Member

Mrs. Jeanne Françoise Mubiligi
Member

Statement of the Chairman

Dear Agaciro stakeholders,

The year 2021 marked a major turning point in the life of the Agaciro Development Fund ("Agaciro"). Not only did Agaciro have to deal directly with the issues presented by the arrival of, responses to, and abatement of COVID-19, but many of the companies in which we now hold major shareholding positions were fundamentally impacted as well. This was made all the more acute by the fact that last year saw the role of Agaciro shift from a primarily liquid asset investment fund into a hybrid of both liquid and illiquid operating business share-holdings. Accordingly, a number of actions were taken over the course of the year to strengthen our ability to comply with the highest standards of corporate governance, to increase the funds income generation, and to set our operating company shareholdings for enhanced financial performance over the coming years.

Corporate Governance

Regarding governance, the appointment of our new Chief Executive Officer in late 2020 was followed by the appointment of a new Board of Directors of the Agaciro Fund in July 2021 by Cabinet of the Government. The seven Directors possess varied backgrounds in finance, international economics, business operations, and trade.

The reconstituted Board formed new Audit, Investment, and Employee Policy committees in line with our charter, reaffirming our commitment to the governance, stewardship, and management of Agaciro.

Fund Income

In April 2020, the Government of Rwanda phased out direct, voluntary contributions to Agaciro. Consequently, 2021 marked the first year of fund income being primarily derived from investment activities. From a strategy perspective, we implemented the adaptation of our new revenue-generating business holding strategy, which allows for the streamlining of the various portfolio companies held within Agaciro, in order to maximize profit and derive new streams of investment income and asset value growth.

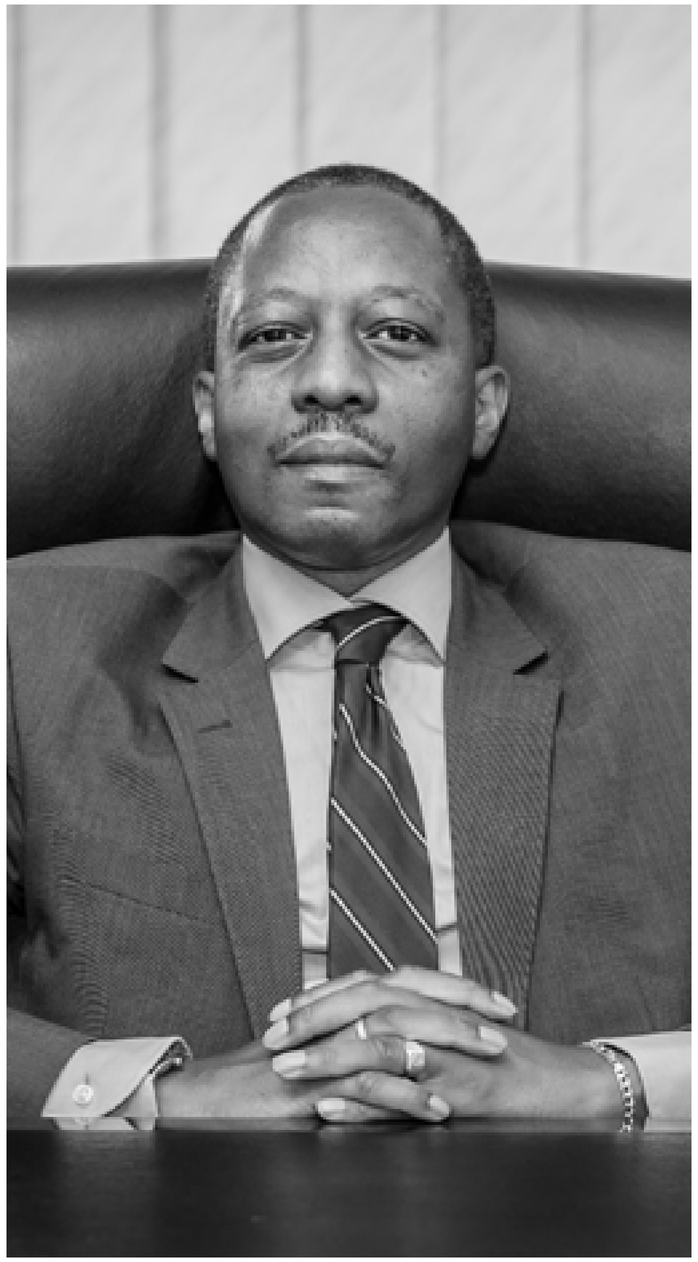
Financial performance

Finally, I have the pleasure of informing you that at year-end 2021, the Agaciro fund balance stood at FRW 256 billion, up 13% over the prior year. The increased balance was mainly attributable to the reinvestment of interest income derived from term deposits, treasuries, and corporate bonds.

With many of our various portfolio companies recovering from the effects of the pandemic and others working diligently to break into profitability, the Board remains keenly focused on the streamlining of the operations of our various portfolio companies and making incremental capital allocations only to those businesses which have crossed over into profitability and demonstrate the ability for near-term free cash flow generation. I thank you for your time, and your continued trust in our stewardship of Agaciro.

Sincerely,
Scott T. Ford

Statement of the Chief Executive Officer



Esteemed stakeholders,

I am pleased to present to you our annual report for fiscal 2021 which has been another challenging and transformative year for Agaciro Development Fund (Agaciro) amidst the uncertainty caused by the coronavirus (COVID-19)

It is now time to make the evaluation of this year and to thank all those who have contributed to the performance of our Institution.

The 2021 financial year at national level was marked by the vaccination campaign against COVID-19, lockdown removal and the gradual resumption of economic activities. It is also in this environment that Agaciro adapted to its new work strategy shifting from the collector of voluntary contributions to an income-generating holding company.

As the above changes emerged, Agaciro Development Fund has nevertheless maintained its growth by getting involved in relaunching the operations of portfolio companies and strengthening the follow-up and monitoring of the latter for better management and increase of their performance.

Our net return on investment portfolio is growing steadily. In fiscal 2020, our return on investment was FRW 6.76 before increasing to FRW 8.96 billion in 2021. The year 2021 saw the Fund's investment portfolio allocated in consideration of the risk-return trade-off as 12.7% of the total portfolio is injected into term deposits, 11% allocated to cash instruments, 0.3 % in current account and 76% has been allocated to the Equities portfolio.

Considering the achieved performance in some portfolio companies whereby the paid dividends increased from 55 million in 2020 to 3.3 billion in 2021, it was ascertained that there is a need to deep dive portfolio companies in order to streamline them and promote corporate governance for more efficient management and more profit.

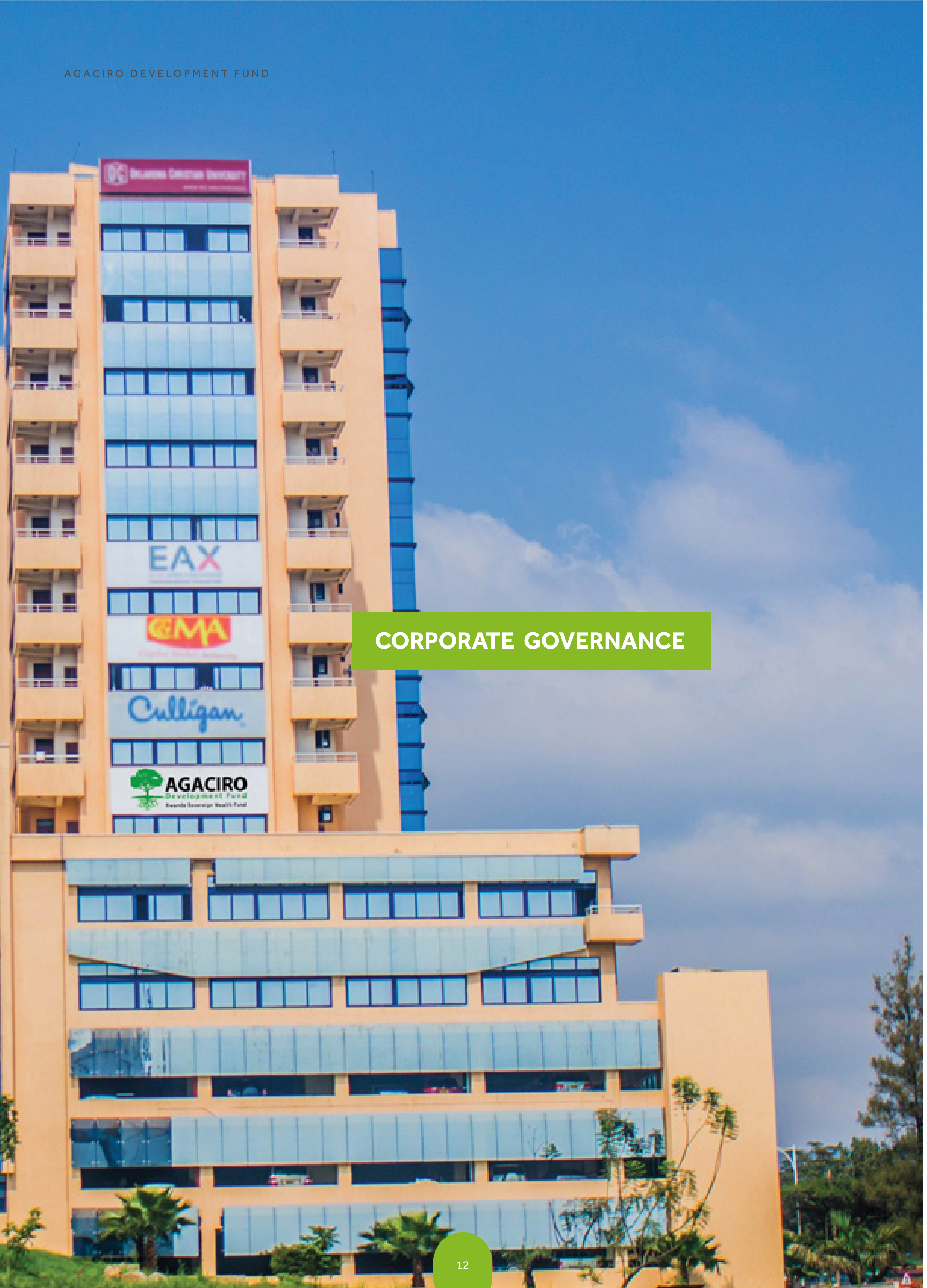
We will remain focused on identifying new investment opportunities to improve our portfolio while maximizing returns. We will also engage several investors through partnerships established on a mutually non-exclusive basis to engage in profitable investments while contributing to the welfare of Rwandans.

Our highly qualified staff continue to demonstrate extraordinary enthusiasm, drive and commitment to take the Fund to the next level while building on the accountability and transparent management that we have fostered since inception of the Fund.

As the Fund faces new challenges, we have launched the development of the new strategic plan which will address the new legal framework and the new structure, alternative sources of income as well as better management of public assets to ensure the maximization of stakeholder wealth.

This annual report contains important information on the progress made by the Fund over the past year, demonstrating our goal of protecting the wealth of Rwandans in a transparent and accountable manner.

Gilbert Nyatanyi



CORPORATE GOVERNANCE

The Board of Directors is responsible for the oversight and management of the Fund's operations on behalf of Rwandans.

The Board is accountable to the Government of Rwanda, through Ministry of Finance and Economic Planning, in ensuring that the Fund complies with the law and the highest standards of corporate governance.

On daily basis, the operations of the Fund are run by the management headed by the Chief Executive Officer who is also accountable to the Board.

Agaciro has been working towards improving organizational and functional structure, as well as company policies and rules to ensure a comprehensive risk management system, sophisticated and diversified investment portfolio.

The Agaciro governance model is one that ensures operational efficiency and removes any loopholes because as earlier emphasised, the Fund belongs to the people of Rwanda. A Board and management system composed of strategic and operational thinkers ensures overall high performance and efficiency.

The Board has been effectively and directly involved in the AgDF decision making processes, including key decisions to invest.

Roles and Objectives

The Agaciro Board was established to manage and administer the fund in a prudent manner based on the best practices relied upon to manage a sovereign wealth fund.

