AGACIRO
Development Fund
Rwanda Sovereign Wealth Fund

2020
ANNUAL REPORT

A MEMBER OF THE INTERNATIONAL FORUM OF SOVEREIGN WEALTH FUNDS

AGACIRO

A SOVEREIGN WEALTH FUND FOR THE
PEOPLE OF THE REPUBLIC OF RWANDA.

contents

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 2020 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 2020.

Sincerely yours,

Gilbert Nyatanyi
Chief Executive Officer

The new Rwanda is about building an economy that delivers prosperity and development for our citizens based on a robust private sector. Foreign adventures would be costly and counter productive distractions from this challenging objectives.

H.E Paul Kagame

SOURCE: Exclusive interview of H.E Paul Kagame, President of Rwanda with Tony Metcalf, www.metro.us. August 29, 2012.

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 His Excellency President Paul Kagame, approved the proposal for the management of Agaciro's proceeds and appointed its 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 directors.

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, Agaciro is classified as a stabilization, saving and development fund, the objectives that were possible to meet at the time the Fund 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 Agaciro, as well as strategies to grow the Fund, there is a need to redesign the current structure

Ikigega - Source: Archives of Rwanda Cultural Heritage Academy

From the African culture of saving food for tougher times, *ikigega* or granary (a fund in our case) is meant to absorb the short, middle or long term economic shocks, both antincipated or otherwise.

Mandate

Our Mandate is to maximise the fund's return over the long term, without undue risk, to as to reduce Rwanda's debt burden and secure a better Rwanda for Future generations

Vision

Agaciro Development Fund's ambition and vision is to become a Sovereign Wealth Fund sufficiently endowed to improve the level of financial autonomy of Rwanda as a nation.

Values

Our core values as an organisation include running Agaciro in a professional and prudent manner because we are conscious of the fact that Agaciro belongs to and is the pride of the people of Rwanda.

Mission

Our mission is to catalyse, preserve and grow the value of our assets to improve the level of financial autonomy of Rwanda future generations.

KEY OBJECTIVES

Prosperity for generations of Rwanda through building up public savings to achieve self-reliance.

Maintaining stability in times of shocks to the national economy.

Accelerating Rwanda's socio-economic development goals.

IMPORTANT LANDMARKS

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 for the country against economic shocks, building savings for future generations and accelerating socio-economic development.

2012

10 August 2012: The Cabinet meeting chaired by His Excellency 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 His Excellency President Paul Kagame at Kigali Serena Hotel.

2013

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

11 September 2013: A Cabinet meeting chaired by His Excellency President Kagame reaffirmed the value of supporting Agaciro Development Fund and pledged to contribute, for the second time. Members of the government raised Frw36,000,000 to go to the Fund. 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 Kagaboas the first Chief Executive Officer who was later appointed secretary of the Board of Directors of Agaciro.

2013

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 Agaciro Board of Directors 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

2016

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

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

2018

In April 2018: AgDF became a member of Co-investment Roundtable of Sovereign and Pension Funds (CROSAPF).

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

26 September 2018: Agaciro gain a full IFSWF Membership.

2020

02 April 2020: Voluntary contribution phase-out.

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

Statement of the Chairman of the Board of Directors

Dear Agaciro stakeholders,

Agaciro Development Fund, like other funds and investors in Rwanda and across the world has been working hard to resist the bad situation that we are facing caused by the, COVID-19 pandemic.

Financial performance

Irrespective of the pandemic causes, it is with pleasure that I inform all our stakeholders that for the financial year ended 31st December 2020, Investment portfolio increased by 16% to stay at Frw 227.7bn in December 2020 up from Frw 197.1bn in 2019. This was mainly due to new equity investments, additional shares acquired from the GoR and the reinvestment of interests from existing term deposits and Treasury bonds.

In general, the overall fund size augmented by Frw 34.6bn to position at Frw 233.9bn end December 2020 up from Frw 199.3bn end December 2019.

Change of board members

Agaciro has recognized the change in the members on its Board of Directors. The cabinet meeting chaired by His Excellency Paul Kagame on 14 July 2021 appointed seven Board of Directors. The team is made of skilled and experienced persons from a wide range of careers in finance, international business, economic and trade.

Change in Agaciro Executive management

On 10th September 2020, the Cabinet meeting appointed Mr. Gilbert Nyatanyi as new Chief Executive Officer replacing Mr. Patrick Marara Shyaka who was interim at the time.

Change on company source of income

The main source of income for AgDF was from the voluntary contributions from Government, private sector, Rwandans and friends of Rwanda. However, from April 2020, contributions were stopped and Agaciro is depending only on investment activities made in different ways.

The Government of Rwanda, through the Ministry of Finance and Economic Planning (MINECOFIN) has continued to support Agaciro in different manner either by advice and also sending to the fund new companies where the Government has invested. The process is expected to continue after 2020.

Sincerely,

Mr. Scott T. FORD,
Chairman

Statement of the Chief Executive Officer

Esteemed stakeholders,

I am pleased to present to you our annual report for the fiscal year 2020 which has been both a difficult and transformative year for Agaciro. It is now time to make the evaluation of this year and to thank all those who have contributed to the performance of our Fund.

The 2020 financial year was marked by two major changes to which Agaciro had to adapt in the very short term. On one hand, as part of the implementation of the Cabinet decisions of September 14 2018, the Government's assets were transferred to Agaciro and made it a holding company managing 33 companies at the end of December 2020. In this regard, equity participation has increased from Frw 153 billion in 2019 to Frw 174 billion in 2020.

On the other hand, the Government of Rwanda and Agaciro have appreciated the contribution made by Rwandans and friends of Rwanda since its creation in 2012. In addition, the Government has considered that Agaciro has developed and made investments that increase its income, and therefore decided in April 2020 to phase out contributions. As the above changes emerged, the Covid-19 pandemic was devastating the global health and economy. In this context of recession of the world economy, Agaciro Development Fund has nevertheless maintained its growth, slight but constant.

Our net return on investment portfolio has decreased in 2020 due to the effects of covid-19 whereby companies especially banks did not issue dividends. In fiscal 2019, our return on investment was Frw 8 billion before decreasing to Frw 6.7 billion in 2020. The year 2020 saw the Fund's investment portfolio allocated in consideration of the risk-return trade-off as 12.03% of the total portfolio is injected into term deposits, 12.64% allocated to cash instruments, 0.79% in current account and 74.54% has been allocated to the equities portfolio.

Beyond the short-term economic outlook and taking into account the new challenges, there is a need to rethink the current structure in order to clearly separate Agaciro as a fund from the activities of the portfolio companies, as well as to promote institutional and governance arrangements sound for efficient management.

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 aimed at profitable investments that ultimately contribute 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 prioritized the redesigning of new sources of income and the efficient management of our constantly growing portfolio companies. In this context, 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.

We achknowledge that the basis on which we are building further has been made possible by the outgoing CEO, Dr. Jack Kayonga.

Gilbert Nyatanyi

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Pursuant to the Law N° 20/2013 of 25/03/2013 regulating the creation of trusts and directors which was published in Official Gazette n° 25 of 24/06/2013, the Trust Deed established by the Ministry of Finances and Economic planning as the Settlor appointed the Board of Directors to manage Agaciro Corporate Trust Ltd as a Trust.

As such, the Cabinet on March 28, 2014 approved the 1st team of seven members of the Board of Directors and on 14 July 2021, the Cabinet meeting appointed the 2nd team of seven Board of Directors, which is made of experienced persons with a variety of expertise in different areas of economy who are appointed from public and private sector.

The Board 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 MINECOFIN, 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.

The Board of directors is entrusted with a number of powers, which include administering the Fund, its properties and affairs and do all the things which will fulfil the objectives for which the Fund was established.

The Agaciro Board of Directors has well-defined responsibilities and effective checks and balances needed to ensure efficient and effective management of the Fund.

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.

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

Roles and Objectives

The Agaciro Board was established under the law governing companies 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 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 law governing companies.

As such, the Board has the mandate to promote 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.

Board 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.

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 Agaciro Board Charter provides for.

The Audit Committee has a mandate of assisting the AgDF Board of Directors to meet its financial reporting obligations and at the same time provide independent assurance on financial reporting and the Board's 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 Agaciro governance model is one that ensures operational efficiency and removes any loopholes because the entity belongs to the people of Rwanda."*

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 Agaciro 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.

