CIMERWA

A PARTNER OF

PPC

'21

ANNUAL FINANCIAL REPORT

STRENGTHENING

RWANDA

SINCE 1984

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YEARS OF CIMERWA PLC

Our Story

CIMERWA Plc's journey is one that started over 37 years ago with the mission to become the leading cement manufacturer in the region. As a company, CIMERWA has always believed in taking the communities it operates in along on its growth journey. This belief saw the birth of the STRENGTHENING RWANDA agenda that is now intrinsically tied to everything the company stands for.

Strengthening Rwanda transcended a mere slogan and took on a life of its own through five core pillars; Strengthening Education, Strengthening Health, Strengthening Entrepreneurship, Strengthening Infrastructure & Strengthening Environmental Protection. These five pillars now have several community-centric initiatives under their umbrella, most of which can be found in the Western province of the country in Rusizi, Bugarama where CIMERWA Plc's production plant is located.

Our Strengthening Rwanda Mission & Vision Statements

- It is the strength of our name and our promise to our customers, stakeholders, staff and communities.
- It is the strength of our guarantee. The integrity placed behind every purchase, every interaction; the knowledge that when you buy CIMERWA Cement, you too place your trust in our name & word.
- It is the strength to care for our environment, ensuring we minimize the impact we have on the future sustainability of our planet by adhering to environmental best practices in our facilities and through our products.
- It is the strength of our ability to foster growth and purposeful partnerships. Partnerships that will push us to incessantly seek to be a force for good with the world around us, continually impacting the lives of the people we serve in a tangible and meaningful way.

"As we close yet another successful year for CIMERWA Plc, I am delighted to present to you the 2021 Financial Report"

Regis A. Rugemanshuro

CHAIRMAN'S STATEMENT

The 2021 Financial Year presented many businesses with a foothold back into success, operational logistics are no longer in flux and the world is more resilient and poised for growth.

At CIMERWA Plc, employees led by a competent management team weathered perhaps two of the toughest years in the company's history with grace.

On behalf of the board, I'd like to extend a word of appreciation to everyone.

On behalf of the Board of Directors and Management of CIMERWA PLC, it is an honor to introduce our Financial Year 2021 integrated report. The business has achieved exceptional financial performance despite the challenging operating environment during the period. I would like to extend our appreciation to the CIMERWA Management and staff for their commitment in ensuring that the business is able to deliver such strong results under difficult circumstances, including COVID-19 restrictions during the year.

Corporate Governance Overview

Following the successful listing of 49% of the company's shareholding on the Rwanda Stock Exchange (RSE) on 03rd August 2020, the Board composition was reconstituted in line with the corporate governance code and listing guidelines. The Board was reconstituted to on-board independent, executive and non-executive directors. In this regard, I would like to thank the retiring directors for their dedicated service to CIMERWA and to also welcome the new directors to the Board. Our Board is now well balanced, much more diverse and with deeply experienced Directors with skills from various disciplines.

Safety, Health, Environmental (SHE) and CSR

The year continued to face challenges related to the ongoing COVID-19 pandemic. It is pleasing to note that Management put in place measures to prioritize the health of employees, partners and community while also instituting actions to mitigate against business disruption. Close to 100% of our staff are now fully vaccinated.
The business has continued to implement its SHE improvement plan which has borne fruits as shown by the Company's NIL Lost Time Injury Frequency Rate (LTIFR) for the year 2021 and compliance with requirements relating to the environment.
Reduction of carbon footprint in the production process remains at the top of our priority list. In this regard, numerous actions are ongoing including pushing for increased coal substitution rate (>10% achieved) and further process / production innovation to reduce the CO2 per ton of cement produced.
It is also pleasing to see the close engagement and collaboration with the community and other stakeholders to align and resolve common challenges. The Company continues to be a responsible player in the society with support to various initiatives and pillars including Education, Health & sanitation, sports, and small business.

2021 financial performance

Despite the changing competitive landscape, the company was able to record strong performance across all key financial metrics such as Revenue (+7% year-on-year); Gross Profit Margin 26% (2020: 21%); Profit Before Tax increase by +179% to Rwf 5.4bn in 2021 (2020: Rwf 1.9bn).
This good performance achieved despite the challenging business environment allowed the Company to maintain a healthy liquidity position with cash of Rwf 14.3bn (2020: Rwf 13.3bn). The Company fundamentals remain strong as the Company continues to meet its debt obligation on the existing financing facility which is expected to mature in 2024.