This means that the Board makes decisions to invest with an aim of maximising returns without undue risk to the Fund as a whole while at the same time protecting the Fund from any prejudices to safeguard the country's reputation.

Corporate governance at the Board encompasses the Board' decision-making structures and the mechanisms used to manage the Board.

The Board has responsibility for the affairs and activities of the Fund. In practice the Board operates through delegation to the Chief Executive Officer and other executives who are charged with the day to day leadership .

The Chief Executive Officer also has responsibility to manage and oversee the interfaces between the Board and the public and to act as the principal representative of the Board.

The Board has adopted the governance parameters as set out below as the cornerstone principles of its corporate governance charter. These cornerstone principles reflect the Corporate Governance principles and recommendations of the Rwanda Companies Act.

As such, the Board has the mandate to promotes ethical and responsible decision-making and ensure transparency.

The Agaciro Board Charter provides guidance and principal specification of the governance framework within which the Board conducts its affairs.

Structure of the Board

Board members are appointed by the Cabinet on the recommendation of the Minister of Finance and Economic Planning.

Board members picked must have substantial skills, training and experience in the management of financial assets.

The Chairperson and Deputy Chairperson are assigned by the Minister of Finance and Economic Planning.

Committees

The Agaciro Board has a mandate to appoint three standing committees which are the Audit Committee, Employee Policy and Remuneration Committee and Investment Committee.

Each committee has its own mandate and decision making powers delegated by the Board and submit recommendations directly to the Board.

The committees have the duty to analyse policies and strategies, usually developed by Management, which are within their terms of reference. They do not take action or make decisions on behalf of the Board except where they have been specifically mandated to do so.

Each committee has at least three members and not more than five and membership is reviewed based on what the AgDF Board Charter provides for.

The Audit Committee has a mandate of assisting the Agaciro Board of Trustees to meet its financial reporting obligations and at the same time provide independent assurance on financial reporting and the Board' risk, control and compliance framework.

The Audit committee is authorized by the Board to investigate any activity within its scope of objective and responsibilities to obtain any information it needs from any employee and/or external party.

The Employee Policy and Remuneration Committee has an ultimate responsibility of making recommendations to the Board to ensure that the human resources policies and practices of the organization are appropriate and consistent with its statutory obligations.

The mandate of this committee also includes managing the Board's employment relationship with the CEO to ensure that the recruitment policies of the organization are designed to attract and retain quality staff whilst providing appropriate accountability for performance.

It also has the duty to ensure that the employment costs of the organization remain within agreed budgetary guidelines.

Like other committees, membership to this committee is reviewed every three years or earlier if circumstances dictate.

The third committee is the Investment Committee whose duty is to assist the AgDF Board to meet its investment objectives.

It provides independent assurance on investment management and reporting and advises the Board on investment risk, control and compliance framework.

The Chairperson of the Board is not to be the Chairperson of the Investment Committee.

BOARD OF DIRECTORS

Mr. Scott Ford
Chairperson

Mr Ford is co-founder and Chief Executive Officer of Westrock Group, LLC, a private investment firm he founded with this father in 2013. Westrock Group operates Westrock Asset Management, LLC, an alternative asset management firm, and Westrock Coffee Company, LLC, a vertically-integrated coffee company.

Mr. Ford serves as Chief Executive Officer and Chief Investment Officer of Westrock Asset Management and as Chairman and Chief Executive Officer of Westrock Coffee Company.

He holds a Bachelor of Science in Business Administration in Finance from the University of Arkansas, Fayetteville, Arkansas.
He is also a member of the Presidential Advisory Council of Rwanda

Mr. Dr. Thierry Mihigo Kalisa
Vice- Chairperson

Dr. Thierry Kalisa is Chief Economist and Executive Director Monetary Policy and Research Directorate at the National Bank of Rwanda.

His work covers economic research, modeling, monetary policy formulation among other things. Prior to this appointment, Dr. Kalisa was Senior Economist, Head of the Macroeconomic Policy Division in the Ministry of Finance and Economic Planning.

He graduated from University Lyon 2, France, with a PHD in Economics and has teaching experience for various economic courses.

Mrs. Doreen G. Karake
Member

Ms Karake is an experienced Investment Negotiator and Transactions Advisory Expert, she is currently working with the Transactions Structuring and Support (TSS) Division at the Rwanda Development Board, and leads the team. The TSS is the government's de facto investment negotiations team.

The team negotiates strategic investments including PPPs in different sectors such as Energy, Mining, Infrastructure, ICT, Agriculture, etc.

Prior to that, she was the Company Secretary and Director of Legal affairs at Ngali Holdings.

Mrs. Karake is currently the head of legal and regulatory affairs Rusizi III Energy Limited.

She holds an an MBA with the Heriot-Watt University (Edinburgh business school), an LLM and LLB from the university of Witwatersrand, and a B-juris from the University of Namibia.

Mr. Andrew Rozanov
Member

Mr Rozanov is an Independent expert in institutional fund management, with 25 years of practical experience in global financial markets.

During 2016-19, he served as an Independent Non-Executive Director and Chairman of the Board of the National Investment Corporation of the National Bank of Kazakhstan, which is one of the country's sovereign wealth funds.
Previously, Andrew was Associate Fellow in the International Economics Program at Chatham House, where he was researching Abenomics.

Prior to that, he worked at Permal Group, where he was responsible for advising institutional investors on asset allocation, portfolio construction, risk management and alternative investments, focusing on global macro and tail risk strategies. Before that, he worked at State Street Corporation and UBS Investment Bank, in Tokyo and in London.

Mr. Rozanov is known in the industry for having introduced the term "Sovereign Wealth Funds' (SWFs) in an article in Central Banking Journal in 2005. Subsequently, he published extensively on SWF-related matters, and edited two highly acclaimed books – Global Macro and Tail Risk Hedging.

Mr Rozanov is a Chartered Financial Analyst (CFA), a Financial Risk Manager (FRM), and a Chartered Alternative.

Mrs. Jeanne Françoise Mubiligi
Member

Mrs Mubiligi is currently Deputy Managing Director of a construction company with over eight years of managerial experience of working for major companies, with proven results of developing maximum sales and profitability.

Mrs Mubiligi is the vice Chairperson of the Rwanda Private Sector Federation.
She holds a Masters in International Business Development from Université de Neuchatel and a Bachelor's degree in management; option informative system management from the same university.

Mr. Aimé Ngarukiyintwali
Member

Mr Ngarukiyintwali has over 20 years of experience in investment banking, financial advisory and portfolio management gained at Dresdner Bank, Deutsche Bank and Westdeutsche Landesbank (WestLB).

He is currently Head of Structured Credit at Mount Street Portfolio Advisers, an independent financial advisory and portfolio management firm with offices in London, Düsseldorf, New York, Atlanta, Madrid and Athens.

He is an expert in securitization, a technique that consists in pooling various types of receivables (e.g. residential mortgages, auto loans, credit cards, commercial real estate loans, leveraged loans, etc.) in order to originate marketable asset backed securities (ABS) for funding or regulatory capital optimization purposes.

He has structured various types of ABS products as well as managed large portfolios of ABS.
Mr Ngarukiyintwali holds an Master of Science in Mathematical Trading and Finance from the CASS Business School of the City University London, a Master Degree in Business (Diplom-Kaufmann) from the University of Mannheim, Germany, an executive training certificate in Finance from INSEAD and a "Diplôme International de Management" from the Institut Commercial de Nancy, France.

NOTE: This is the board composition at the time of printing on 1st December 2022.

EXECUTIVE MANAGEMENT

Mr. Gilbert Nyatanyi
CHIEF EXECUTIVE OFFICER

Mr. Gilbert Nyatanyi has more than 25 years' experience of providing general legal advice, and more than 15 years' specific experience of advising on banking and finance law, in particular regarding secured transactions, acquisitions and corporate finance, syndicated loans, refinancing, capital markets and public and private placements of securities.

He has advised companies, banks, international lenders, financial institutions and governments both in Europe and in Africa (especially Burundi, Central African Republic, Democratic Republic of Congo, Rwanda, United Republic of Tanzania), on a wide range of legal matters, including project finance, restructuring and reorganisation, corporate and commercial matters, litigation, regulatory issues and compliance. He has assisted clients with both domestic and international transactions, including multiple jurisdictions and cross-border transactions in Africa.

He has lived and worked in Belgium, Tanzania, Burundi and Rwanda for both international law firms and in-house, thus gaining an exceptional mix of wide-ranging experience and expertise.

Mr. Patrick Marara Shyaka,
CHIEF FINANCE OFFICER (CFO)

Mr. Shyaka is our vibrant CFO with a 16 year experience in financial management, 12 of which have been at senior level positions.

He worked as the Accountant General at MINECOFIN, from 2010 to 2016 and as an Audit Director in the Office of Auditor General of State Finances, 2007 – 2010 and Principal Auditor at the same institution amongst other experiences.

He is a member of different regional and international accountants associations. He is an ACCA Fellow and has an MBA from Heriot Watt University, UK, a Bachelor of Commerce in Accounting from University of Bangalore, and Post Graduate Diploma in Project Management from Central Institute of Management, India.

Patrick is a CPA Rwanda Member and is a Member of Chartered Institute of Public Finance and Accountancy, UK.

Mr. Charles Mugabe,
CHIEF INVESTMENT OFFICER (CIO)

Mr. Mugabe is the Chief Investment Officer. He joined the Fund in 2016 with a wealth of knowledge and experience of over ten years in various positions with public and private entities in financial management, planning, analysis and reporting. Prior to that, he worked as the Director of Finance at Rwanda Broadcasting Agency.

He has also been a lecturer at different universities in Rwanda.

Mr. Mugabe is a qualified Chartered Accountant (ACCA), a Certified Public Accountant (CPA) of Rwanda and he holds a Master's Degree in Business Administration specializing in Finance and Investment Management which he obtained from the University of Wales, Cardiff-U.K. He has done various executive leadership trainings with CRESTCOM, and John Maxwell, USA.

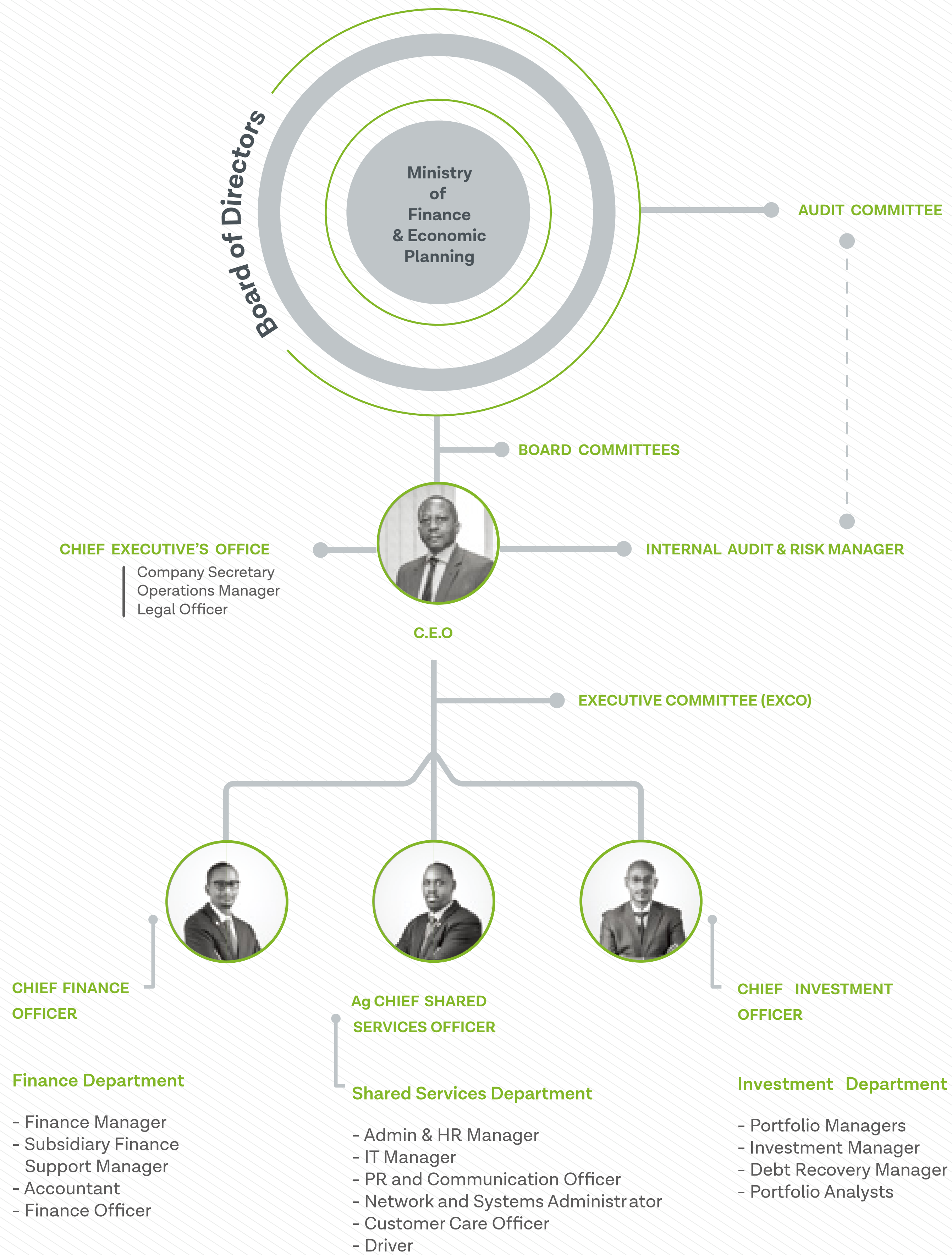
Mr. Jean Bosco Ntabana,
INTERIM CHIEF SHARED SERVICES OFFICER (AG. CSSO)