Board of Directors

The directors who served during the year ended 31 December 2020.

I. Mr. Sanjeev ANAND, Board Vice Chairperson and Interim Chairperson.
II. Mrs. Francoise KAGOYIRE, Member.
III. Mr. Robert BAYIGAMBA, Member.
IV. Ms. Sandra RWAMUSHAIJA, Member.
V. Mr. Scott T. FORD, Member.

Mr. Sanjeev Anand – Vice Chairman & Interim Chairman

Mr Sanjeev Anand is a seasoned banker whose experience in financial management is recognised at the global level. He is currently the Group Managing Director for Retail and Commercial Banking at Atlas Mara Ltd, a position he took in March 2017.
He is additionally the CEO of ABC Holdings Limited since July 2017. Prior to his current appointment, Sanjeev was the Managing Director of Banque Populaire du Rwanda Ltd (BPR), part of Atlas Mara since January 2016.

Prior to joining BPR, Sanjeev Anand was Managing Director of I&M Bank Rwanda Limited (previously Banque Commerciale du Rwanda-BCR).

Prior to joining BCR/I&M, Sanjeev had a long career of 25 years with Citibank, where he held a number of senior assignments across Asia, Europe, America and Africa. Some of the key positions he held during this period were as CEO of Citibank in Zambia and Uganda and Executive Director of Citibank Nigeria.

Sanjeev holds a First-Class Honors degree in Commerce from Delhi University and is a Chartered Accountant from the Institute of Chartered Accountants of India.

Scott T. Ford –Member

Scott Ford is a co-founder and Chief Executive Officer of Westrock Group, LLC, a private investment firm founded in 2009.
Westrock Group operates Westrock Asset Management, LLC, an alternative asset management firm, and Westrock Coffee Company, LLC, a vertically-integrated coffee company. Scott serves as Chief Executive Officer and Chief Investment

Officer of Westrock Asset Management and as Chairman and Chief Executive Officer of Westrock Coffee Company.

Prior to forming the Westrock family of companies, Mr. Ford served as President and Chief Executive Officer of Alltel Corporation (a provider of wireless voice and data communications services) where he led the company through several major business transformations, culminating with the sale of the company to Verizon Wireless in 2009 for $29 billion.
He began his career with Merrill Lynch Capital Markets and then spent ten years working for the Stephens family where he worked closely with its renowned Chairman, Jackson T. Stephens.
Mr. Ford currently serves on the Board of Directors of AT&T Inc., Bear State Financial, Inc. and Agaciro Development Fund.

Mr. Ford holds a B.S.B.A. in Finance from the University of Arkansas.

Sandra Rwamushaija –Member

Ms. Rwamushaija is qualified as a Rwandan Advocate. After working in the private sector as well as in Government, she formed Factum Law Firm Ltd in 2015 and took up its reigns as its first Managing Partner.
Prior to working at Factum Law Firm, Sandra served as the Ag. Chief Operating Officer of the Rwanda Development Board; Head of the PPP Unit and Strategic Investment Department.

Sandra has also held senior managerial posts in the banking, and telecommunication sectors. She worked as the Head of Legal and Company Secretary at Ecobank Rwanda Ltd, Vice President in charge of Legal and Administration at a telecommunication company (Rwandatel), and as the Managing Director of Terracom Rwanda.

She sits on a number of Boards as a Non-Executive Director; she is Chairperson of the Bank of Kigali General Insurance (BKGI).

She holds a Masters of Business Administration Degree and a Bachelor's Degree in Law LLB (Hons).

Robert Bayigamba –Member

Mr. Bayigamba is currently the Executive Chairman of Manumetal Ltd, Chairman of The Rwanda Association of Manufacturers, and a consultant creating B2B strategic partnerships in Africa.
Until March 2017, Mr Bayigamba was the president of the National Olympic and Sports Committee of Rwanda. He was a member of the National Volley ball team and President of the Rwanda National Volleyball Federation.

He has previously served as a Minister of Youth, Sports and Culture and as the Executive Secretary of the Privatization Secretariat in the Ministry of Finance and Economic Planning where he coordinated the privatization of 20 state owned companies.

In the private sector, Mr Bayigamba has had interest in the Gaming Industry, Tea Manufacturing, Printing and Regional Transport.

Mr Bayigamba also served on the boards of Rwanda Private Sector Federation (PSF), SORAS Vie Ltd, Akagera Management Company, Agaseke Bank and was the chairman of COMESA Manufacturing network.

He holds an Executive MBA in Corporate Strategy and Economic Policy of Maastricht School of Management in Holland.

Francoise Kagoyire –Member

Françoise Kagoyire is a seasoned financial management expert and one of the most experienced bankers in Rwanda. She was the Director of Bank Supervision at the National Bank of Rwanda (BNR), a position she occupied for many years.

At BNR, her mandate was to follow through on regulation and supervision of banks, including commercial banks, development banks and microfinance banks among others.

Members of Board of Directors from 14 July 2021

NOTE:
At the moment of the presentation of this annual report, a new board of directors had been appointed and is composed as follows:

I Mr. Scott T. FORD, Chairperson.
II Mr. Thierry Mihigo KALISA, Vice Chairperson.
III Ms. Doreen G. KARAKE, Member.
IV Mrs. Jeanne F. MUBILIGI, Member.
V Mr. Aimé NGARUKIYINTWALI, Member.
VI Mr. Andrew ROZANOV, Member.
VII Ms. Alysia SILBERG, Member.

To our esteemed outgoing members of the Board,

With your time at Agaciro having drawn to a close, we wanted to express our sincere gratitude for your service in your respective tenures. Board service is the toughest volunteer role, and you took on your board duties with dedication and seriousness.

More than your amazing ability and willingness to connect businesses to our Fund through our various fundraising endeavours that we had, we are most grateful for your active leadership as judicious stewards of our organization. We know how you always carefully deliberated on matters even when the decisions were difficult.

A famous peace activist once said, “Wisdom is knowing what to do next; virtue is doing it.”
You are both wise and virtuous and we are grateful you all shared those qualities with Agaciro as Board members.

Sincerely,

The AgDF team

EXECUTIVE MANAGEMENT

Mr. GILBERT NYATANYI, Chief Executive Officer (CEO)

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. Patrick Shyaka is our CFO with a 16-years' experience in financial management, 12 of which have been at senior level positions.

He worked with the Office of Auditor General of State Finances and left at the position of Director of Quality Assurance. He also worked with the Ministry of Finance and Economic Planning (MINECOFIN) as the Accountant General before joining the team at Agaciro Development Fund.

He is an ACCA Fellow (FCCA), a CPA Rwanda member and has an MBA from Heriot Watt University, UK. He has a Bachelor of Commerce in Accounting from University of Bangalore, and Post Graduate Diploma in Project Management from Central Institute of Management, India.

Mr. CHARLES MUGABE, Chief Investment Officer (CIO)

Mr. Charles Mugabe joined the Fund in 2016 with a wealth of progressive knowledge and experience of over seventeen years in various positions in both public and private entities particularly in financial management, accounting, planning, leadership, strategy and management. Prior to that, he worked as the Director of Finance at Rwanda Broadcasting Agency (RBA).

He is one of the key staff members of the Fund who spearheaded the admission of AgDF to CROSAPF (Co-investment Round Table of Sovereign And Pension Funds), a global practical platform of sovereign and pension funds.

He is an ACCA qualified finance professional and a member of the Institute of Certified Public Accountants (CPA) of Rwanda.

He is also both a Chartered Risk Analyst (CRA®) and a Fellow of the Global Academy of Finance and Management (FGAFM)-USA.

He holds a Master's Degree in Business Administration (MBA), specializing in Finance and Investment Management which he obtained from the University of Wales, Cardiff (UK).

Mr. JEAN BOSCO NTABANA, INTERIM Chief Shared Services Officer (AG. CSSO)

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

SHARED SERVICES DEPARTMENT

In its day-to-day duties, the department ensures that Agaciro runs in an efficient and effective manner by providing the necessary oversight, right from the human resources to the properties of the Fund.

The Shared Services Department is aimed at ensuring that every department of the Fund discharges its duties and achieves its goals.