Looking ahead

I am proud of our achievements over the past year despite the significant challenges that we faced. Considering the projected strong macro-economic recovery as the country turns the corner on COVID with the resumption of key infrastructure projects, we are confident that the business will continue to grow and achieve even better financial results in 2022.

Building strong foundations for a strong future

As a board, growing CIMERWA Plc into a sustainable and profitable business is our call and it is near and dear to our hearts.

'Strengthening Rwanda' is a brand promise, CIMERWA Plc reflects through the production of cement imbued with quality and durability but most importantly our brand promise shines through our work with the communities we operate in.

As a business, CIMERWA Plc is about building – building strongly and durably. This understanding buoyed our efforts to make the company a more environmentally conscious organization through strategies meant to reduce our carbon footprint. Climate change is real and it's happening now, we all have a role to play to ensure we leave this earth to the next generation in one piece.

Appreciation

On behalf of the Board, I would like to thank all our stakeholders for their support. I would also like to thank our customers for their continued loyalty as well as our shareholders, business partners and suppliers for standing firmly by our side. To Management and all staff, thank you for your commitment.

Finally, I would also like to appreciate the Government of Rwanda for supporting the manufacturing sector during the difficult period of Covid-19. Initiatives such as "Manufacture-Build-To-Recover" program have been instrumental in ensuring that disruption of the construction industry activities was minimized and quick recovery achieved.

Mr. Regis Rugemanshuro

" Our performance in 2021 is a herald of more successful years to come, this statement and the confidence behind it are inspired by the hard work and dedication of our employees. They embody our brand promise – Strengthening Rwanda and their work reflects that each and every year."

Albert K. Sigei

CEO'S STATEMENT

The year 2021 was marked with renewed hope in contrast to 2020. Businesses were affected by the socio-economic impact of the COVID-19 pandemic however the upside of this is that they are now on the mend.

CIMERWA Plc stepped into the new year armed with knowledge and lessons learned from the previous year and this has helped the company stay the course of sustainable growth for both its shareholders and stakeholders.

2021 in review

I am proud to be at the helm of an organization that is not only building the communities it operates in but is an integral part of them.

CIMERWA Plc's community-centric activities are focused on activating five key economic pillars that will drive sustainable development in the long-term – health, education, entrepreneurship, infrastructure & Tourism. These initiatives have helped change the lives of the communities around us considerably.

Of course, when speaking of sustainability, we cannot ignore one of the biggest challenges the world is currently facing – climate change. As a company, CIMERWA Plc has taken considerable steps towards reducing its carbon footprint. With a steady rise in the use of alternative fuels in its production processes and a product innovative strategy aimed at reducing the amount of CO2 per ton in its products, CIMERWA Plc is doing its part in combatting climate change

A look at our next financial year

Our performance in 2021 is a herald of more successful years to come, this statement and the confidence behind it are inspired by the hard work and dedication of our employees. They embody our brand promise – Strengthening Rwanda and their work reflects that each and every year.
At its core, CIMERWA Plc's brand promise truly captures the company's unending commitment to being a part of Rwanda's growth story as can be seen through its 37-year-old heritage.

In conclusion

I'd like to close this statement by expressing heartfelt thanks to our customers for their loyalty towards our SIMANYAR-WANDA brand and our stakeholders & shareholders for the support they've manifested towards CIMERWA Plc.

I also want to share my gratitude with our employees for their commitment, resourcefulness and hard-work. They are the driving force behind our business and its continued success.

Albert K. Sigei

BOARD AND SENIOR MANAGEMENT

The directors submit their report together with the audited financial statements for the year ended 30 September 2021, which disclose the state of affairs of CIMERWA PLC (the "Company").

Principal activities

The principal activity of the Company is the manufacture and sale of cement and other related products.

Results and dividend

The results for the year ended 30 September 2021 are set out on page 37.
The directors do not recommend dividend payment for the year (2020: Nil).