Mr. Jean Bosco Ntabana is the Ag. Chief Shared Services Officer. Prior to this positions, he worked as a Fundraising Manager, coordinating fundraising from public institutions, private companies, cooperatives and non-for-profit organizations which bolstered the growth of Agaciro.

He has gained extensive experience in management, leadership, team building, strategy, operations and also experience in community mobilization and marketing, fundraising, relationship building and negotiation all from working with different organizations including ADK, Unguka Bank Ltd, SWATTACE.CO.LTD, USG PLC and Agaciro Development Fund.

He holds a Master's Degree in Business Administration (MBA) specializing in Finance and Accounting which he obtained from the University of Kigali-UoK, Rwanda.

Organization Structure



Senior Management

SHARED SERVICES DEPARTMENT

Our Staff

Agaciro nurtures professionals who can contribute to enhancing sovereign wealth and lead the growth of the AGDF. Currently the Fund employs at least 22 people on contract basis.

In 2021, Agaciro continued to provide its employees with diverse and practical training programs to nurture investment experts who can contribute to its development and the development of Rwanda's finance industry.

The Fund offers professional trainings in accounting, asset and risk management and planning with an overarching aim of ensuring that we maintain high calibre workforce who are adequately equipped to manage the Fund.

The Shared Services department is aimed at ensuring that every department of the Fund discharges its duties and achieves its goals. It does so by playing a coordinating role through providing the leadership and oversight needed to position AGDF as an efficient and exemplary institution.

As indicated in the policies of the Fund, the Shared Services department oversees every aspect of the Fund – from future-proofing Agaciro to enable new operations, changing current operations and functions or adding new functions and operations overtime without creating fragmentation or requiring fundamental redesign.

Shared Services department is also mandated to ensure that the AgDF procurement policy is observed, with the aim of ensuring that the procurement processes of the Fund are done in a fair manner, from ensuring that prices obtained are fair, reasonable and transparent to ensuring cost efficiency.

The core aspects of the Agaciro Procurement are built on ensuring value for money by making sure that Agaciro staff are involved in the procurement process to encourage competition between potential suppliers, follow the procedures, apply the criteria and make judgments.

The key tenets of value for money are aimed at ensuring that Agaciro resources are carefully used to save money, time or effort and ensuring efficient where selected options during a procurement process are the best and cost effective without compromising the output, quality and impact, to minimise the risk.

To ensure efficient operability of the Fund, the Shared Services department follows through by making sure that the Fund has efficient and effective information and communication technology (ICT) which is up-to-date, well trained human resource and efficient administrative services working in a manner that contributes to the growth of the fund.

INVESTMENT DEPARTMENT

Introduction

The Sovereign Wealth Fund was born out of the need for Rwandans to achieve self-reliance by putting together resources through contributions by the Government, private sector, Rwandans and friends of Rwanda. From April 2020, contributions were stopped and Agaciro is now depending on investment activities.

Investment is a key component of Agaciro. The objective of investment is to achieve both short and long-term return on the Fund's investment portfolio sufficient to meet the Fund objectives.

Agaciro follows a variety of investment strategies in fixed and non-fixed income such as government bonds, corporate bonds, commercials papers, short-term deposits with commercial banks and equities which have continued to facilitate its ability to maximize the Fund's returns and diversify risk.

Investment objectives of AgDF

- To achieve both short and long-term return on the Funds' investment portfolio sufficient to meet the Fund objectives.
- To optimize return within the defined risk parameters in a prudent and cost efficient manner while ensuring that legal and regulatory compliance are met.

To ensure the achievement of the above objectives, the Fund's investment department is responsible for:

- Initiating and executing transactions.
- Performing risk management functions.
- Performing due diligence.
- Assessing the progress of the Fund in meeting its investment objectives.
- Monitoring and ensuring that assets and returns are within the established benchmarks and targets.
- Recovering privatization proceeds.
- Preparing investment reports.
- Recommending changes in the strategy of asset mix and provide strategies on how to balance it in line with the Investment Policy Statement.

Investment portfolio

The investment portfolio of AgDF is categorized into two broad asset classes namely; Fixed Income Investment (FII) and Equity Investment (EI).

FII refers to those types of investment securities that pay investors fixed interest for a defined period of time. They are of low risk and return. This class of assets allows Agaciro to ensure liquidity and meet short term objectives. In the financial year ended 31st December 2021, Agaciro invested in Government securities, fixed term deposits with commercial banks, corporate bonds and commercial papers.

Agaciro' s Equity Investment is composed of investment in 33 companies operating in different business sectors such as agriculture and food processing, financial services, manufacturing, transport and telecommunication among others. Investing in those different business sectors is part of the risk mitigation processes used by Agaciro.

Investment strategy and risk management

Agaciro has a comprehensive Investment Policy Statement which provides measures and guidelines to ensure achievement of Agaciro objectives. This policy must be complied with to ensure that the Fund, which belongs to the people of Rwanda is safeguarded.

Bearing in mind that Agaciro can have little or no control on unforeseen economic shocks and possible economic downturns, decisions to invest are carefully made with a focus on long-term investment returns rather than laying emphasis on year-on-year returns.

The board and the management team, with the oversight of the Government of Rwanda, make deliberate, prudent and cost efficient decisions to invest and optimise return within the defined risk parameters. All investment decisions must comply with Agaciro legal and regulatory policies.

The investment portfolio is reviewed regularly to ensure compliance with the investment policy statement in terms of asset allocation, diversification, return risk assumptions and correlation of returns with applicable benchmarks across asset classes whenever necessary. Further, this review aims to develop a diversified portfolio that specifies ranges of prudent portfolio exposures and a long-term target position for each asset class while taking into consideration the return objectives, risk tolerance and constraints of the Fund.

Recovery of privatization proceeds

Agaciro Development Fund as a sovereign wealth Fund is responsible for all Government assets including management of all proceeds from sale of Government properties to private investors, comprising State Owned Enterprises, houses, land and equipment. This responsibility was given to Agaciro on 14th September 2018. The proceeds from privatization of the Government's assets are used as investment capital by Agaciro.

Performance of the investment portfolio

(a) **Capital**

Investment classes	Portfolio and Fund size (in Frw '000)			
	End Dec 2021	End Dec 2020	Variance	% change
Fixed income	57,281,392	52,536,171	4,745,221	9.0%
Equity	186,735,467	174,197,000	12,538,466	7.2%
Asset held for sale	8,076,880	5,920,000	2,156,880	36.4%
Related parties	3,929,165	1,015,839	2,913,326	286.8%
Total investment portfolio	**256,022,903**	**233,669,010**	**22,353,893**	**9.57%**
Other Assets	256,802	273,589	-16,787	-6.1%
Total Fund size	**256,279,705**	**233,942,599**	**22,337,106**	**9.55%**

For the financial year ended 31st December 2021, Investment portfolio increased by 9.57% to stay at Frw 256.2bn in December 2021 up from Frw233.9bn in 2020. This increase was mainly due to new equity investments and the reinvestment of interests from existing Term Deposits and T-bonds.

Asset held for sale presented in the above table represents former Umubano hotel that Agaciro acquired for resale purpose and this constitutes 3% of the investment portfolio.

Related parties refer to shareholder's loan given to some portfolio companies. They represent 1.5% of the investment portfolio.

Other assets include Plant Property and Equipment, intangible assets, receivables and cash at bank.

(b) **Investment income**
Income from Fixed Income Investment increased by 8.3% to stay at Frw 5.38bn on 31st December 2021 up from Frw 4.96bn as of end December 2020.

Dividends increased by 549% from Frw 522.51m to Frw 3.38bn for the year ended 2021. The increase in dividends was due to the payment from Bank of Kigali after the National Bank of Rwanda allowed banks to issue dividends.

Other revenue are revenues from sale of bid documents and recovery of funds from outgoing staff who signed vehicle co-ownership agreement.

Overall investment income increased by Frw3.41bn to stay at Frw 8.96bn up from Frw 5.54bn representing a 61.6% increment.

Investment classes	Net income in Frw ('000)			
	Dec-21	Dec-20	Variance	% change
Fixed income	5,381,040	4,968,266	412,774	8.3%
Equity	3,388,661	522,519	2,866,142	549%
Total investment portfolio	**8,769,702**	**5,490,785**	**3,278,917**	**59.7%**
Other income	190,657	55,150	135,507	245.7%
Total Fund size	**8,960,359**	**5,545,935**	**3,414,424**	**61.6%**

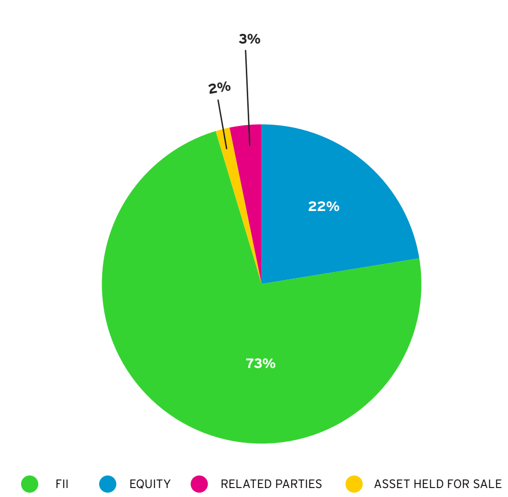
Asset allocation as at 31st December 2021
Agaciro asset allocation is in four major categories, namely Fixed Income that represents 22%, Equity of 73%, Related parties of 1.5% and Asset held for sale representing 3.2%. Illustration is provided in the table and chart below:

Achieved target as at 31st December 2021

Agaciro achieved 107% of targeted ncome. Total investment income stood at Frw 8.9bn against a target of Frw 8.2bn. However, fixed income investment achieved 95% of target while dividends were at 132% of target. Details are provided in the table next page and chart below:

Asset class	Capital in Frw ('000)	% share
Fixed Income Investment	57,281,392	22%
Equity	186,735,467	73%
Related parties	3,928,221	1.5%
Asset held for sale	8,076,880	3.2%
Total	**256,021,959**	**100%**

Asset allocation



Investment classes	Income (Frw'000)	Budget (Frw '000)	Achieved target (%)
Fixed income	5,381,040	5,663,541	95%
Equity	3,388,661	2,561,927	132%
Total investment portfolio	**8,769,702**	**8,225,467**	**107%**

Privatization proceeds as at 31st December 2021

On 14th September 2018, Cabinet decided to transfer the privatization proceeds recovery and related monitoring functions to AgDF. From that date up to December 2021, AgDF collected Frw 3bn. From January to December 2021, collections stood at Frw 901.8m.