As indicated in the policies of Agaciro, the Shared Services department oversees every aspect of the company –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.

To ensure efficient operability of the Fund, the 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.

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.

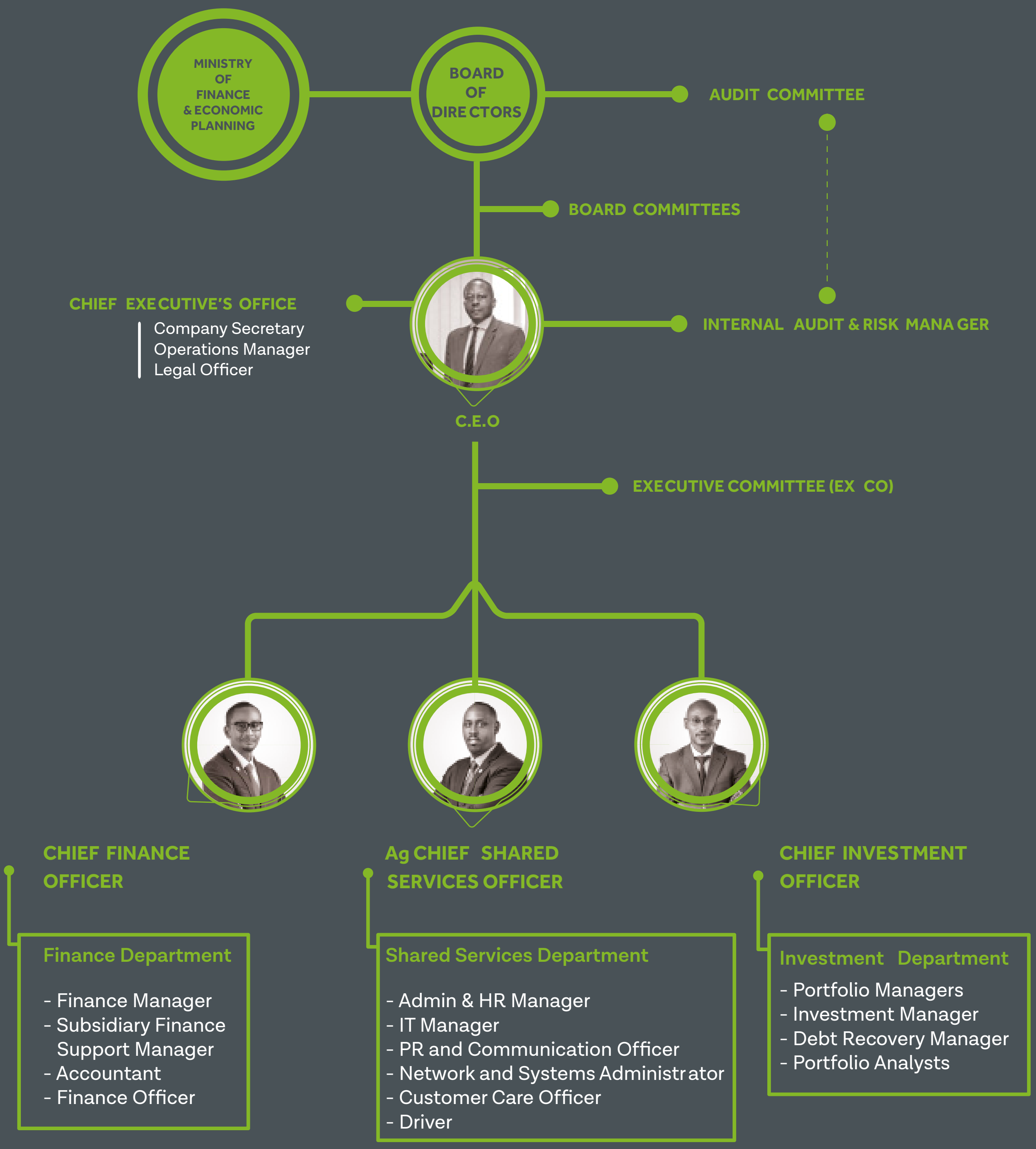
The Shared Services Department ensures that all the arms of Agaciro work jointly and that the administrative and managerial engines of the Fund are running efficiently. Part of the mandate is to lay focus on business continuity of the company and making the shared services a pivotal part of the company.
Under the same mandate, the Shared Services Department monitors the overall progress of the institution towards achieving its outcomes by among other things, ensuring high performance of staff and teams through coaching and mentorship with the aim of growing the operational capability of the Fund.

The Shared Services Department is also charged with the task of directing activities to meet the budget and at the same time establish and maintain business relations with external stakeholders.

The Shared Services Department also makes sure that there is fairness, impartiality, consistence and reliability for a level playing field for all bidders and ensure accountability by involving all Agaciro personnel involved in the procurement process.

The role of the Shared Services Department is to ensure that all aspects of the institution work in tandem and in a coordinated manner.

AGACIRO ORGANISATION STRUCTURE



AGACIRO TEAM

INVESTMENT DEPARTMENT

The Rwanda 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.
It follows a variety of investment strategies in fixed and non-fixed income securities such as government bonds, corporate bonds, commercial 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 Agaciro

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 Agaciro 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 2020, Agaciro invested in Government securities, fixed ferm feposits with commercial banks, corporate bonds and commercial papers.

Agaciro' s Equity Investment is composed of investment in around 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 Highlights as at 31st December 2020.

Capital
The total investment portfolio for the financial year ended 31st December 2020 increased by 18.5% to stay at Frw 233.7bn in December 2020 up from Frw 197.2bn in 2019. This increase was mainly due to new equity investments, additional shares acquired from the GoR and the re-investment of interests from existing term deposits and Treasury bonds. Further, during the year, Agaciro acquired former Umubano hotel which is shown as an asset held for sale and it constitutes 2.5% of the total investment portfolio.

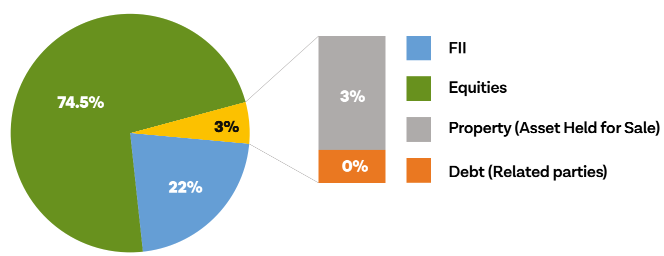
The overall Fund size increased by Frw 34.6bn to stay at Frw 233.9bn as at end December 2020 up from Frw 199.3bn as at end December 2019. Other assets include Property, Plant and Equipment, intangible assets, receivables and cash at bank.

Asset Allocation as at 31st December 2020
Agaciro asset allocation is in two major categories, i.e. Fixed Income that represents 22.5% and Equity representing 74.6%. Asset held for sale is at 2.5%.

Investment Income
Income from Fixed Income Investment (FII) increased by 16% to stay at Frw 4.9bn in December 2020 from Frw 4.28bn in December 2019.

Portfolio & fund size as at 31st December 2020

Asset classes	FYE 2020	FYE 2019	Variance	
	Frw (000)	Frw (000)	Frw (000)	%
FII	52,536,171	42,875,254	9,660,916	22.5%
Equities	174,197,000	153,328,857	20,868,143	13.6%
Property (Asset Held for sale)	5,920,000	0	5,920,000	
Debt (Related parties)	1,015,839	997,615	18,224	1.8%
Total Investment Portfolio	233,669,010	197,201,727	36,467,284	18.5%
Other assets	273,589	2,096,092	-1,822,503	-86.9%
Fund size	**233,942,599**	**199,297,819**	**34,644,780**	**17.4%**



Asset class allocation as at 31/12/2020

FII	52,536,171	22.5%
Equities	174,197,000	74.6%
Property (Asset Held for sale)	5,920,000	2.5%
Debt (Related parties)	1,015,839	0.4%
Total Investment Portfolio	**233,669,010**	**100.0%**

Dividends drastically reduced by 84% due to the covid-19 pandemic that affected most dividend paying companies. Gain from disposal of assets represents gain on sale of Agaciro's shares in some of its portfolio companies (Mata and Gisakura tea companies).