Directors

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

Regis Rugemanshuro	Chairperson
Albert Sigei Kipkemoi	Chief Executive Officer (Appointed 25 March 2021)
Mokate Ramafoko	Director
Nyirimihigo Jean Marie Vianney	Director
Chrissie Moloseni	Director
John Bugunya	Chief Financial Officer (Appointed 25 March 2021)
Anita Dancilla Umuhire	Director (Appointed 25 March 2021)
Eunice Nyala	Director (Appointed 25 March 2021)
Florida Kabasinga	Director (Appointed 25 March 2021)
Edward Okaro Omolo	Director (Appointed 25 March 2021)
Sternford Moyo	Director (Appointed 25 March 2021)
Christian Rugeri	Director (Resigned 31 May 2021)
Phindokuhle Mohlala	Director (Resigned 31 October 2020)

General information

CIMERWA PLC is incorporated in Rwanda under Law No. 007/2021 of 05/02/2021 Governing Companies and is domiciled in Rwanda. The address of its registered office is:

Kimihurura Sector
Gasabo District
PO Box 644
Kigali - Rwanda

Corporate information

Company Executive	Position
Mr. Albert Sigei	Chief Executive Officer

Company Secretary	Auditor
GODFREY KAMUKUNDE CIMERWA Plc P.O. Box 644 Kigali/Rwanda Tel: (250) 788 302 021 Email: godfrey.kamukunde@cimerwa.rw	**PricewaterhouseCoopers Rwanda Ltd** 5th Floor, Blue Star House Blvd de l'Umuganda, Kacyiru, P.O. Box 1495, Kigali Rwanda Tel: +250 (252) 588 203/4/5/6 Fax: : +250 (252) 588 201/2

Registered Office & Principal Place of Business	Financial Calendar	Shareholders
Registered Office Address: Kimihurura, Gasabo, Umujyi wa Kigali, Rwanda Tel: (250) 788 381 134 Email: cimerwa@cimerwa.rw Principal Place of Business: Western Province/ Rusizi District P.O. Box 21 Rusizi-Rwanda P.O. Box 644 Kigali-Rwanda	Year end: 30 September Half year: 31 March	Pretoria Portland Cement Limited AGDF Corporate Trust Limited Rwanda Social Security Board Rwanda Investment Group Sonarwa Holdings Ltd Other retail investors

Principal Bankers
Bank of Kigali Plc P.O. Box 175 Kigali – Rwanda KN 4 Ave Kigali/ Rwanda, No12 Plot No 790 info@bk.rw (250) 788 143000
BPR Atlas Mara Plc P.O.Box 1348 Kigali – Rwanda, KN 67,Street 2 info@bpr.rw (250) 788 187200
Cogebanque Plc P.O. Box 5230 Kigali- Rwanda, KN 63 Street info@cogebanque.rw (250) 788 155500

Regis Rugemanshuro
Board Chairman

Mr. Regis Rugemanshuro, PMP, SPC 4, current Director General of the Rwanda Social Security Board (RSSB). Prior to that he was the Chief Digital Officer (CDO) at the Bank of Kigali Plc, leading the digital transformation of the bank. Before that, Mr. Rugemanshuro was the first Chief Executive Officer of BK TecHouse Ltd, the Tech subsidiary of Bank of Kigali Group Plc where his work in the two years he spent there earned him the 2018 All Africa Business Leaders Award (AABLA) as Finalist for East Africa Innovator of the Year. Under his leadership, BK TecHouse was voted and awarded the 2017 Best Technology Company in Rwanda by the Smart Service Awards. Prior to joining BK Group Plc, Mr. Rugemanshuro spent his career in the United States consulting for the global Tech giants such as Hewlett Packard (HP) as a Program Manager and later with Accenture PLC in Seattle, Washington. During his time there, his main clients included Microsoft and T-Mobile.

His area of focus is at the intersection of Business and Technology; his expertise is in helping organizations realize the promise of the digital revolution via adoption of modern engineering platforms and practices. He is a servant leader known for his high energy and contagious passion to solving complex problems.

He is also a Certified Project Management Professional (PMP) by the Global Project Management Institute (PMI) as well as a Certified SAFE Program Consultant (SPC4) by the Global Scaled Agile Academy. He has a bachelor's degree in science information technologies and an MBA in Management both from Misericordia University in Pennsylvania.

Chrissie Moloseni
Vice Chairperson

Mrs. Chrissie Moloseni is a result oriented professional with high business acumen and hands on experience with over 20 years progressive experience in Finance and Operations Management with track record of delivering performance.

Expertise in General Management, Strategic Planning,Accounting and Finance Management Budgeting and Forecasting, Cost and Performance Management, Corporate Finance and Investment Analysis.

Nyirimihigo JM Vianney
Board Member

Mr. Nyirimihigo is a career banker with over 30 years' experience in project financing. He previously worked with the Central Bank of Burundi and later was Director General of Rwanda Development Bank and Director General of the African Guarantee Fund in Niger.

He is now in private business as a real estate developer and is a Board member of Rwanda Investment Group.