Conclusion

Overall, AgDF' s fund size increased by 9.55% from Frw 233.94bn as at 31st December 2020 to Frw 256.27bn as at 31st December 2021.

Investment income increased by 61.6% from Frw 5.54bn end December 2020 to Frw 8.96bn as of end December 2021. A larger proportion of AgDF income came from Fixed Income Investment at 60% while Equity Investment registered 38% and other income with 2% for the year ended 2021.

The Fund achieved 107% of the target as at 31st December 2021 in terms of investment income.

PORTFOLIO

Ngali Holdings
Our shareholding percentage
100%
www.ngali.com

Rwanda Printery Company
Our shareholding percentage
100%
www.rpc.com

Gasabo 3D
Our shareholding percentage
100%
www.gasabo3D.rw

BSC (Broadband Systems Corporation)
Our shareholding percentage
100%
www.bsc.com

Irembo
Our shareholding percentage
85%
www.irembo.gov.rw

RFCC (Rwanda Farmers Coffee Company)
Our shareholding percentage
74.75%
www.gorillascoffee.com

Development Bank of Rwanda
Our shareholding percentage
65.88%
www.brd.com

Kinazi Cassava Plant
Our percentage of net assets
57.33%

Rwanda Interlink Transport Company (RITSCO)
Our shareholding percentage
52%
www.ngali.com

Korea Telecommunications Rwanda Networks
Our shareholding percentage
49%
www.ktrn.com

Africa Olleh Services
Our shareholding percentage
49%
www.aos.com

Rwanda Gaming Corporation
Our shareholding percentage
44.09%

Mayange Rice Company
Our shareholding percentage
40%

Kirehe Rice Company
Our shareholding percentage
40%

Rwanda Tea Packers
Our shareholding percentage
40%
www.naeb.gov.rw

Gatsibo Rice Company Ltd
Our shareholding percentage
40%

Prime Economic Zones
Our shareholding percentage
32.8%

Rwanda Fertilizer Company (RFC)
Our shareholding percentage
32.6%

Rwanda Printing & Publishing Company (RPPC)
Our shareholding percentage
30%

Gisovu Tea Company
Our shareholding percentage
30%

BK Group Plc
Our shareholding percentage
22.1%

Rwanda Stock Exchange (RSE)
Our shareholding percentage
20%
www.rse.com

CIMERWA Limited
Our shareholding percentage
16.15%
www.cimerwa.rw

Multisector Investment Group (MIG)
Our shareholding percentage
10.8%
www.miglimited.com

MARA Phones Rwanda
Our shareholding percentage
10%
www.maraphones.com

Shagasha Tea Company Ltd
Our shareholding percentage
10%

I&M Bank Rwanda Plc
Our shareholding percentage
1.84%
www.imbankgroup.com

Rwanda National Investment Trust
Our shareholding percentage
6%
www.rnit.rw

Africa Improved Foods Rwanda
Our shareholding percentage
6.98%
www.africaimprovedfoods.com

One Web Holdings
Our shareholding percentage
0.68%
www.oneweb.com

Guarantee Trust Bank Rwanda Plc
Our shareholding percentage
3.62%
www.gtbank.co.rw

Mushubi Tea Company
Our shareholding percentage
2.88%

Sonarwa General Insurance Comapny
Our shareholding percentage
1.6%
www.sonarwa.rw

SOME OF THE ASSETS ON OUR PORTFOLIO

Bank of Kigali Group

Bank of Kigali was incorporated on December 22nd 1966 as a joint venture between the Government of Rwanda and Belgolaise, the subsidiary of Fortis Bank.

The public private partnership involved the ownership of 50% of the ordinary share capital. The bank commenced its operations in 1967, serving as one of the then market leader in banking sector.

Following Fortis Bank strategy of withdrawing its operations in Africa in 2005, the Government of Rwanda acquired the Belgolaise share in 2007, thus increasing its direct and indirect shareholding in the Bank to 100%.
In compliance with revised laws relating to private companies in Rwanda, in 2011 the Bank changed its name from Bank of Kigali S.A to Bank of Kigali Limited and to BK Group PLC in 2017 with 3 subsidiary companies namely BK General Insurance, BK TecHouse and BK Capital.

Bank of Kigali's growth over the last five decades is a true story of resilience, hard work and strong partnerships based on Rwandan values.

Ngali Holdings

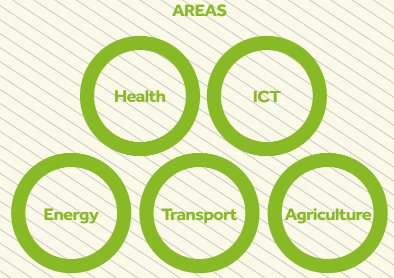
The emphasis in investment is focused on what the needs of the Rwandan people are and whether investment initiatives will encourage job creation and strengthen the economy in accordance with Vision 2020. We have a diversified portfolio focusing our investments primarily on ICT, Transport, Energy, Health and the Agricultural sector in an aim to improve lives.
In 2000, the Government of Rwanda developed Vision 2020 which aims to transform Rwanda into a middle-income country, one in which its citizens are healthier, educated and prospering.
To realize the goal of Vision 2020, the Government of Rwanda required the participation of Private Sector companies, to develop the skills and technology needed to achieve competitive advantage. In 2010, a development company Digitech Solutions was registered to execute various projects in the energy, IT and healthcare sectors, these were eventually established as individual subsidiaries. During 2012, Digitech Solutions was rebranded and restructured to form an investment holding company Ngali Holdings.

Ngali investments strategies

Joint venture
Business agreement in which the parties agree to develop, for a finite time, a new entity and new assets by contributing equity. They exercise control over the enterprise and consequently share revenues, expenses, liabilities and assets.
Equity investment
Generally refers to the buying and holding of shares of stock on a stock market by individuals and firms in anticipation of income from dividends and capital gains, as the value of the stock rises.

Debt Arrangement
Debt is an amount of money borrowed by one party from another. Debt is used by many corporations (and individuals) as a method of making large purchases that they could not afford under normal circumstances. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at a later date, usually with interest.

PRIMARY INVESTMENT AREAS



Kinazi Cassava Plant

Kinazi Cassava Plant Limited (KCP) is cassava processing company located in Ruhango District, Southern province of Rwanda.
KCP LTD was conceived and funded by government of Rwanda through the ministry of Fiannce and Economic Planning (MINECOFIN) and Rwanda development Bank (BRD Plc).
The company is duly incorporated under the laws of the republic of Rwanda and is registered with Rwanda Development Bank.
KCP Ltd produces cassava flour of the highest quality on international standards. Its uniqueness makes it an industry leader in the region and beyond. Market KCP Ltd currently serves both the local and export market. More than half of the yearly production is exported to Europe, USA, Canada, Australia, etc. hence increasing foreign exchange earnings. Improving farmers' Income and livelihoods. KCP Ltd empowers farmers by buying their produce at a price higher than what the market offers. Before the existence of KCP Ltd, the farmers had nowhere to sell their harvests at a modest price. Close to 2,000 farmers work directly and indirectly, through cooperatives with KCP Ltd.
Thanks to contracts between KCP Ltd and Cooperatives/Farmers, the latter can easily obtain loans and other services from banks and other financial services including insurance products. KCP Ltd is actively involved in linking multipliers of cassava seeds with farmers in different provinces. Those called multipliers earn a lot more by selling cassava cuttings.
To date the company employs a big number of permanent employees. Their employment with KCP Ltd comes with income and other benefits financially empowering them and their families. More than 300 people are employed by the company as casual workers. 90% of them are close neighbours of the Plant, making easy for the Plant to make a significant impact around its surroundings.

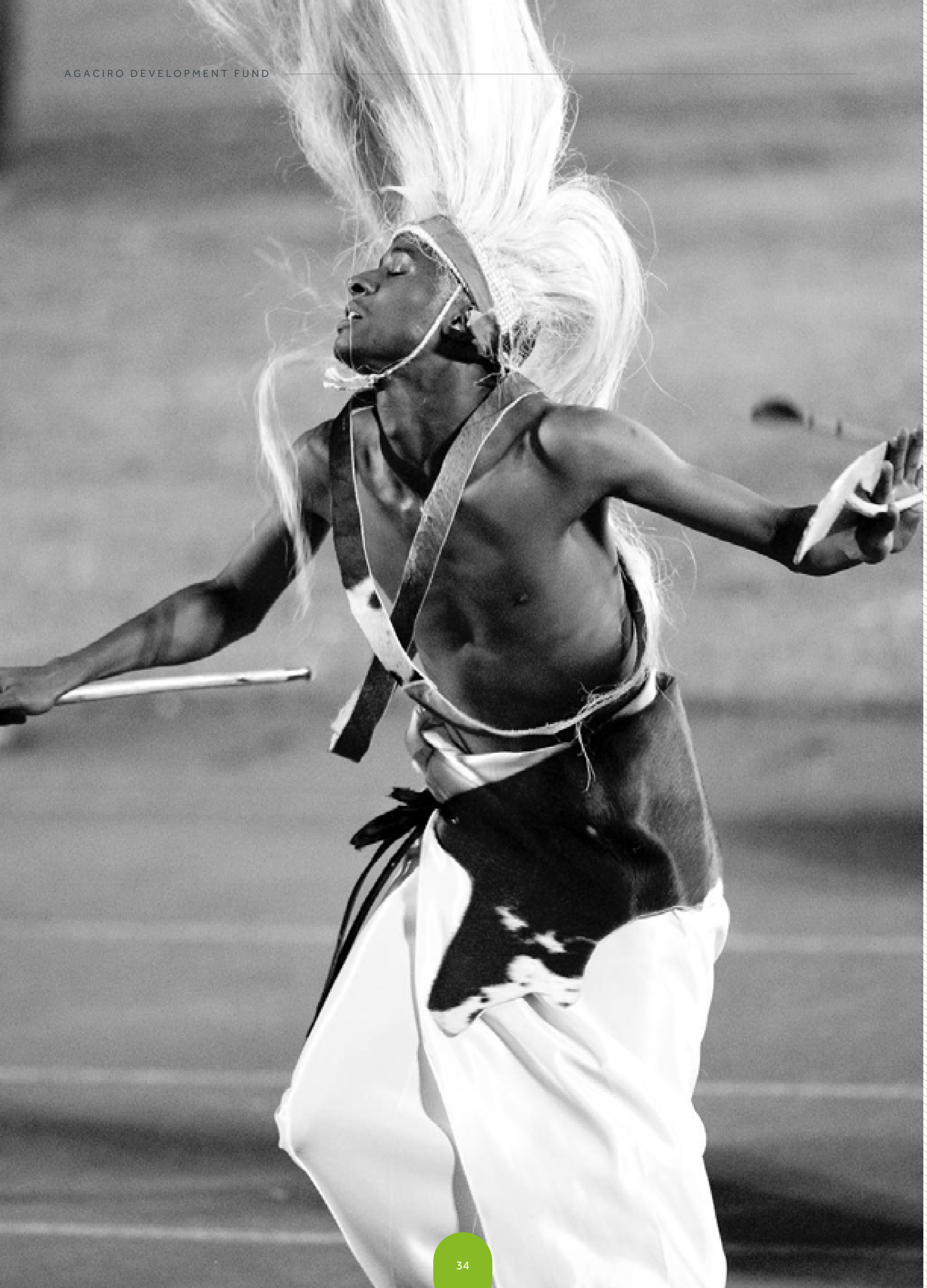
300
PEOPLE DIRECTLY EMPLOYED

90%
OF THE EMPLOYEES FROM SURROUNDING COMMUNITIES

Kinazi Cassava Plant

Rwanda Farmers Coffee Company Ltd

Overview
Corporate Governance
Investment Overview
Finanancial Statements



CORPORATE SOCIAL RESPONSIBILITY

At Agaciro, we strongly believe that we should give back to the Rwandan community that contributed to the growth of the institution. It is in this context that every year Agaciro sets a budget for corporate social responsibility activities such as commemoration of the Genocide against the Tutsi and sponsoring different events held in our country.