Overall investment income reduced by 18% to stay at Frw 6.7bn down from Frw 8.25bn in December 2019.

Achieved target as at 31st December 2020.
Overall, achieved target on performance is at 87%. Fixed income investment achieved 100% of target. This was due to the fact that interest rates on fixed income were not significantly affected by covid-19 pandemic. On the other hand, only 19% of target on dividends was achieved.

The performance on dividends was far below the target mainly because of the effects of covid-19 whereby companies especially banks did not issue dividends.

Privatization Proceeds as at 31st December 2020.

Actual collected was Frw 673m of target. This was due to termination of former Umubano Hotel contract with Government of Rwanda. As a result, no proceeds received rather Agaciro re-possessed the facility.

Conclusion

Overall, the Fund size increased by Frw 34.6bn representing 17.4%, i.e. from Frw 199.3bn as at 31st Dec 2019 to Frw 233.9bn as at 31st Dec 2020.

The Fund achieved 87% of the expected return as at 31st Dec 2020.

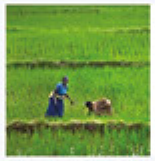
Privatization proceeds collection was achieved at 24% of target.

Net Income in Frw ("000)				
Investment classes	**December 2020**	**December 2019**	**Variance**	**%change**
Fixed Income	4,968, 267	4,288,631	679,636	16%
Dividends	522,519	3,171,001	-2,648,482	-84%
Gain on disposal	1,214,489	0	1,214,489	
Other revenues	55,150	793,362	739,212	-93%
Total Net Income	**6,760,425**	**8,252,994**	**-1,492,569**	**- 18%**

Targets achieved (Return Vs Target) as at 31/Dec/2020)				
Asset classes	**Actual return 2020 Frw ('000)**	**Budget - 2020 Frw ('000)**	**Realization %**	**% on total return**
Treasury Bonds	1,577,069	1,288,411	122%	23%
Corporate Bonds	352,500	0		5%
Fixed term deposits	2,780,009	3,523,300	2,79%	41%
Remunerating C/A	138, 420	34,977	396%	2%
Commercial paper	120,268	120,000	100%	2%
Equity Dividends	522,519	2,766,892	19%	8%
Other Income	1,269,639	0		19%
Total	**6,760,425**	**7,733,581**	**87%**	**100%**

OUR INVESTMENT PORTFOLIO

Gatsibo Rice company Ltd
Our % of net assets
40%



Kirehe Rice Company Ltd
Our % of net assets
40%

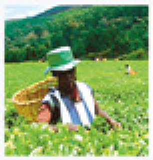
Rwanda Gaming Corporation
Our % of net assets
44.09%

BK Group Plc
Our % of net assets
22.1%

BSC (Breadband Systems Corporation) Ltd
Our % of net assets
100%
www.bsc.rw

Koreah Telecommunicacion Rwanda Networks
Our % of net assets
49%
www.ktrn.rw

Rwanda Printery Company
Our % of net assets
100%
www.rpc.rw



Shagasha Tea Company Ltd
Our % of net assets
10%

Mayange Rice Company Ltd
Our % of net assets
40%

Gasabo 3D Ltd
Our % of net assets
100%
www.gasabo3d.rw

Development Bank of Rwanda
Our % of net assets
65.88%
www.brd.rw

Kinazi Cassava Plant
Our % of net assets
57.33%

Africa Improved Foods Rwanda Ltd
Our % of net assets
4.81%
www.africaimprovedfoods.com

Irembo
Our % of net assets
85%
www.irembo.gov.rw

RFCC (Rwanda Farmers Coffee Company) Ltd
Our % of net assets
75%
www.gorillascoffee.com

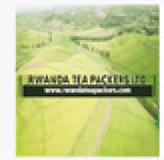
Rwanda Stock Exchange (RSE) Ltd
Our % of net assets
20%
www.rse.rw

Rwanda Interlink Transport Company (Ritco)
Our % of net assets
52%

Rwanda National Investment Trust Ltd
Our % of net assets
6%
www.rnit.rw

Prime Economic Zone
Our % of net assets
32.8%

GT Bank (Rwanda) Plc
Our % of net assets
3.62%
www.gtbank.co.rw



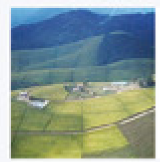
Rwanda Tea Packers
Our % of net assets
40%
www.naeb.gov.rw

AOS
Our % of net assets
49%
www.aos.rw

Sonarwa General Insurance Company Limited
Our % of net assets
1.60%
www.sonarwa.rw

I&M Bank Rwanda Plc
Our % of net assets
2.11%
www.imbankgroup.com

Mara Phones Rwanda Ltd
Our % of net assets
10%
www.maraphones.com



Gisovu Tea Company
Our % of net assets
30%

Cimerwa Limited
Our % of net assets
16.15%
www.cimerwa.rw

Multisector Investment Group (MIG)
Our % of net assets
10.8%
www.miglimited.com

Rwanda Printing & Publishing Company (RPPC) Ltd
Our % of net assets
30%

Mushubi Tea
Our % of net assets
2.88%

One Web Holdings Ltd
Our % of net assets
0.68%
www.oneweb.net

Ngali Holdings
Our % of net assets
100%
www.ngali.com

RFC (Rwanda Fertilizer Company)
Our % of net assets
32.6%

Africa Improved Foods Rwanda Ltd

Broadband Systems Corporation Rwanda

Rwanda Farmers Coffee Company (Gorilla's Coffee)

FINANCE DEPARTMENT

Performance

The financial year 2020 was challenging for the Agaciro Development Fund due to the Covid-19 pandemic.

During the financial year 2020, the Fund profitability was significantly affected, falling from a net surplus of Frw 15.1bn in FY 2019 to a loss of Frw 7.3bn in FY 2020. This loss was mostly due to fair value losses on its investments and restriction on dividends distribution in the finance sector as an economic recovery measurement. However, despite this negative effect, the Fund remained stable supported by positive performance from other initially acquired investments.

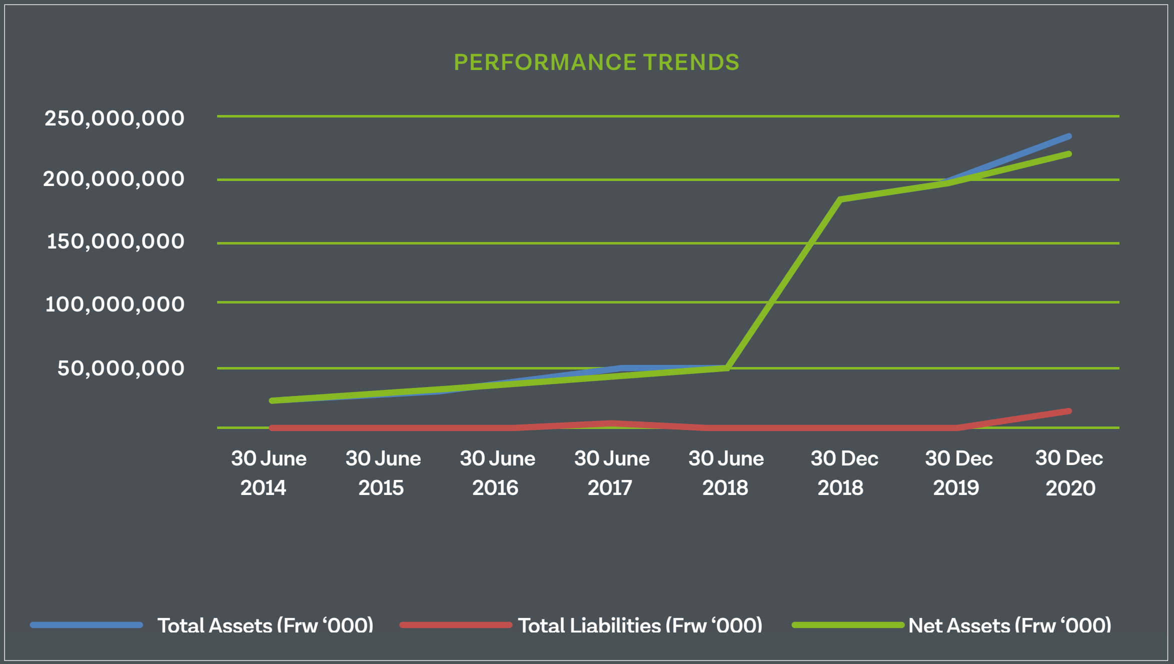
A growth of 16% was recorded from Investment income (that's interest from fixed income) compared to the FY 2019 and a gain on disposal of asset from the sale of Agaciro shares in Mata and Gisakura Tea Companies in 2020 was also recorded.