Mr. Nyirimihigo is a graduate of Nairobi University and has a post graduate diploma in Banking from CNAM University of France.

Mokate Ramafoko
Board Member

Mokate Ramafoko is the Managing Director of the International Division at PPC Ltd. He assumed this role in August 2017 after his tenure as Executive Director of the International Division since March 2016.

In his current role; Ramafoko oversees and provides strategic direction to all the various international businesses that PPC has majority shares in namely; PPC Zimbabwe, CIMERWA Ltd in Rwanda, PPC Barnet in DRC and HABESHA CEMENT SHARE COMPANY in Ethiopia; both as an executive manager of the respective country cement operations and as a mentor to all the countryheads.

Mokate, an engineer by profession comes with over 23 years of experience and expertise in cement manufacturing, quality assurance and cement process optimization. He has held various positions within the PPC group as well as Holcim (now Afrisam) and across various divisions.

He has amassed extensive knowledge in overseeing and managing large, complex, multi-million-dollar operations where he has been instrumental in driving business growth. Most recently, Mokate was actively involved in driving and guiding the CIMERWA and Zimbabwe businesses to realise an improvement in their processes and ultimately driving an overall cost reduction of 6%; subsequently improving their operational and business efficiencies.
Over and above his professional expertise; Mokate is passionate about business development and strategy. He holds a Master's Degree in Business Administration and a BSc (Hons) in Metallurgy.

Albert Sigei
Board Member

Albert K. Sigei joined CIMERWA PPC as Chief Executive Officer on 06th January 2020. He comes as an experienced executive with more than 18 years' experience in the cement industry. He has lived and worked in varied cross-cultural geographies including Kenya, Egypt, Nigeria, UK and Malawi. With a sterling work pedigree in Business Development, Business Management and Change Management, he has a keen eye for business and a sharp mind for decisions. Just the right attributes for a captain of the ship.

Albert's multi-disciplinary background including Engineering, Finance, IT, Risk Management and leadership set the stage for his 18-year-old career in the durables sector. He has a first-class honors Bachelor's Degree in Mechanical Engineering from the University of Nairobi, is a fellow of the Association of Chartered Certified Accountants (ACCA) and graduated from various executive courses offered by Ivy league Business Schools - INSEAD, London Business School, HEC Paris and The Ivey Business School at Western University.

He is passionate about Africa hence his unwavering focus on the importance of alignment between business purpose and societal needs.

John Bugunya
Board Member

John Bugunya joined CIMERWA Plc as Chief Finance Officer (CFO) in May 2017. He has wide experience in strategic management processes, corporate governance, Risk management, Compliance and Accounting Advisory gained from over 14 years post qualification experience. Before joining CIMERWA, John was the Chief Executive Officer of Prime Insurance Limited for three years (January 2015 – April 2017) and previously worked with Bank of Kigali as Chief Finance Officer for five years (December 2009 – December 2014).

He also worked in external assurance advisory with Deloitte in the United Kingdom and EY (previously "Ernst & Young") in Uganda. John is a qualified Accountant. He is a Fellow of the Association of Certified Chartered Accountants (ACCA) and is also a member of the Institute of Certified Public Accountants of Rwanda (ICPAR).

Florida Kabasinga
Board Member

Florida Kabasinga is the Founder and Managing Partner of Certa Law Chambers, one of Rwanda's leading Law Firms. After almost a decade practicing on the international legal circuit with the International Criminal Tribunal for Rwanda as a Case Manager, Assistant Appeals Counsel and Appeals Counsel. Florida returned to Rwanda where she occupied different positions from 2012.

In 2016, Florida established Certa Law which primarily represents banks and commercial clients. She sits on the Board of Guaranty Trust Bank. Florida leads Certa's strategic vision and heads its Alternative Dispute Resolution practice (mediation & arbitration). She is an expert in labor matters and is a prolific litigator, mediator and arbitrator in different aspects of legal practice in Rwanda. She has appeared as an expert witness in different national jurisdictions and lectures in law at different universities.

Florida holds a Master of Laws degree (Magna cum Laude) from the University of Notre Dame in Indiana, USA and a Bachelor of Laws degree (Hons) from Makerere University in Kampala, Uganda. She is a member of the Rwanda Bar Association, the East African Law Society, the American Bar Association, the Chartered Institute of Arbitrators, the Kigali Arbitration Center and is a court appointed mediator.