Since 2018 Agaciro has been giving support to vulnerable genocide survivors:

PICTORIAL

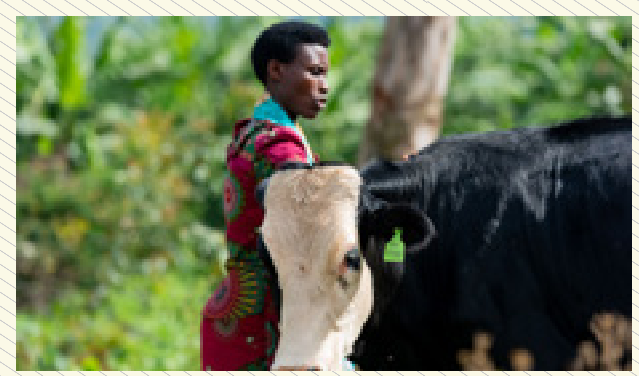
Before renovation

After renovation

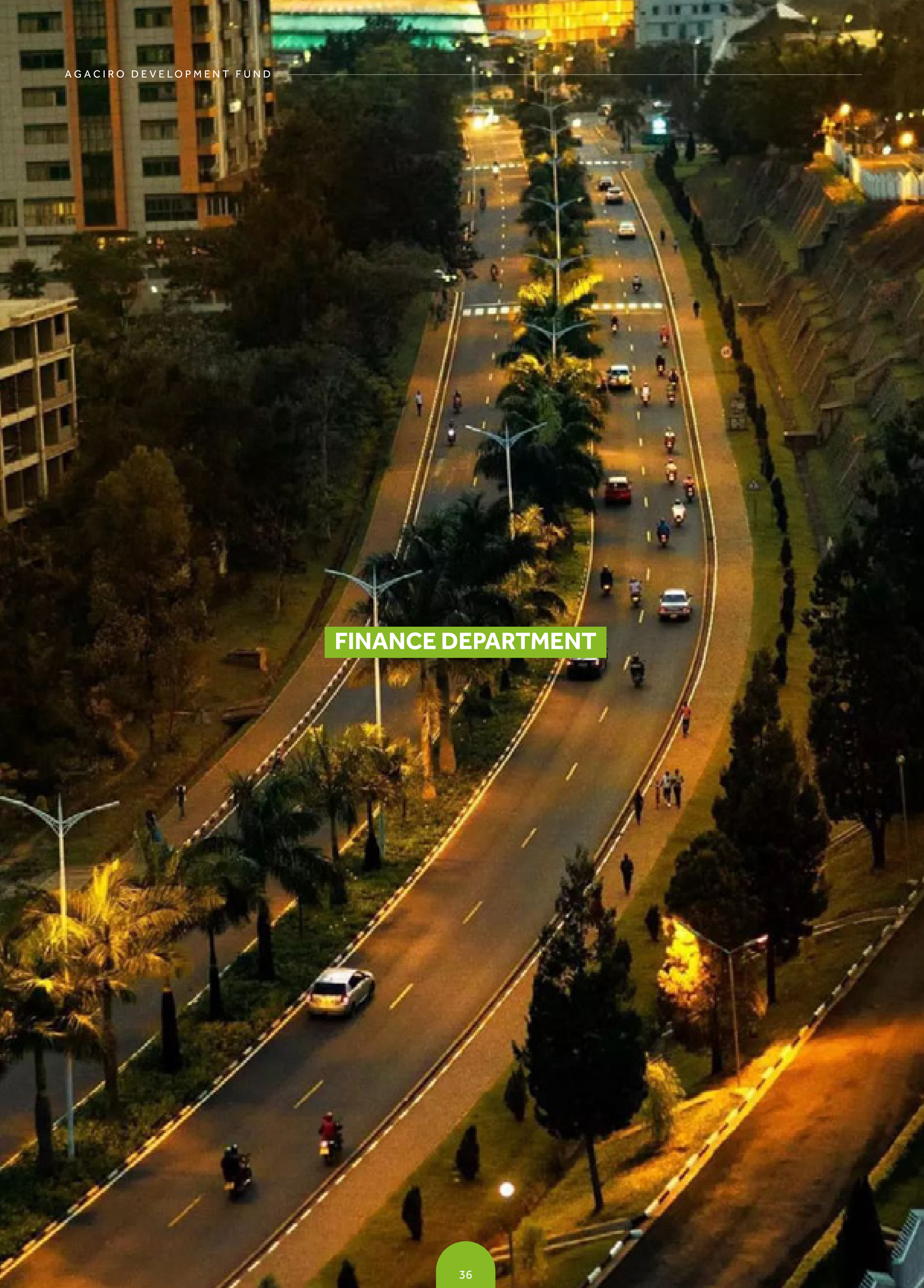
2018: Visiting a widow in Nyamabuye where an assortment of household items were donated to her family. Agaciro also funded the refurbishment of her house as seen in the photos above.

The cow that was handed over to the genocide survivor's family in Nyamabuye

Agaciro team laying wreaths at a genocide memorial site in Nyamabuye.



2019: Agaciro team handed over a heifer cow and funds to a widow in Bisesero to start herself a small business.



FINANCE DEPARTMENT

Performance

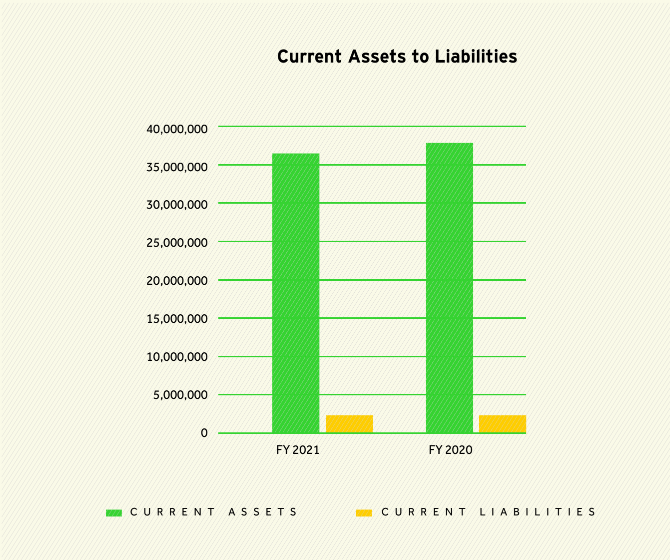
The financial statements of AGDF Corporate Trust Limited secured unqualified audit opinion for the financial year ended 2021. The financial year 2021 performed better than financial year 2020 as AGDF Corporate Trust Limited closed the year with net profit of Frw 21.6 billion and a net margin of 87%. This good performance was mostly driven by the good performance from the investment incomes, diligent investment decisions and cautious expenditure measures.

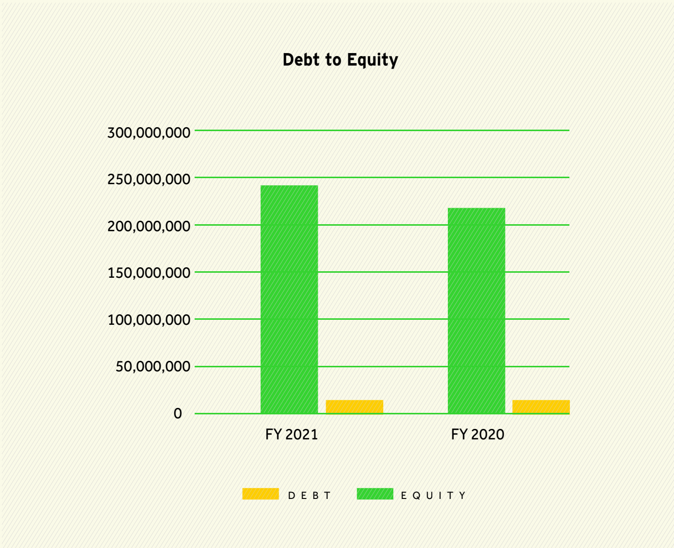
AGDF Corporate Trust Limited also closed the financial year 2021 with the total assets worth Frw 256.3 billion and total asset growth of 10% mostly due to the good profitability and asset growth in the different investments.

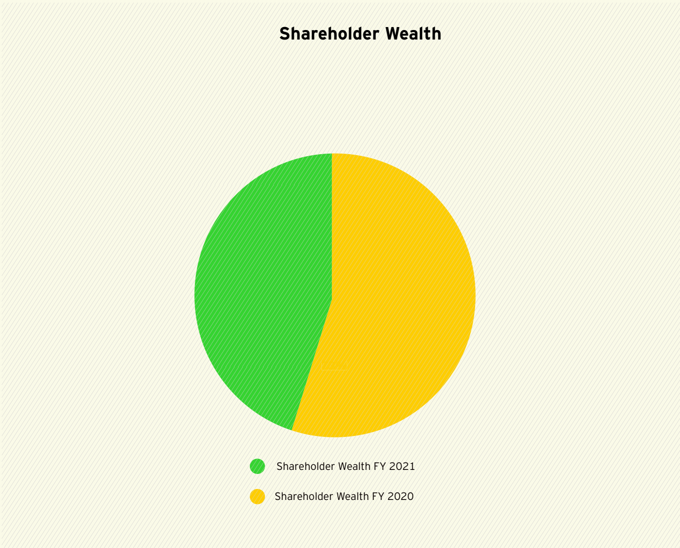
AGDF Corporate Trust Limited current ratio is still solid (13:1) therefore able to meet all its current obligations when they fall due. AGDF Corporate Trust Limited also shareholder's wealth increased by 11% by the year ended 2021 due to asset growth.

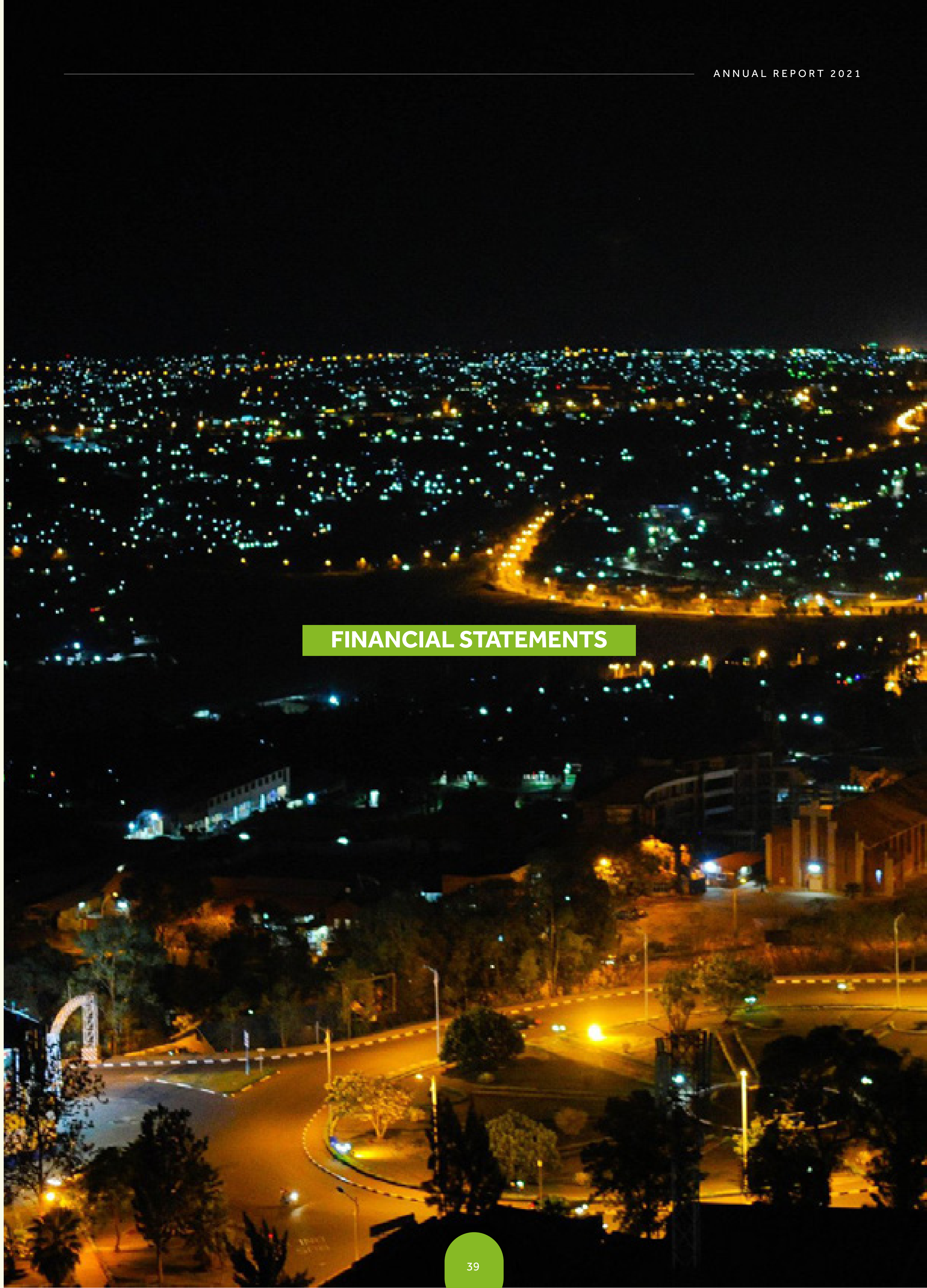
AGDF Corporate Trust Limited gearing at 5% and solvency at 1.72 are indications that it is less geared and can meet both short-term and long-term obligations when they fall due.