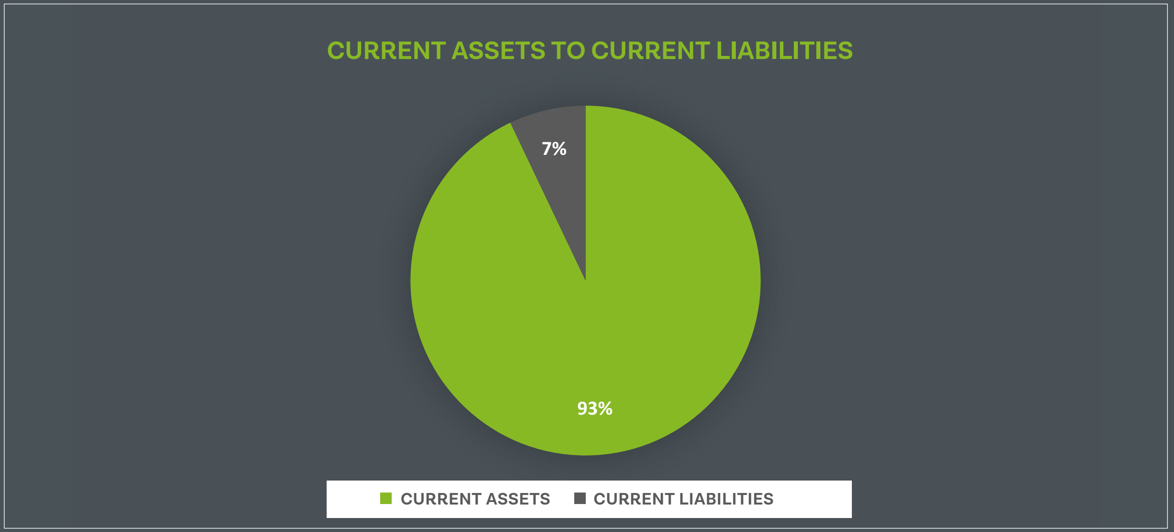
Amidst the low economic condition, Agaciro Development Fund closed the year with total assets of Frw 234 bn attaining an asset growth of 17% (Frw 199.29 bn in 2019). In the same year, Agaciro also registered some new equity investments in Irembo, Ngali Holdings Limited, Rwanda Printery Company and Rwanda Fertilizer Company.

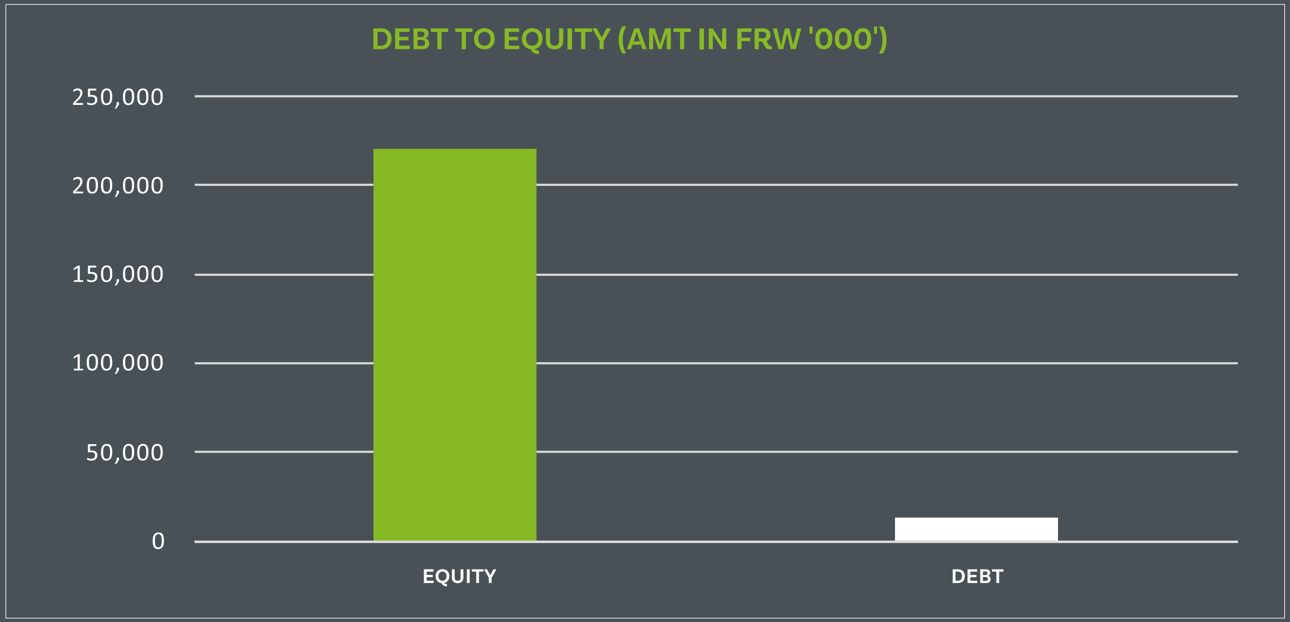
The debt to equity ratio and the liquidity ratio (current ratio) at the closing date were at 6% and 13% respectively. This illustrates that Agaciro is less indebted and fairly liquid to cover all its liabilities/obligations and operations.

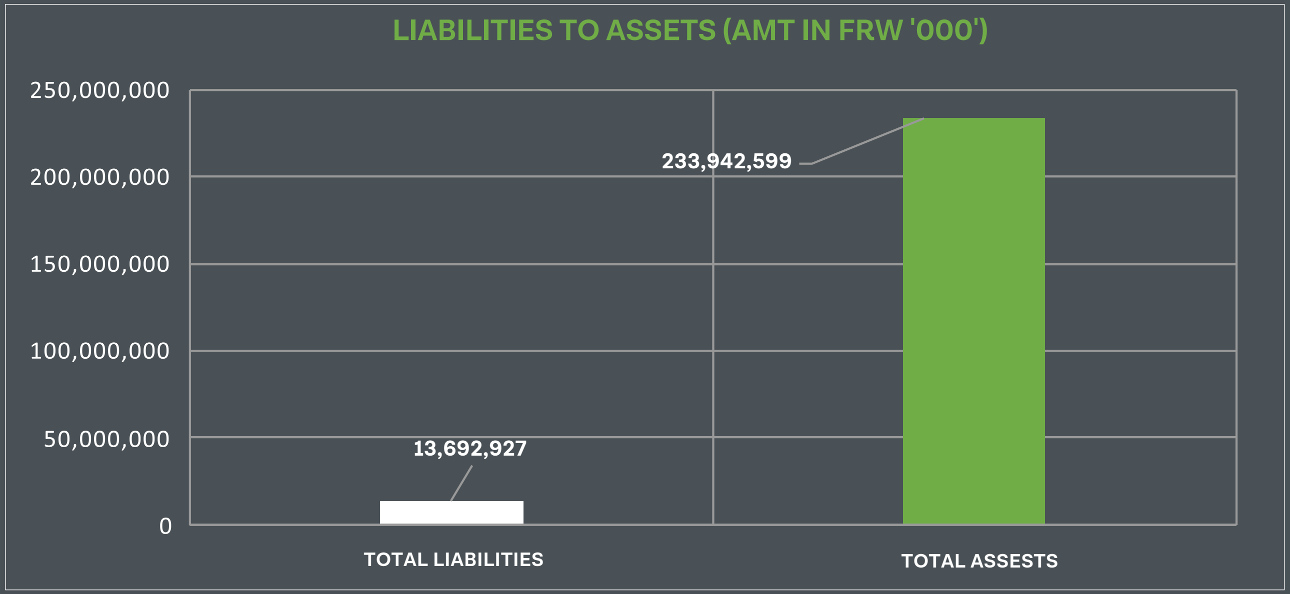
In addition to that, Agaciro has a well-defined corporate governance structure and risk mitigating procedures, which has continued to reduce uncertainty in its operations as well as help in safeguarding it as a going concern.