Sternford Moyo
Board Member

Sternford Moyo has been a lawyer for about 40 years. He is the Senior Partner of Scanlen and Holderness, one of the largest law firms in Zimbabwe established in 1894. It is ranked in band one by Chambers Directory. Mr Moyo is individually ranked in band one by the same directory.

He specializes in commercial law, corporate law and mining law. Mr Moyo is a former President of the Law Society of Zimbabwe and the Southern African Development Community Lawyers Association. Presently, he is the President of the International Bar Association. He is the first African lawyer to be elected to that position in the 74 years of the association.

During his many years in practice as a lawyer, he has acted as a director of a number of companies. He is a former director and chairperson of Stanbic Bank Zimbabwe Limited, a member of the Standard Bank Group which is one of the leading commercial banks in Zimbabwe. He is, furthermore, a former chairperson of the Zimbabwe Revenue Authority and Schweppes Zimbabwe Limited, one of the leading bottling companies in Zimbabwe.

Presently, he is the chairperson of Delta Corporation Limited, one of the largest Zimbabwean companies listed on the Zimbabwe Stock Exchange. He is, furthermore, a director of Padenga Holdings Limited, a company listed on the Zimbabwe Stock Exchange which has interests in crocodiles and mining, PPC Zimbabwe Limited, the leading cement company in Zimbabwe and Alpha Media Holdings Limited, the largest independent media company in Zimbabwe.

Edward Okaro
Board Member

Edward is the Managing Director of Tendo Consulting SA (Pty) Ltd. Prior to that he was a partner at Ernst & Young Advisory Services in South Africa where he serviced in various capacities over a 26-year period. A holder of CA(SA), CPA(K), MBA (Manchester University) and Bcomm (UON), Edward's core competencies revolve around: financial management and reporting, risk management and control transformation. He also serves in boards and audit committees of other organizations in East and South Africa across private and as well as public sector.

Anita D. Umuhire
Board Member

Anita D. Umuhire is a dynamic Chartered Accountant with over 14 years' experience in Finance gained in various sectors: banking, audit, not-for-profit and the FMCG (Fast-Moving Consumer Goods) industry; spanning markets such as South Africa, Rwanda and Kenya.

She is a member in good standing with both the South African Institute of Chartered Accountants and the Institute of Certified Public Accountants of Rwanda. She holds an MBA in Leadership and Sustainability from the University of Cumbria, Robert Kennedy College and is currently pursuing CFA level II. She is currently the Deputy Managing Director of Inyange Industries and its subsidiaries.

Eunice Nyala
Board Member

With over 25 years of commercial and leadership experience in financial services, mainly retail banking and card merchant services with full P&L responsibilities, Eunice has Notable expertise in commercial strategy, business building and expansion through acquisitions and organic growth in highly regulated multinational companies – Absa Bank Kenya Ltd (formerly Barclays Bank Kenya), Barclays Head Office London, UK and she also held a regional job in Barclaycard International with responsibility in 32 countries in Africa.

She has Sector expertise in commercial risk & security having worked at executive levels for G4S Kenya, an international integrated security solutions provider with presence in over 120 countries, second largest employer globally with PBITA of approximately £427M.

Albert K. Sigei
Chief Executive Office

Albert K. Sigei joined CIMERWA PPC as Chief Executive Officer on 06th January 2020. He comes as an experienced executive with more than 18 years' experience in the cement industry. He has lived and worked in varied cross-cultural geographies including Kenya, Egypt, Nigeria, UK and Malawi. With a sterling work pedigree in Business Development, Business Management and Change Management, he has a keen eye for business and a sharp mind for decisions. Just the right attributes for a captain of the ship.

Albert's multi-disciplinary background including Engineering, Finance, IT, Risk Management and leadership set the stage for his 18-year-old career in the durables sector. He has a first-class honors Bachelor's Degree in Mechanical Engineering from the University of Nairobi, is a fellow of the Association of Chartered Certified Accountants (ACCA) and graduated from various executive courses offered by Ivy league Business Schools – INSEAD, London Business School, HEC Paris and The Ivey Business School at Western University.

He is passionate about Africa hence his unwavering focus on the importance of alignment between business purpose and societal needs.

John Bugunya
Chief Finance Officer

John Bugunya joined CIMERWA Plc as Chief Finance Officer (CFO) in May 2017. He has wide experience in strategic management processes, corporate governance, Risk management, Compliance and Accounting Advisory gained from over 14 years post qualification experience. Before joining CIMERWA, John was the Chief Executive Officer of Prime Insurance Limited for three years (January 2015 – April 2017) and previously worked with Bank of Kigali as Chief Finance Officer for five years (December 2009 – December 2014).