All the above good performance are results of a well-defined corporate governance structure and risk mitigating procedures, which continues to reduce uncertainty in its operations as well as help in safeguarding it as a going concern.









FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors submit their report and the audited financial statements for the year ended 31 December 2021 which shows the state of the company's affairs.

1. 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 fund contributions for the benefit of the public and grow the fund for future sustainability. This has changed to include active management of equity investments.

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

2. RESULTS

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

3. DIRECTORS

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

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

4. Auditors

Ernst & Young Rwanda Limited were the auditors in the current year and have expressed willingness to continue in the office.

On behalf of the Board

Chief Executive Officer

12/09/2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Law No.007/2021 of 05/02/2021 relating to companies requires the directors to prepare financial statements for each financial year which give a true and fair view of the company as at the end of the financial year and of its operating results for that period. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Law No. 007/2021 of 05/02/2021 relating to Companies. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Director

Director

12/09/2022

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

REPORT ON THE AUDITED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of AGDF Corporate Trust Limited, which comprise of the statement of financial position as at 31 December 2021, the statement of profit or loss, statement of changes in equity, and statement of cash flows for the year ended 31 December 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AGDF Corporate Trust Limited as at 31 December 2021, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and the requirements of Law No. 007/2021 of 05/02/2021 relating to companies.

BASIS FOR OPINION

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report as required by Law No. 007/2021 of 05/02/2021 relating to Companies. The other information does not include the financial statements and our auditor's report thereon.

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

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

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Law No. 007/2021 of 05/02/2021 relating to companies, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Law No. 007/2021 of 05/02/2021 governing companies, we report to you based on our audit that:

i) We have no relationship, interests and debts in the company.

ii) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

iii) In our opinion, proper books of accounts have been kept by the company, so far as appears from our examination of those books; and

iv) We have communicated to you through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regard to those matters.

Stephen K Sang

For Ernst & Young Rwanda Limited

19 SEPTEMBER 2022

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 Frw'000'	2020 Frw'000'
ASSETS			
NON-CURRENT ASSET			
Property, Plant and Equipment	3 (a)	70,966	58,435
Intangible Assets	3 (b)	-	7,085
Financial assets-FVTPL (Equities)	4	186,735,467	174,197,000
Financial assets-FVTPL (Bonds)	5	29,407,059	21,714,542
Amount due from related parties	6 (a)	3,885,626	972,300
		220,099,118	196,949,362
CURRENT ASSETS			
Amount due from related parties	6 (b)	43,539	43,539
Other Receivables	7	72,282	116,243
Short term Investment	8	27,874,334	30,821,628
Cash and cash equivalents	9	113,553	91,826
Non-Current asset held for sale	10	8,076,880	5,920,000
		36,180,588	36,993,236
TOTAL ASSETS		**256,279,706**	**233,942,598**
EQUITY AND LIABILITIES			
Share capital	11	50,000,000	50,000,000
Capital awaiting allotment	11	156,437,277	156,437,277
Retained earnings		37,329,005	13,812,395
Total Fund		243,766,282	220,249,672
LIABILITIES			
Non-Current liabilities			
Financial liabilities-FVTPL	12	7,455,491	7,727,962
Interests Payable	12	2,237,969	3,149,868
		9,693,460	10,877,830
Current liabilities			
Financial liabilities-FVTPL	12	1,179,763	1,180,758
Interests Payable	12	1,252,909	1,393,295
Other payables	13	367,402	241,043
Deferred Revenue	14	19,890	-
		12,513,424	13,692,926
TOTAL EQUITY AND LIABILITIES		**256,279,706**	**233,942,598**

These financial statements were approved by the Board of Directors on 12 September 2022 and signed on its behalf by: -

Director

Director

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 Frw'000'	2020 Frw'000'
Grant income	15	1,008,443	1,333,868
Privatisation proceeds	16	901,837	673,740
Investment income	17a)	5,381,040	4,968,266
Investment surpluses	17(b)	13,781,501	(12,599,876)
Fair Value gain/loss on financial liabilities	18	129,642	(510,477)
Gain on Asset disposal	19	-	1,214,489
Dividends	20	3,388,661	522,519
Other income	21	190,657	55,150
		24,781,781	(4,342,321)
Employee benefits expense	22	(1,123,342)	(990,757)
Administrative expenses	23	(653,312)	(1,034,068)
Profit before finance cost		23,005,127	(6,367,146)
Interest expense	24	(1,419,890)	(941,407)
Profit before tax		21,585,237	(7,308,553)
Income tax expense	25	-	-
Profit for the Year		21,585,237	(7,308,553)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Capital awaiting allotment	Retained earnings	Total
	Frw'000	Frw'000	Frw'000	Frw'000
As at 1 January 2020	50,000,000	127,908,214	21,121,041	199,029,255
Equities transferred from Government	-	28,529,065	-	28,529,065
Adjustment	-	-	(95)	(95)
Loss for the Year	-	-	(7,308,553)	(7,308,553)
As at 31 December 2020	50,000,000	156,437,279	13,812,393	220,249,672
As at 1 January 2021	50,000,000	156,437,279	13,812,393	220,249,672
*Valuation of RITCO Land	-	-	1,931,373	1,931,373
Surplus for the period	-	-	21,585,237	21,585,237
As at 31 December 2021	50,000,000	156,437,279	37,329,003	243,766,282

*The valuation of RITCO land which had been omitted in the value of the investment in the prior year.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
Cash flows from operating activities		Frw'000	Frw'000
Profit/ (Loss) before tax		21,585,237	(7,308,553)
Adjustment for:			
Depreciation on property, plant and equipment		40,359	66,079
Amortization of intangible assets		7,085	14,405
Interest income		(5,381,040)	(4,968,266)
Investment surplus/(loss)		(13,781,501)	12,599,876
Unrealized exchange gain on Investments		(22,817)	182,744
Finance cost/Interest expense		3,890	941,407
Leave provision		24,071	27,218
Dividend income		(3,388,661)	(522,519)
Donation of Intangible asset		-	150,000
Fair value gain/loss on financial liability		(129,642)	510,477
Gain on asset disposal		-	(1,214,489)
Changes in working capital			
- Increase in other receivables	7	43,961	(6,076)
- Increase in due from related party		-	(18,224)
- Increase in trade and other payables	13	126,359	(27,518)
Net cash generated from operating activities		(872,699)	426,561
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	3	(52,890)	(48,044)
Asset held for sale		-	(11,571,044)
Investment in equities	4	-	(3,553,906)
Investment in T-Bond	5	(7,500,000)	(6,995,400)
Investment in Corporate Bond		-	(3,500,000)
Interest income received		1,041,923	4,833,810
Matured Bonds		378,800	-
Dividend received		3,388,661	522,519
Investment in ST Deposits	8	(2,428,693)	(6,484,322)
Loan issued		(984,492)	-
Matured Term deposits		8,249,395	9,255,150
Net cash used investing activities		2,092,704	(17,541,237)
Cashflow from Financing activities			
Proceed from bond issued		-	12,000,000
Proceed from share issued		1,722	3,468,538
Loan repayment		(1,200,000)	-
Net cash generated from financing activities		(1,198,278)	15,468,538
Net (decrease) /increase in cash and cash equivalents		21,727	(1,646,138)
Cash and cash equivalents at beginning of the period	9	91,826	1,737,964
Cash and cash equivalents at end of period	9	113,553	91,826

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

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

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

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

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

Statement of compliance

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

2.2 Significant accounting judgements, estimates and assumptions

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

Going concern

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

Property, plant and equipment

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

Judgments

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

The classification of financial assets.

a) Whether assets are impaired. **Impairment losses on trade and other receivables**

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

Impairment of non-financial assets

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

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

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

Deferred tax assets

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

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

1.3 Changes in accounting policies and disclosures

i) New and amended standards and interpretations

The Company has applied for the first-time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Although these new standards and amendments applied for the first time in 2021, they did not have a material impact on the annual financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendment includes the following practical expedients:

To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

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

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.

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

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

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

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

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

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

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

IFRS 17 Insurance Contracts

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

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

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the company.

Reference to the Conceptual Framework – Amendments to IFRS 3

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

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

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

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

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

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

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

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

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

2.4 Summary of significant accounting policies

a) Foreign currency transactions and balances

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

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

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

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

b) Grant income

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

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

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

c) Dividend revenue

Dividend revenue is recognised on the date when the Fund's right to receive the payment is established. Dividend revenue is presented gross as AGDF is exempted from Corporate income tax.

d) Interest revenue and expense

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

e) Property, plant and equipment
All categories of office furniture and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All purchases of items that are capital in nature with a value below 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

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

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

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

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

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

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

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

f) Related party transactions

Agaciro Corporate Trust Limited is a Company limited by shares established on 01 August 2013. The Company was initially financed through donations from the Government of Rwanda as well as Rwanda Citizens. This has changed to include active management of equity investment received from the Government of Rwanda. The transactions with related party includes: RSSB on bond issued which is disclosed under note 13, Rwanda Interlink Transport Company (RITCO), Kinazi Cassava Plant (KCP), Africa Olleh Services Ltd (AOS), and Mara phones which are disclosed under note 6 respectively.

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

	31-Dec-2021	31-Dec-2020
	Frw'000	Frw'000
Cash at Bank		
Bank of Kigali Plc	453,241	464,529
National Bank of Rwanda	3,224	244
	456,465	**464,773**

In addition to transactions with the Government and Government related entities, the entity enters into transactions with key management as shown on the next page.

The following transactions were carried out with related parties:

Key management compensation

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

	31-Dec-2021	31-Dec-2020
	Frw'000	Frw'000
Salaries and other short-term employment benefits	**208,655**	**164,803**

g) Financial instruments

i) Financial assets

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

The entity's business model for managing the financial assets

The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

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

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

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

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

Or

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

Or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or

significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category:

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

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

The Fund has no consolidated subsidiaries.

The Fund measures unconsolidated subsidiaries (including loans to subsidiaries) at FVPL.

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

Debt instruments.