Financial Highlights






DEBT TO EQUITY (AMT IN FRW '000')
250,000
200,000
150,000
100,000
50,000
0
EQUITY
DEBT


LIABILITIES TO ASSETS (AMT IN FRW '000')
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
0
233,942,599
13,692,927
TOTAL LIABILITIES
TOTAL ASSESTS

FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

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

1. Principal Activities

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

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

2. Results

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

3. Directors

The directors who served during the year and to the date of this report were:
Mr Scott Ford - Chairperson
Mr Dr Thierry Mihigo Kalisa Vice - Chairperson
Mrs Doreen G.Karake - Member
Mr Aime Ngarukiyintwali - Member
Mr Andrew Rozanov - Member
Mrs Jeanne Francoise Mubiligi - Member
Mrs Alysia Silberg - Member

4. Auditors

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

By Order of the Board
Secretary of the Board

05/11/........../2021

Statement of directors' responsibilities for the year ended 31 december 2020

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

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Law No. 17/2018 of 14/04/2018 relating to Companies. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results.

The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Doreen G. KARAKE ....
Director

Thierry Kalisa ....
Director

Date....05.......11.......2021

Report of the independent auditor to the members of AgDF corporate trust ltd

Report on the Audited Financial Statements Opinion

We have audited the accompanying financial statements of Agaciro Development Fund Corporate Trust Limited, which comprise of the statement of financial position as at 31 December 2020, the statement of profit or loss, statement of changes in equity, and statement of cash flows for the year ended 31 December 2020 and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 35.

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

Basis for Opinion

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Law No. 17/2018 Of 13/04/2018 relating to companies, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for The Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report On Other Legal Requirements

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

i) We have no relationship, interests and debts in the Company;

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

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

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

Stephen Sang
For Ernst & Young Rwanda Limited

……05……11……2021

STATEMENT OF FINANCIAL POSITION OF AGDF CORPORATE TRUST LTD AS AT 31 DECEMBER 2020

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

Liabilities			
Non-Current liabilities			
Financial liabilities-FVTPL	13	7,727,962	-
Interests Payable	13	3,149,868	-
Current liabilities			
Financial liabilities-FVTPL		1,180,758	-
Interests Payable		1,393,295	-
Other payables	14	241,043	268,563
		13,692,926	268,563
Total Equity and Liabilities		**233,942,598**	**199,297,818**

These financial statements were approved by the Board of Directors

on...2021 and signed on its behalf by: -

DOREEN KARAKE ....

....

Director

Thierry Kalisa

Director

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
Cash flows from operating activities		Frw'000	Frw'000
(Loss)/Profit before tax		(7,308,553)	15,102,347
Adjustment for:			
Depreciation on property, plant and equipment		66,073	71,772
Amortization of intangible assets		14,406	7,242
Treasury bond discount earned		-	(1,789)
Interest accrued		(2,642,047)	(34,206)
Investments surplus/(loss)		12,599,876	(1,286,108)
Unrealised exchange gain on Investments		-	(780,215)
Interest payable		941,407	-
Donation of Intangible asset		150,000	-
Fair value gain/loss on Financial liability		510,477	-
Gain on asset disposal		(1,214,489)	-
Changes in working capital			
- Increase in other receivables	7	(6,076)	(72,990)
- Increase in due from related party		(18,224)	(997,615)
- Increase in trade and other payables	14	(27,518)	40,518
Net cash generated from operating activities		3,268,490	12,048,956
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	3	(48,044)	(14,446)
Asset held for sale		(11,571,044)	-

Investment in equities	4	(2,389,418)	(9,338,770)
Investment in T Bond	5	(6,995,400)	(4,355,200)
Investment in Corporate Bond		(3,500,000)	-
Matured Bonds		-	4,500,000
Investment in ST Deposits	8	(6,494,783)	(1,466,040)
Matured Term deposits		7,766,786	-
Net cash used investing activities		(23,231,903)	(10,674,456)
Cashflow from Financing activities			
Proceed from bond issued		12,000,000	-
Shares disposed		3,468,538	-
Interest received		2,326,219	-
Dividend received		522,519	-
Net cash generated from financing activities		18,317,276	-
Net (decrease) /increase in cash and cash equivalents		(1,646,138)	1,374,500
Cash and cash equivalents at beginning of the period	9	1,737,964	363,464
Cash and cash equivalents at end of period	9	91,826	1,737,964

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Corporate information

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

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

2. Accounting policies

2.1 Basis of Preparation

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

Statement of compliance

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

2.2 Significant accounting judgements, estimates and assumptions

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

Going concern

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

Property, plant and equipment

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

Judgments

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

a) The classification of financial assets;

b) Whether assets are impaired.

Impairment losses on trade and other receivables

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

Impairment of non-financial assets

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

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

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

Deferred tax assets

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

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

2.3 Changes in accounting policies and disclosures

i) New and amended standards and interpretations

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

Amendments to IFRS 3: Definition of a Business

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

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

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the financial statements of the company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

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

Conceptual Framework for Financial Reporting issued on 29 March 2018

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

Amendments to IFRS 16 Covid-19 Related Rent Concessions

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

ii) Standards issued but not yet effective

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

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

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

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

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure.

Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

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

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

Reference to the Conceptual Framework – Amendments to IFRS 3

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

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.
At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the company.

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

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.
The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

Definition of Accounting Estimates - Amendments to IAS 8

Effective for annual periods beginning on or after 1 January 2023

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

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

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

Effective for annual periods beginning on or after 1 January 2023

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

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

2.4 Summary of significant accounting policies

a) Foreign currency transactions and balances

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

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

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

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

b) Grant income

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

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

c) Dividend revenue

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

d) Interest revenue and expense

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

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.

f) Intangible assets and amortisation

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

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

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

Development of database - 50%

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.

g) Related party transactions
AgDF Corporate Trust Limited is a Company limited by shares established on 01 August 2013. The Company is financed through donations from the Government of Rwanda as well as Rwanda Citizens. The donations received from the Central Government during the year are disclosed under Note 15. Transactions related to government securities are included under note 4. Transactions with RSSB related to contributions and these are disclosed under note 22. Transactions with Rwanda Interlink Transport Company (RITCO), Kinazi Cassava Plant(KCP) and Africa Olleh Services Ltd (AOS) are disclosed under note 6

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

	31-Dec-2020 Frw'000	31-Dec-2019 Frw'000
Cash at Bank		
Bank of Kigali Plc	464,529	2,139,229
BNR	244	255,586
	464,773	2,394,815

In addition to transactions with the Government and Government related entities, the entity enters into transactions with key management as shown below
The following transactions were carried out with related parties:

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

	31-Dec-2020 Frw'000	31-Dec-2019 Frw'000
Salaries and other short-term employment benefits	164,803	177,360

h) Financial instruments
i) Financial assets
The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:
The entity's business model for managing the financial assets
The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost
A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Fund includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other receivables.