He also worked in external assurance advisory with Deloitte in the United Kingdom and EY (previously "Ernst & Young") in Uganda.
John is a qualified Accountant. He is a Fellow of the Association of Certified Chartered Accountants (ACCA) and is also a member of the Institute of Certified Public Accountants of Rwanda (ICPAR).

Godfrey Kamukunde
Head, Legal & Company Secretary

Godfrey joined CIMERWA on 18th September 2020 as the Head of Legal, Corporate affairs and Company Secretary. He streamlines the functioning of the Legal and Corporate affairs Department and oversees and steers legal and regulatory compliance.

Prior to joining CIMERWA, Godfrey worked as the Legal advisor and Company Secretary for BRALIRWA Plc (Heineken and Coca-Cola Rwanda). He also worked with Rwanda Social Security Board (RSSB) as the Legal Director, Head of the Modernisation Team and Principal Internal affairs. He has a wide range of experience in legal advisory, corporate governance, teaching/lecturing law and Consulting in different areas of law.

Godfrey has in past consulted for various Non-governmental organisations (USAID, University of Massachusetts- Boston-USA, International Labour Organisation (ILO), TROCAIRE international, Great Lakes Initiative for Human Rights and Development (GLIHD), Winrock International, Tetra Link East Africa, Institute of Policy Analysis and Research (IPAR)-Rwanda, etc); and Ministries and Institutions (MINIJUST, MIFOTRA, REMA, MINEAC, ILPD, etc).

Godfrey holds a Bachelor of Laws (LLB) from the University of Rwanda and Master's degree in Commercial Law (LLM) from the University of Cape Town- South Africa. He also holds a Diplome d'étude en langue française from the University of Rwanda and several certificates in various areas of law, good governance and performance evaluation and management.

Mugabe Rizah
Head, Supply Chain

Rizah joined CIMERWA as Head, Supply chain. She is at the helm of leadership oversight and guidance to a large supply chain management and technical team. She manages strategic relationships with business partners and clients in order to enable supply chain optimization.

Rizah joins us with a career that spans over fifteen years in Supply Chain, both in Rwanda and Kenya. Over the last eight years, she was working as Supply chain manager at Heineken Bralirwa and three years as Procurement Manager at KCB Bank tasked with local SC operations, customer service, supply planning, inbound/outbound logistics, warehousing and strategic sourcing.

She has a first-class honor master's degree in Operations and Production from India and a bachelor's degree in Business Administration from the National University of Rwanda.

Rizah has excellent leadership and influence skills, able to bring vision to a group and cross departments by demonstrating strong customer service mindset required. Rizah is a strong communicator, resourceful and creative with a capability of turning ideals into plans and executing them impeccably.

Paul Nkusi
Head, Human Resources

Having worked in the public sector with the National Capacity Building secretariat, Supreme Court of Rwanda, Bank of Rwanda and now the private sector with CIMERWA, Paul comes with multifaceted perspectives on people management.

Paul has helped CIMERWA develop a people first culture that enables better output for the organization as a whole. Paul is a graduate of Makerere University.

Mamy Andriamasiharivony
Plant Manager

Hailing from Madagascar, Mamy comes equipped with more than 20 years of cement industry experience with LaFargeHolcim. He worked across different markets including Madagascar, Phillipines, Comoros and Malawi and has held various positions including Maintenance Manager, Production Manager, Project Manager and Plant Manager.

He is a motivational leader with a master's degree in mechanical engineering coupled with hands-on technical knowledge. He is also a good communicator, listener and relationship-builder across departments.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2nd Annual General Meeting (AGM) of shareholders of CIMERWA Plc as a listed company will be held by teleconference on Thursday 3rd February 2022 at 2:30 pm for the following purposes:

Ordinary business

1. Consideration of the annual report.
2. Receiving the auditor's report.
3. Consideration and approval of the financial statements.
4. Appropriation of profit and total comprehensive income for the year.
5. Discharge of the Directors and Auditors for the financial year 2021.
6. Appointment of Directors.
7. Appointment of Independent Auditors.