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

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

Impairment of financial assets

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

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

i) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Equity instruments

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

Derecognition

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

h) Employee benefits

Retirement benefit costs

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

i) Cash and bank balances

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

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

3(a) PROPERTY, PLANT AND EQUIPMENT

31 December 2021

	Equipment, furniture and fittings	ICT equipment	Motor vehicles	Total
	Frw'000	Frw'000	Frw'000	Frw'000
COST				
At 01 January 2021	122,449	154,160	17,512	294,121
Additions	3,240	49,651	-	52,890
At 31 December 2021	125,689	203,811	17,512	347,011
DEPRECIATION				
At 01 January 2021	115,474	102,700	17,512	235,686
Charge for the year	4,557	35,802	-	40,359
At 31 December 2021	120,031	138,502	17,512	276,045
NET BOOK VALUE				
At 31 December 2021	**5,658**	**65,309**	**-**	**70,966**

31 December 2020

	Equipment, furniture and fittings	ICT equipment	Motor vehicles	Total
	Frw'000	Frw'000	Frw'000	Frw'000
COST				
At 01 January 2020	122,449	106,116	17,512	246,077
Additions	-	48,044	-	48,044
At 31 December 2020	122,449	154,160	17,512	294,121
DEPRECIATION				
At 01 January 2020	90,763	65,034	13,810	169,607
Charge for the year	24,711	37,666	3,702	66,079
At 31 December 2020	115,474	102,700	17,512	235,686
NET BOOK VALUE				
At 31 December 2020	6,975	51,460	-	58,435

3 (b) Intangible assets	**2021**	**2020**
	Frw'000	**Frw'000**
Cost at 1 January	7,085	178,732
Additions	-	-
Cost at 31 December	7,085	178,732
Amortization at 1 January	7,085	7,242
Amortization charge for the year	-	14,405
Donation	-	(150,000)
Net book value at the of the period	**-**	**7,085**

4. FINANCIAL ASSETS AT FVTPL; EQUITIES

Equity investments include:	**2021 Fair Value Frw'000'**	**2020 Fair Value Frw'000'**
Gatsibo Rice company Ltd	283,350	343,695
Kirehe Rice Company Ltd	482,884	476,858
Rwanda Gaming Corporation	-	214,835
Shagasha Tea Company Ltd	129,882	118,280
Mayange Rice Company Ltd	440,336	374,560
Gasabo 3D Ltd	3,318,853	2,987,258
RFCC (Rwanda Farmers Coffee Company) Ltd	575,547	300,816
Rwanda Stock Exchange (RSE) Ltd	294,363	208,636
Ritco (Rwanda Interlink Transport Company)	2,740,698	2,566,240
AOS (Africa Olleh Services) Ltd	2,561,312	1,966,097
BSC (Broadband Systems Corporation)	12,631,103	12,462,587
KT Rwanda Networks Ltd	3,062,317	4,168,396
Rwanda Printing and Publishing Company (RPPC Ltd	230,225	169,546
Kinazi Cassava Plant	694,303	658,892
Africa Improved Foods Rwanda	1,223,899	1,005,609
Gisovu Tea Company	4,578,441	4,407,429

Prime Economic Zones	1,308,956	2,426,176
BK Group Plc	49,644,650	46,268,814
Cimerwa Limited	13,938,109	13,939,831
Sonarwa General Insurance Company Limited	26,149	24,007
Development Bank of Rwanda	61,249,706	51,390,551
GT Bank (Rwanda) Plc	1,124,630	736,493
Mara Phones Rwanda Ltd	10,776	200,483
Rwanda National Investment Trust Ltd	850,488	764,487
I&M Bank Rwanda Plc	1,254,960	1,003,968
One Web Holdings Ltd	609,131	586,724
Rwanda Fertilizer Company Ltd	1,321,413	1,238,108
Irembo	15,902,381	15,485,847
Multisector Investment Group (MIG)	228,383	1,221,039
Mushubi Tea Company	116,969	203,572
Ngali Holdings Ltd	2,972,510	4,026,550
Rwanda Printery Company (RPC)	2,928,743	2,250,616
	186,735,467	174,197,000

The Company has classified and measured all their financial investments, including debt and equity instruments at fair value through profit or loss on adoption of IFRS 9 and in accordance with amendments to IFRS 10, IFRS 12 and IAS 27 – Investment entities. Being a wealth fund, performance can only be measured if all investments are at fair value. Note that the fair value used for unquoted companies is for the period ended December 2021

5. FINANCIAL ASSETS AT FVTPL; TREASURY BONDS	2021 Frw'000	2020 Frw'000
Government Treasury bonds	24,723,448	17,571,697
Corporate bonds-CVL	4,099,590	4,142,845
Corporate bonds-Energicotel	584,021	-
Total Financial assets at FVTPL	29,407,059	21,714,542

5a) Government treasury bonds

Opening balance	15,715,486
Matured	(392,714)
Additions	7,027,828
Fair value gain	1,717,970
	24,068,570
Accrued interest	654,878
	24,723,448

5b) Corporate Bonds (CVL)

Opening balance	3,500,000	3,500,000
Fair value gain	214,590	257,845
	3,714,590	3,757,845
Accrued interest	385,000	385,000
	4,099,590	4,142,845

5c) Corporate Bonds (Energicotel)

	2021 Frw'000	2020 Frw'000
Additions	500,000	-
Fair value gain	53,423	-
	553,423	-
Accrued interest	30,598	-
	584,021	-

6. AMOUNTS DUE FROM RELATED PARTY	2021 Frw'000	2020 Frw'000
6a) Non-current		
Kinazi Cassava Plant	55,730	62,300
Rwanda Interlink Transport Company (RITCO)	2,845,404	910,000
Maraphones Rwanda Ltd	984,492	-
Total Long-term due from related parties	3,885,626	972,300
Kinazi Cassava Plant	62,300	62,300
Fair value gain/loss	(12,411)	-
Accrued interest	5,841	-
	55,730	62,300-
Rwanda Interlink Transport Company (RITCO)	910,000	910,000
Additions	1,931,373	-
Fair value gain/loss	4,031	-
	2,845,404	910,000
Maraphones Rwanda Ltd	984,492	-
	984,492	-
6b) Current portion of the amount due from related parties		
Kinazi Cassava Plant	42,595	42,595
AOS (Africa Olleh Services) Ltd	944	944
	43,539	43,539

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 1.9billion for Government contribution on Land and building.

Amount due from Kinazi Cassava Plant relates to loan and advance given to purchase spare parts.

GOR has invested preference shares equivalent to USD 7,530,000 non-voting redeemable shares in AOS (Africa Olleh Services) Ltd. The shares represent the value amount of assets GOR transferred to Africa Olley Services Ltd (AOS). The existing non-voting shares of Government of Rwanda were revalued at FRW 887, equivalent to FRW 6,679,110,000.

Agaciro has received a grant from MINECOFIN of Frw 1 billion to be distributed to Mara Phones Rwanda Limited as Shareholder's loan.

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

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

Given the performance of KT Rwanda Networks Ltd, management has assessed that there is little possibility that KT Rwanda Networks Ltd will be able to pay by due date

7. OTHER RECEIVABLES	2021	2020
	Frw'000	Frw'000
Security and rental cost (RSSB)	11,592	11,592
Employee Advance	332	332
Sonarwa Insurance	6,329	24,948
Prepaid of Staff Insurance	15,152	-
Co-ownership vehicle	36,158	54,509
Interest on Bond receivable from National Bank of Rwanda	2,719	24,862
	72,282	116,243

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

8. SHORT TERM DEPOSITS	2021	2020
	Frw'000	Frw'000
As at 1 January	**30,821,628**	**31,017,829**
Additions	2,430,232	6,494,783
Maturity	(6,680,197)	(8,304,869)
Interest accrued	1,480,562	1,817,045
Impairment on fixed term deposits	(177,891)	(203,160)
At 31 December	**27,874,334**	**30,821,628**

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

9 CASH AND CASH EQUIVALENTS	2021	2020
	Frw'000	Frw'000
Cash in hand	62	184
Cash at Bank	113,491	91,642
	113,553	91,826

10. NON-CURRENT ASSET HELD FOR SALE

AGDF Corporate Trust ltd refunded USD 12,372,954 equivalent to Frw 11,571,044,005 to an investor invested in former Umubano Hotel who has not meet the expectation as agreed at the sale. Agaciro owns the hotel 100% and by now is being facilitated by RDB to get a new investor.

According to IFRS 5, the management has decided to classify this hotel as non-current asset held for sale after analyzing all conditions related as per the standard.

Subsequently, the building has been sold at USD 8 million equivalent to Frw 8,076,880,000 and the difference between carrying value and fair value has been reported to profit or loss.

11. SHARE CAPITAL	2021	2020
	Frw'000	**Frw'000**
Authorized issued share capital	50,000	50,000
Capital awaiting for allotment	**156,437,277**	**156,437,277**

In 2018, Government of Rwanda transferred its equity investments in 29 companies to AgDF Corporate Trust ltd. These investments have been accounted for as an investment and capital awaiting allotment. The total capital awaiting for allotment were Frw 156,437,277,238 as at December 2021.

12. CORPORATE BONDS PAYABLE AND OTHER PAYABLES	2021	2020
	Frw'000	**Frw'000**
Non -Current liabilities		
Corporate Bonds payable	7,455,491	7,727,962
Interest payable	2,237,969	3,149,868
	9,693,460	10,877,830
Current liabilities		
Corporate Bonds payable	1,179,763	1,180,758
Interest payable	1,252,909	1,393,295
	2,432,672	2,574,053

13. OTHER PAYABLES		
Accrued audit fees	9,975	9,975
Accrued leave	73,016	51,456
Other accruals	118,344	13,273
VAT	13,623	8,605
Withholding tax payable	6,773	3,540
PAYE	27,341	20,425
RSSB	4,463	-
Performance Bonus	60,678	56,070
Symphony Rwanda ltd	-	42,250
Cimerwa	53,189	-
BRD Refund	-	35,449
	367,402	241,043

14. DEFERRED REVENUE		
Deferred revenue from Commercial paper	19,890	-

This is from Horizon Commercial paper. AGDF invested Frw 1 billion in Horizon Commercial Paper and received advance interest which is amortized over a period of commercial paper as at 31 December 2021, deferred revenue balance was Frw 19.9 million.

15. CONTRIBUTIONS TO AGACIRO DEVELOPMENT FUND	2021	2020
	Frw'000	Frw'000
Contributions from the Government of Rwanda	1,000,000	340,000
Civil servants	3,538	778,528
Corporates	-	11,610
Individual citizens	3,208	19,027
Business employees	1,546	160,933
Non-governmental Organisations	100	3,628
Cooperatives	51	2,508
Public enterprises	-	17,634
	1,008,443	1,333,868

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

16. PROCEEDS FROM PRIVATIZATION	2021	2020
	Frw'000'	Frw'000'
Inyange Industry	450,000	300,000
Rubis Energy	50,893	48,640
Nshili Kivu Tea Plant	97,805	71,369
Mageragere Incinerator	-	67,292
Nyagatare Agro	-	4,877
Uzima Chicken Ltd	10,630	3220
Rent from SOGETTI	4,000	1,100
Triseeds Company Ltd	100,000	-
Nsabimana Emmanuel	130	-
African solutions/Burera Dairy	22,500	135,000
Energy Development Corporation Limited (EDCL)	36,992	-
Aquahort Expert Ltd	5,000	12,742
Africa energy	98,017	-
Total	901,837	673,740

AGDF Corporate Trust Ltd is responsible for management of all proceeds from sale of Government properties to private investors comprising State Owned Enterprises, houses, land and equipment. The amount stated above is the total collection received from privatization proceeds for the period ended December 2021.

17(A) INVESTMENT INCOME	2021	2020
	Frw'000'	Frw'000'
Interest income on Short term investments	2,405,430	2,780,009
Commercial paper	111,540	120,268
Remunerating Accounts	68,445	138,420
Interest income on Treasury-Bond	2,304,186	1,577,069
Interest income on Corporate Bond (CVL)	455,000	352,500
Interest income on Corporate Bond (ENERGICOTEL)	30,598	-
Interest income on Subsidiary loans	5,841	-
	5,381,040	4,968,266

Interest income relates to income earned from investment in treasury bond, corporate bond, short-term deposits, commercial paper, remunerating accounts and subsidiary loans during the year.