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

j) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3(a) property, plant and equipment

	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	246,072
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**

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.

k) 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.

l) 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-group (continued)

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

3 (b) Intangible assets

Intangible assets	2020	2019
	Frw'000	Frw'000
Cost at 1 January	178,732	178,732

Additions	-	-
Cost at 31 December	178,732	178,732
Amortisation at 1 January	7,242	-
Amortisation charge for the year	14,405	7,242
Donation	(150,000)	-
Net book value at the end of the period	**7,085**	**171,490**

4. Financial assets at fvtpl; equities

Equity investments include:	**2020** **Frw'000'** Fair Value	**2019** **Frw'000'** Fair Value
Gatsibo Rice company Ltd	343,695	341,227
Gisakura Tea Company Ltd	-	241,793
Kirehe Rice Company Ltd	476,858	404,637
Rwanda Gaming Corporation	214,835	216,892
Shagasha Tea Company Ltd	118,280	218,879
Mayange Rice Company Ltd	374,560	411,476
Gasabo 3D Ltd	2,987,258	3,923,064

Equity investments include:	2020 Frw'000' Fair Value	2019 Frw'000' Fair Value
RFCC (Rwanda Farmers Coffee Company) Ltd	300,816	549,073
Rwanda Stock Exchange (RSE) Ltd	208,636	51,767
Ritco (Rwanda Interlink Transport Company)	2,566,240	3,004,821
AOS (Africa Olleh Services) Ltd	1,966,097	2,966,914
BSC (Broadband Systems Corporation) Ltd	12,462,587	11,805,000
KTRN (Koreah Telecommunication Rwanda Networks)	4,168,396	6,706,578
Mata Tea company Ltd	-	2,012,256
Rwanda Printing and Publishing Company (RPPC) Ltd	169,546	219,124
Kinazi Cassava Plant	658,892	492,550
Africa Improved Foods Rwanda	1,005,609	264,551
Gisovu Tea Company	4,407,429	4,308,428
Prime Economic Zones	2,426,176	5,202,548
BK Group Plc	46,268,814	52,623,329
Cimerwa Limited	13,939,831	10,210,280
Sonarwa General Insurance Company Limited	24,007	39,361
Development Bank of Rwanda	51,390,551	21,658,167
GT Bank (Rwanda) Plc	736,493	689,914
Mara Phones Rwanda ltd	200,483	-

Equity investments include:	2020 Frw'000'	2019 Frw'000'
	Fair Value	Fair Value
Rwanda Tea Packers	-	10,650
Rwanda National Investment Trust Ltd	764,487	688,610
I&M Bank Rwanda Plc	1,003,968	1,003,968
World vu satellites	586,723	23,063,000
Irembo	15,485,847	-
Multisector Investment Group (MIG)	1,221,039	-
Mushubi Tea Company	203,572	-
Ngali Holdings Ltd	4,026,550	-
Rwanda Printery Company (RPC)	2,250,616	-
Investment in Rwanda Fertilizers Company Ltd	1,238,108	-
	174,197,000	**153,328,857**

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

In 2017, the Company entered into a partnership Agreement for a joint investment with the Ministry of Finance and Economic planning (MINECOFIN) and Rwanda Social Security Board (RSSB) in the share capital of WorldVu satellites limited (currently known as OneWeb) to be represented by MINECOFIN. The aim was making internet access available and affordable. The company invested USD 25,000,000 equivalent to 0.68% of shareholding from 2017 to June 2020. WorldVu was at the advanced development stages.

However, in year 2020, with the effect of Covid -19, WorldVu Satellites was not able to proceed with its operation and filed for US Chapter 11 of Bankruptcy Code which permit the debtors to remain in charge of business as debtor in possession but under the oversight of the bankruptcy court.

The chapter 11 bankruptcy plan which was approved by United States Bankruptcy Court, resulted by losing a portion of the investments by equity holders.
The organization plan as a result of the chapter 11 provided for conversion of the remaining investments into equity in the new operating company Bidco 100 ltd.

Due to the investment made in former Worldvu satellites were in partnership with Rwanda Social Security Board, the new company Oneweb Global ltd decided to combine the remaining investments and be registered in the name of one company and choose RSSB as shareholder, meaning that in the period ended December 2020, the Agaciro's part was registered in the name of Rwanda Social Security Board. The share certificate indicates that the total number of shares registered in the name of RSSB is 1,629 with USD 1,000 price per value.

From this, the remaining investment of AgDF registered in the name of RSSB had a value of USD 603,333 basing on the total shares and the remaining proportion of investments for both institutions (AgDF and RSSB).

Equity share granted from LEAF4Life

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

LEAF4Life LLC is owned by Clet Niyikiza, PhD with 1,162.5 units representing 93% and AgDF with 87.5 units representing 7%. On 29 January 2019, AgDF was gifted with this 7% ownership stake by Clet Niyikiza and no consideration was paid for it. AgDF did not include in the financials for the period ended December 20202 the value of this grant because there were some missing legal documents confirming the full ownership of these shares in LEAF4Life.

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

		2020	2019
5b)	**Financial assets at FVTPL; Corporate Bonds**		
		Frw'000	**Frw'000**
	Opening balance	-	-
	Addition	3,500,000	-
	Matured	-	-
	Fair value gain	257,845	-
		3,757,845	-
	Accrued interest	385,000	-
		4,142,845	-

6. Amounts due from related party

		2020	2019
a)	**Non-current**	**Frw'000**	**Frw'000**
	Rwanda Interlink Transport Company (Ritco)	910,000	910,000
	Kinazi Cassava Plant	62,300	-
		972,300	910,000
b)	**Current**		
	Kinazi Cassava Plant	42,595	86,671
	AOS (Africa Olleh Services) Ltd	944	944
		43,539	87,615

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

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

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

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 Olleh 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 Koreah Telecommunication Rwanda Network (KTRN) preference shares equivalent to Frw 74,081,005,209. The preference shares do not have voting rights and are not convertible into common shares unless otherwise agreed by both shareholders. The shares are redeemable at per at earliest of when the company has sufficient distributable earnings.
Given the performance of Koreah Telecommunication Rwanda Network (KTRN), management has assessed that there is little possibility that Koreah Telecommunication Rwanda Network (KTRN) will be able to pay by due date.

7. Other receivables

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

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

8. Short term deposits

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

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

9 Cash and cash equivalents

	2020	2019
	Frw'000	Frw'000
Cash in hand	184	173
Cash at Bank	91,642	1,737,791
	91,826	**1,737,964**

10. Non-current asset held for sale

Agaciro has refunded USD 12,372,954 equivalent to Frw 11,571,044,005 to an investor in Umubano Hotel who has not meet the expectation as agreed at the sale. AgDF owns the hotel 100% and by now is being facilitated by RDB to get a new investor. According to IFRS 5, the management has decided to classify this hotel as Non- current asset held for sale after analysing all conditions related as per the standard.

During the year under reporting, the management has conducted an impairment assessment and decided to impair the hotel as there were a difference between the carrying value and fair value less cost to sale as per the standard. The fair value less cost to sale considered was a price quoted by a buyer of USD 5.9 million equivalent to Frw 5,920,000,000 and the difference between carrying value and fair value has been reported to profit or loss.

11. Share capital

Authorized, issued and fully paid 1 share of Frw 50 Billion

12. Capital awaiting allotment

In 2018, Government of Rwanda transferred its equity investments in 28 companies to AgDF Corporate Trust ltd. During the period under reporting the Government transferred to AgDF addition equity investments equivalent to Frw 28,529,064,000. These investments have been accounted for an investment and capital awaiting allotment. The total capital awaiting for allotment were Frw 156,437,277,238 as at December 2020.

13.	Corporate bonds payable and other payables	2020	2019
		Frw'000	Frw'000
	Non -Current liabilities		
	Corporate Bonds payable	7,727,962	-
	Interest payable	3,149,868	-
		10,877,830	-
	Current liabilities		
	Corporate Bonds payable	1,180,758	-
	Interest payable	1,393,295	-
		2,574,053	-
14.	Other payables		
	Accrued audit fees	9,975	67,537
	Accrued technical assistance fees	-	26,350
	Accrued leave	51,456	33,166
	Other accruals	13,273	33,285
	VAT	8,605	24,746
	Pivot access	-	4,112
	Withholding tax payable	3,540	3,991
	PAYE	20,425	18,927
	RSSB	-	3,465
	Performance Bonus	56,070	52,809
	Symphony Rwanda ltd	42,250	-
	ABC Rwanda	-	175
	BRD Refund	35,451	-
		241,043	268,563

15 Contributions to agaciro development fund

Contributions from the Government of Rwanda	340,000	3,462,009
Civil servants	778,528	3,038,020
Corporates	11,611	101,209
Individual citizens	19,027	51,071
Business employees	160,933	462,061
Non-governmental organisations	3,628	10,341
Cooperatives	2,508	36,990
Public enterprises	17,634	26,788
	1,333,868	**7,188,489**

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

16 Proceeds from privatization

	2020	**2019**
	Frw'000'	**Frw'000'**
Inyange Industries	300,000	-
BDL Acquisition	135,000	-
Nshili Kivu Plantation	71,369	-
Mageragere Incinerator	67,292	-
Kobil Petroleum	48,640	-
Aquahort Expert ltd	10,000	-
Uzima Chicken Ltd	30,000	-
Nyagatare Agroventure	4,877	-
Proceeds from rent	**6,563**	-
TOTAL	**673, 741**	