NOTES:

(a) Proxies

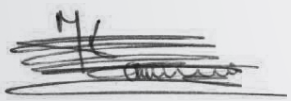
A member of the Company entitled to attend, and vote is entitled to appoint a proxy to attend instead of him/her. A proxy for a corporation may vote on a poll. A proxy form is attached to the Annual Report and Accounts.
If the proxy form is to be valid for the purposes of the meeting, it must be completed and deposited (or sent via e-mail to: bkcapital@bk.rw) at the head office of BK Capital Ltd, the registrars located in Kigali at KN 4 Ave, Street No.12, Tel: +250788143241, by 3rd February 2022.

(b) Dividend

A proposal not to pay a cash dividend for 2021 will be proposed to the annual general meeting of shareholders on 3rd February 2021. Please take note that the book close date for CIMERWA Plc shares will be 26th January 2022, meaning that if a decision to pay out any dividend is taken, only shareholders whose names appear in the Register of Shareholders at the close of business on that day will be considered.

By order of the Board

Godfrey KAMUKUNDE,



Company Secretary

Kigali, 24th December 2021.

PROPOSED RESOLUTIONS

To the annual general meeting of shareholders of CIMERWA Plc to be held on 3rd February 2022

Resolution 1

Consideration of the annual report

The annual general meeting of shareholders considers and approves by ordinary resolution the annual report presented by the Chairman of the Board and thanks the Directors for the performance during the accounting year ended 30th September 2021.

Resolution 2

Receiving the auditor's report

The annual general meeting of shareholders receives and approves the auditor's report by ordinary resolution and notes the opinion of the auditors on the CIMERWA Plc 2021 audited financial statements.

Resolution 3

Consideration and approval of financial statements

The annual general meeting of shareholders considers and approves by ordinary resolution the CIMERWA Plc 2021 audited financial statements.

Resolution 4

Appropriation of profit and total comprehensive income for the year

The annual general meeting of shareholders approves the profit and the total comprehensive income for the year 2021 of Rwf 4,120,138,540 and receives the recommendation of the Board of Directors not to declare a dividend.
The annual general meeting of shareholders approves the recommendation of the Board of Directors not to declare a dividend for the financial year ended 30th September 2020. The annual general meeting of shareholders decides to retain the net profit for the year to protect the company's cash flow position and preserve liquidity.
The annual general meeting of shareholders decides that the book close date is 26th January 2022.

Resolution 5

Discharge of directors and auditors for financial year 2021

The annual general meeting of shareholders discharges the members of the Board and the Auditors for the year 2021.

Resolution 6

Appointment of directors

The annual general meeting of shareholders appoints by ordinary resolution the following persons as Directors of CI-MERWA Plc for a period of one year:

- Mr. Regis Rugemanshuro
- Ms. Chrissie Moloseni
- Mrs. Florida Kabasinga
- Mr. Nyirimihigo Jean Marie Vianney
- Mr. Mokate Ramafoko
- Mrs. Anita Dancilla Umuhire
- Mr. Edward Okaro Omolo
- Ms. Eunice Nyala
- Mr. Sternford Moyo
- Mr. Albert Kipkemoi Sigei
- Mr. John Bugunya

The annual general meeting of shareholders requests the Directors to elect the Chairperson and the Vice Chairperson among themselves. To this end, the annual general meeting of shareholders asks Mr. Regis Rugemanshuro to convene and chair the first meeting of new Board of Directors.

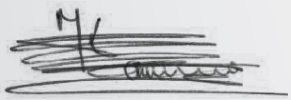
Resolution 7

Appointment of auditors

The annual general meeting of shareholders appoints by ordinary resolution KPMG – Rwanda Ltd as Auditor for a period of one year.
The annual general meeting of shareholders asks the Board of Directors to determine the fees and other expenses of the auditors.

By order of the Board

Godfrey Kamukunde



Company Secretary

Kigali, 24th December 2021

MANAGEMENT REPORT

PLANT OPERATIONS REVIEW

We are Rwanda's only integrated cement producer which mines raw materials, produces clinker concentrate, packs and sells cement for general and specialized construction. The plant, commissioned in 2015, has an installed annual cement production nominal capacity of 600,000 metric tons of cement.