17(B) INVESTMENTS SURPLUS	2021	2020
	Frw'000'	Frw'000'
Impairment on Umubano Hotel	-	(5,651,044)
Impairment on Investment in Oneweb	-	(22,476,277)
Fair value gain on revaluation of Equities (RNIT)	86,001	75,877
Fair value gain on revaluation of T- Bonds	315,676	462,852
Fair value gain/loss on revaluation of Corporate Bonds (CVL)	(43,256)	257,845
Fair value gain on revaluation of Equities (I&M)	250,992	-
Impairment of Term Deposit	25,270	32,253
Fair value gain/loss on revaluation of Equities (BK)	3,375,836	(6,354,515)
FV Gain/Loss- Kirehe Rice Company Ltd	6,026	72,221
FV Gain/Loss- Rwanda Gaming Corporation	(214,835)	(2,057)
FV Gain/Loss- Rwanda Stock Exchange (RSE) Ltd	85,727	156,869
FV Gain/Loss- Mayange Rice Company Ltd	65,776	(36,915)
FV Gain/Loss- Gasabo 3D Ltd	331,595	(935,806)
FV Gain/Loss- RFCC (Rwanda Farmers Coffee Company) Ltd	274,731	(248,257)
FV Gain/Loss- Gatsibo Rice company Ltd	(60,345)	2,467
FV Gain/Loss- Shagasha Tea Company Ltd	11,602	(100,599)
FV Gain/Loss- RITCO (Rwanda Interlink Transport Company)	174,458	(438,581)
FV Gain/Loss- AOS (Africa Olleh Services) Ltd	595,215	(1,000,817)
FV Gain/Loss- BSC (Broadband Systems Corporation) Ltd	168,516	657,587
FV Gain/Loss- KT Rwanda Networks Ltd	(1,106,079)	(2,538,181)
FV Gain/Loss- Rwanda Printing and Publishing Company (RPPC) Ltd	60,679	(49,578)
FV Gain/Loss- Kinazi Cassava Plant	35,411	166,342
FV Gain/Loss- Africa Improved Food	218,290	(189,656)
FV Gain/Loss- Gisovu Tea Company	171,012	99,000
FV Gain/Loss- Prime Economic Zones	(1,117,221)	(2,776,371)
FV Gain/Loss- Cimerwa	-	3,750,439
FV Gain/Loss- Sonarwa	2,142	(15,353)
FV Gain/Loss- BRD	9,859,155	25,629,051
FV Gain/Loss- GT Bank	388,137	46,579
FV Gain/Loss- Rwanda Tea Packers	-	(10,650)
Fair value loss on revaluation of Equities (Mara Phone)	(189,707)	(1,184,603)
FV Gain/Loss -Irembo	416,534	-
FV Gain/Loss -Multisector Investment Group (MIG)	(992,658)	-
FV Gain/Loss-Mushubi Tea Company	(86,603)	-
FV Gain/Loss-Ngali Holdings Ltd	(1,054,040)	-
FV Gain/Loss-Rwanda Fertilisers Company (RFC)	(1,152,588)	-
FV Gain/Loss-Rwanda Printery Company (RPC)	678,127	-
FV Gain/Loss- Corporate Bond-ENERGICOTEL	53,423	-
FV Gain/Loss on Loan to RITCO	4,031	-
FV Gain/Loss on Loan to KINAZI	(12,411)	-
Total FV Gain	**11,624,621**	**(12,599,876)**
Revaluation gain of Asset held for sale (Umubano Hotel)	2,156,880	-
	13,781,501	(12,599,876)

The fair valuation of the investments in companies was carried out and the gain or loss reported represent the differences between the carrying value and fair value.

The fair value gain or losses on investments relates to the revaluation of equity investments are reported in profit or loss.

		2021 Frw'000	2020 Frw'000
18.	**REVALUATION GAIN-CORPORATE BOND RSSB**	129,642	(510,477)

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss. The amount on the Corporate Bonds have fixed and determinable payments and measured at fair value by discounting expected cash outflow in form of coupon using the yield rates availed by the National Bank of Rwanda at 31 December 2021.

19.	**GAIN ON ASSETS DISPOSED**	**2021**	**2020**
		Frw'000	Frw'000
	Mata Tea Company	-	595,892
	Gisakura Tea Company	-	618,597
		-	1,214,489

20.	Dividends		
	I&M bank	33,466	-
	Bank of Kigali	2,859,452	-
	Rwanda Stock exchange	20,000	-
	Kirehe Rice Company	32,692	-
	Gisovu Tea Company	443,051	477,227
	Shagasha Tea Company	-	45,292
		3,388,661	522,519

21.	Other income		
	Foreign Currency Exchange gain	409	408
	Exchange gain on Equities (Oneweb)	22,408	-
	Other miscellaneous income	167,840	54,742
		190,657	55,150

The exchange gain on Equities related to investment in One web and bank balances in USD which were translated to Rwandan francs at the year-end using BNR average rate as at 31st December 2021.

22.	Employee benefits expense	2021 Frw'000'	2020 Frw'000'
	Salaries and wages	669,301	611,560
	Leave pay	24,071	27,218
	Contributions to Rwanda Social Security Board	31,532	29,124
	Medical Insurance	53,455	40,636
	Staff vehicle contribution	207,966	158,134
	Performance Bonus	58,415	53,808
	Transport Facility	-	986
	Co-ownership vehicle	11,703	8,387
	Staff Pension Scheme	66,899	60,904
		1,123,342	990,757

23.	**ADMINISTRATIVE EXPENSES**	**2021**	**2020**
		Frw'000'	Frw'000'
	Advertisement and publicity	6,427	41,356
	Audit Fees	19,214	19,214
	Board Sitting allowances	18,654	-
	Corporate social responsibility	7,246	-
	Depreciation and amortization	47,444	80,479
	Group insurance	11,763	13,392
	International per diem	9,298	-
	Internet cost	12,193	9,767
	Maintenance and repairs of Network infrastructure	6,646	3,694
	Membership to International organisation	28,288	24,487
	Office Rent	69,552	69,552
	Office cleaning	35,317	20,850
	Office supplies	20,560	13,940
	Other commission	6,686	29,517
	Printing and stationery	7,793	8,237
	Security	25,630	12,017
	Staff retreat	13,585	-
	Support to TASCO	36,881	-
	Technical assistance remuneration	170,482	275,263
	Telephone Expenses	19,327	16,708
	Training Fees	29,312	6,506
	Water and Electricity	15,043	13,842
	Other administrative expenses	35,971	375,247
		653,312	1,034,068

24.	**FINANCE COST**		
	Finance cost	1,419,890	941,407

These are interests related to Corporate Bond offered to RSSB

25. INCOME TAX EXPENSE

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

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

i. Market risk

ii. Credit risk

iii. Liquidity risk

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

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

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

(i) Market risk

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

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

a) Price risk

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

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

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

As at 31 December 2021		
Rwanda Stock Exchange	+/-5%	+/-3,241,876 (Frw'000)
As at 31 December 2020		
Rwanda Stock Exchange	+/-5%	+/-7,987 (Frw'000)

The sensitivity rate derived from the experience of the change in values of the I&M equity during the past five years

(b) Foreign exchange risk

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

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

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

	As at 31 Dec 2021	As at 31 Dec 2020
	Frw'000	Frw'000
Investment in Oneweb Satellite	609,131	586,723
Mara phones	-	200,483

The table below summarises the sensitivity of the Company's assets to changes in foreign exchange movements at 31 December 2021. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in thetable below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	Dec 2021 (Decrease)/Increase in profit before tax			Dec 2020 (Decrease)/Increase in profit before tax		
	Change in exchange rate %	Weakening in functional currency Frw '000'	Strengthening in functional currency Frw '000'	Change in exchange rate %	Weakening in functional currency Frw '000'	Strengthening in functional currency Frw'000'
US dollar	5	(22,810)	22,818	5	(408)	408

c) Cash flow and interest rate risk

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

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

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

	Change in interest rate	Effect on PBT Frw '000'
31 Dec 2020		
Short term deposits	+/-1%	+/- 10,487
31 December 2021		
Short term deposits	+/-1%	+/-158,250

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

(ii) Credit risk

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

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

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

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

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

	31-Dec-2021	31-Dec-2020
	Frw'000	Frw'000
Short term deposits	27,874,333	30,821,628
Cash at bank	113,553	91,826
Financial assets – FVTPL (Equities)	186,735,467	174,197,000
Financial assets – FVTPL (Bonds)	29,407,059	21,714,542
Amount due from related parties	3,929,165	1,015,839
Other receivables	72,282	116,243
	248,131,859	227,957,078

From the above assets, AGDF Corporate Trust Ltd has issued a collateral of Frw 20,808,000,000 on the corporate bond issued to RSSB.

Fair Value Measurement

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

31-Dec-2021	Carrying amounts	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets	Frw'000	Frw'000	Frw'000	Frw'000
FVPL -Quoted securities	64,837,719	64,837,719	-	-
FVPL - Unquoted securities	121,897,748	-	-	121,897,748

31-Dec-2020	Carrying amounts	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets	Frw'000	Frw'000	Frw'000	Frw'000
FVPL – Quoted securities	61,212,613	61,212,613	-	-
FVPL – Unquoted securities	112,984,387	-	-	112,984,387

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

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

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

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

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

(iii) Liquidity risk

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

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. Hence, the company is able to meet its payment obligations as they fall due.

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

	Less than 1 year 'Frw'
At 31 December 2020	
Other Payables	241,043
At 31 December 2021	Less than 1 year 'Frw'
Other payables	367,402

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.
Critical accounting estimates and judgements

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

Fair value of financial instruments

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

Offsetting financial assets and financial liabilities

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

27. EVENTS AFTER THE REPORTING DATE

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

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

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

After the reporting date, AGDF sold out the asset held for sale (Umubano hotel) to Condor KGL Rwanda ltd, a private company limited by shares. The purchase consideration was USD 8,000,000 tax exclusive.

The cash inflow has been received on 15th July 2022.

In addition to this, the Government of Rwanda has decided to transfer AGDF's shares in Gasabo 3D to Horizon group worth 3.3billion and the Government of Rwanda represented by MINECOFIN committed to Compensate AGDF by transferring other companies' shares worth the same value of Gasabo 3D transferred.

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

Company Code: 103050268

African Union Boulevard, Kiyovu-Nyarugenge
RSSB Buildings, Tower II, 3rd Floor
P.O. Box 674 Kigali
Tel: +250 280 832 020
E-mail: info@agaciro.rw

PRINCIPLE BANKERS

National Bank of Rwanda	**Bank of Kigali PLC**	**Banque Populaire du Rwanda (BPR) PLC**
P.O. Box 531	P.O BOX 175	Po Box 1348
Kigali - Rwanda	Kigali, Rwanda	Kigali – Rwanda
Cogebanque PLC	**Ecobank Rwanda PLC**	**National Commmercial Bank of Africa (NCBA) Rwanda**
P.O BOX 5230	P.O BOX 3268	P O Box 6774
Kigali, Rwanda	Kigali, Rwanda	Kigali, Rwanda
Guarantee Trust Bank (Rwanda) PLC	**Access Bank PLC**	**Letshego Rwanda PLC**
P.O. Box 331	P.O Box 2059	P.O. Box 4062
Kigali, Rwanda	Kigali, Rwanda	Kigali, Rwanda
Urwego Opportunity Bank	**UNGUKA Bank PLC**	**Goshen Finance**
P.O. Box 748	P.O BOX 6417	Po Box 4787
Kigali, Rwanda	Kigali, Rwanda	Kigali, Rwanda
DUTERIMBERE IMF	**AB Bank**	**Umwarimu SACCO**
P.O Box 6719	P.O Box 671	P.O. Box 2257
Kigali, Rwanda	Kigali, Rwanda	Kigali, Rwanda

"True human investment is when a man plants a tree whose shade he might never get to use in his lifetime."

AGACIRO
Development Fund
Rwanda Sovereign Wealth Fund

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AN IFSWF MEMBER