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

17.(A) Investment income	2020 Frw'000'	2019 Frw'000'
Interest on short term deposits	3,038,569	3,148,489
Interest on financial assets – FVTPL (Bonds)	1,929,569	1,140,142
	4,968,266	**4,288,631**

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

17(b) investments surplus

	2020 Frw'000'	2019 Frw'000'
Impairment on Umubano Hotel	(5,651,044)	-
Impairment on Investment in WorldVu	(22,476,277)	-
Fair value gain on revaluation of Equities (RNIT)	75,877	54,225
Fair value gain on revaluation of Bonds	462,852	591,312
Fair value gain on revaluation of Corporate Bonds	257,845	-
Fair value loss on revaluation of Equities (I&M)	-	(8,155)
Impairment of Term Deposit	32,253	(16,341)
Fair value loss on revaluation of Equities (BK)	(6,354,515)	(2,581,522)
FV Gain/Loss- Gisakura Tea Company Ltd	-	(190,467)
FV Gain/Loss- Kirehe Rice Company Ltd	72,221	17,137
FV Gain/Loss- Rwanda Gaming Corporation	(2,057)	12,261
FV Gain/Loss- Rwanda Stock Exchange (RSE) Ltd	156,869	(129,109)
FV Gain/Loss- Mayange Rice Company Ltd	(36,915)	114,347
FV Gain/Loss- Gasabo 3D Ltd	(935,806)	726,729
FV Gain/Loss- RFCC (Rwanda Farmers Coffee Company) Ltd	(248,257)	(334,433)
FV Gain/Loss- Gatsibo Rice company Ltd	2,467	74,727
FV Gain/Loss- Shagasha Tea Company Ltd	(100,599)	84,879
FV Gain/Loss- RITCO (Rwanda Interlink Transport Company)	(438,581)	717,080
FV Gain/Loss- AOS (Africa Olleh Services) Ltd	(1,000,817)	1,963,929
FV Gain/Loss- BSC (Broadband Systems Corporation) Ltd	657,587	3,797,259

FV Gain/Loss- KTRN (Koreah Telecommunication Rwanda Networks)	(2,538,181)	(2,882,638)
FV Gain/Loss- Mata Tea company Ltd	-	287,256
FV Gain/Loss- Rwanda Printing and Publishing Company (RPPC) Ltd	(49,578)	196,314
FV Gain/Loss- Kinazi Cassava Plant	166,342	(54,450)
FV Gain/Loss- Africa Improved Foods	(189,656)	(69,507)
FV Gain/Loss- Gisovu Tea Company	99,000	(2,597,791)
FV Gain/Loss- Prime Economic Zones	(2,776,371)	(1,459,278)
FV Gain/Loss- Cimerwa	3,750,439	2,076,045
FV Gain/Loss- Sonarwa	(15,353)	(41,961)
FV Gain/Loss- BRD	25,629,051	633,214
FV Gain/Loss- GT Bank	46,579	305,046
FV Gain/Loss- Rwanda Tea Packers	(10,650)	-
FV Gain/Loss- Mara Phones	(1,184,602)	-
Total FV gain	**(12,599,876)**	**1,286,108**

The fair valuation of the investments in our companies was carried out and the gain or loss reported represent the differences between the carrying value and fair value. The fair value gain or losses on investments relates to the revaluation of equity investments are reported in profit or loss.

Following the Oneweb ltd ‘s chapter 11 bankruptcy which was approved by United state court, all equity holder of Oneweb ltd did not receive any from the proceeds for their first investment. From this, Agaciro has written off a portion of his investments in the books as loss.

The same year Agaciro has impaired the non- current asset held for sale as the asset presented a big difference between carrying value and fair value less cost to sale.

18. Revaluation gain-corporate bond rssb

	2020	2019
	Frw'000	Frw'000
18. Revaluation gain-corporate bond rssb	59,043	408,457

19. Gain on assets disposal

	2020	2019
	Frw'000	Frw'000
		595,892
Mata Tea company		-
Gisakura Tea Company	618,597	-
	1,214,489	-

20. Dividends

	2020	2019
	Frw'000	Frw'000
I&M Bank PLC	-	62,982
Bank of Kigali PLC	-	2,424,028
Mata Tea Company	-	358,634
Gisakura Tea Company	-	53,812
Gisovu Tea Company	477,226	210,000
Shagasha Tea Company	45,292	61,545
	522,519	3,171,001

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

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

21. Other income

Foreign Currency Exchange gain	408	780,215
Other miscellaneous income	54,742	13,146
	55,150	**793,361**

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

22. Employee benefits expense

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

23 Administrative expenses

	2020	2019
	Frw'000'	**Frw'000'**
Advertisement and publicity	41,356	56,165
Audit Fees	19,214	19,214
Contractual services	994	133,928
Telephone Expenses	16,708	17,643

Sports and recreation facilities	611	9,457
Grant	150,000	-
International travels	383	30,684
Local travel allowance	745	3,985
International Perdiem	-	12,221
Office supplies	13,940	13,587
Office Rent	69,552	69,552
Electricity	13,842	-
Internet cost	9,767	4,657
Symposia, Seminars and Sensitization	-	71,378
Bank charges	1,975	44,468
Transaction Expenses	183,152	29,027
Other commission	29,517	727
Other communication cost	-	1,607
Postage and courier	86	229
Office cleaning	20,850	5,152
Printing and stationery	8,237	14,746
Official reception	7,818	5,619
Journals and newspaper	399	442
Public holiday ceremonies	-	3,607
Membership to local institutions	-	1,796
Membership to International organisation	24,487	23,772
Training Fees	6,506	45,585
Insurance for Vehicle	1,379	711

Group insurance	13,392	8,571
Local travel	25	1,392
Other insurance	5,702	63
Fuel for vehicle	1,965	2,280
Depreciation and amortization	80,479	79,014
Maintenance or repair of office Equipment	-	182
Maintenance and repairs of Vehicle	1,386	1,334
Maintenance and repairs of Network infrastructure	3,694	9,800
Representation cost	2,133	1,747
Web database hosting	15,509	19,922
Mileage Allowance	985	2,006
Security	12,018	1,912
Corporate social responsibility	-	4,724
Technical assistance remuneration	275,263	-
	1,034,069	**752,905**

24. Finance cost

Finance cost	**941,407**	**-**

These are interest related to Corporate Bond offered to RSSB.

25. Income tax expense

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

26. Financial risk management objectives and policies

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

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

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

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

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

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.
Market price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments.

a) Price risk

Equity price risk arises from FVPL equity securities held. Management of the Company monitors equity securities in its portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.
The company is exposed to equities securities price risk because of investments in quoted and unquoted shares. The quoted shares are traded in the Rwanda Stock Exchange (RSE).

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

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

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 31Dec 2020	As at 31 Dec 2019
	Frw'000	Frw'000
Investment in WorldVu Satellite	586,723	23,063,000
Mara Phones Rwanda	200,483	-

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

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

c) Cash flow and interest rate risk

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

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

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

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

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

(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 Directors. 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 as seen below.

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

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

Fair Value Measurement

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

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

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

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

31-Dec-2019	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	53,627,297	53,627,297	-	-
FVPL – Unquoted securities	99,701,560	-	-	99,701,560

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price.

These instruments are included in level 1. Instruments included in level 1 comprise primarily Rwanda 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.
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 in the next column are the contractual undiscounted cash flows.

	Less than 1 year 'Frw'
At 31 December 2019	
Other Payables	**268,563**

	Less than 1 year 'Frw'
At 31 December 2020	
Other Payables	**241,043**

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

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

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include

the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

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

26. Events after the reporting date

Apart from uncertainties arising from COVID-19 as discussed below, there are no events after the reporting date that would require adjustments to, or disclosure in, the financial statements.
The outbreak of the Coronavirus Pandemic 2019 (COVID-19) has stricken communities across the globe. The virus' rapid geographical spread has caught the world off-guard, with major implications for personal health, business continuity and the world economic order.
Globally, integrated supply chain models have been disrupted, threatening a financial slow-down. Unfortunately, most organizations around the world are ill-prepared to navigate through these uncertain times and the company is not an exception.

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

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

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

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PRINCIPLE BANKERS

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