Key actions taken during the year include:

- A focused approach to equipment reliability resulting in a +7% increase on clinker production,
- Reduction in thermal energy consumption and costs by increasing usage of alternative fuels which are cheaper and more environmentally friendly.
- Enhancing Clinker quality with average C3S improvement by 4% which led to the reduction of Clinker Factor with associated cost savings with overall clinker factor reduction by 5% as well as increasing cement capacity in the market. Reduction of clinker factor will improve carbon footprint of the company.
- We had an all-time record for clinker production in August 2021.
- Increase supply of cementitious material that helped to reduce clinker factor and increase output of cement mills.
- A focus on training to uplift the skills of employees,
- The focus on Health and Safety which allowed us to achieve zero Lost Time Injury Frequency Rate (LTIFR) and more than 2 million hours worked without an LTI.
- We maintained ISO certification of CIMERWA's systems and are now focused on implementing the new ISO integrated management system covering Occupational Health & Safety, Quality and Environmental protection.
- JABALI culture change program for the development of Safety Leadership, a world class safety culture, underpinned by an overall drive across the Company for a performance-oriented culture.

Financial commentary

The Company continued to successfully manage the pandemic by prioritizing the health of our employees, stakeholders, and communities. Various actions were taken to mitigate the impact of the COVID-19 restrictions including a cost savings program, cash preservation and route-to-market strategies to protect our topline. We appreciate the support given by various stakeholders, especially the Government of Rwanda through the Ministry of Health. Close to 100% of our staff are now fully vaccinated.

Income statement summary

The revenue in 2021 at 67.4bn is 6.8% above prior year. This was achieved in spite of the impact of COVID restrictions on domestic market demand through effective execution of our route-to-market actions such as exports growth, defending our domestic market share and price optimization actions.

Cost of Sales remains flat to Rwf 49.7 billion (September 2020: Rwf 49.6 billion) compared with the previous year.

Profit Before Tax (PBT) stood at 5.4bn, which is an improvement of 179% versus prior year. This was on account of the operating profit improvement coupled with reduction in finance costs by 7.8% which is in line with our reducing borrowings balance. The above profitability performance drove our Earnings Per Share (EPS) up to 5.86, an improvement of 111% compared to prior year.

Statement of Financial Position

Gross debt decreased by 18.3% to Rwf 35.3 billion (September 2020: Rwf 43.2 billion) due to loan instalment payments. The bank loans are a syndicated loan facility denominated in both US Dollars and Rwanda Francs, that was obtained for the construction of the 600,000 metric tons of cement plant capacity in 2013. This loan facility is due to be fully repaid by 2024. In accordance with the terms of the syndicated loan, the company was in full compliance with the three financial covenants as at 30 September 2021.

Property, plant and equipment amounted to Rwf 77.7 billion (September 2020: Rwf 81.3 billion). Capital investments in property, plant and equipment increased by 14% to Rwf 3.3 billion (September 2020: Rwf 2.9 billion). These investments are geared towards de-bottlenecking the plant and increasing production capacity.

Inventories increased by 17% to Rwf 12.8 billion (September 2020: Rwf 10.9 billion). This is due to increase in critical spare parts and equipment such as transformer, inlet, and outlet seals for regular plant maintenance.

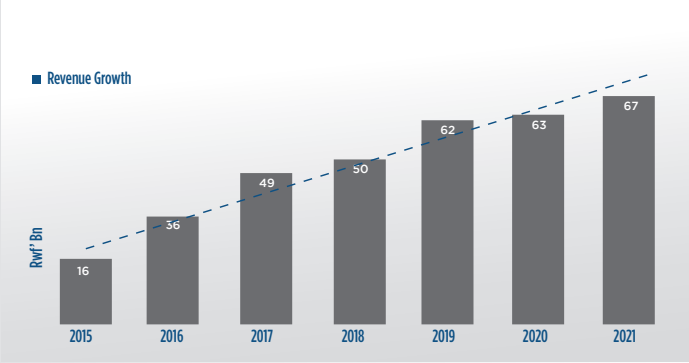
Cash flow statement summary

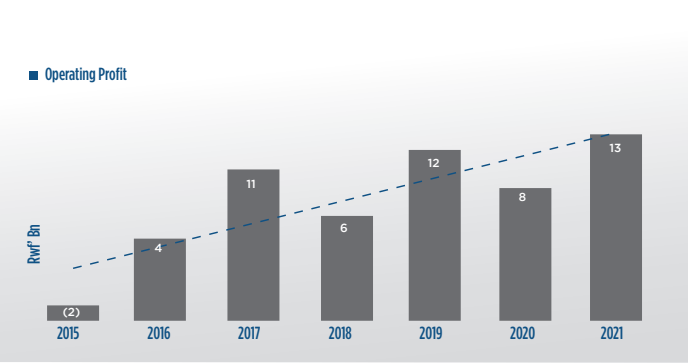
The Company maintained a healthy cash balance of 14.3bn as at 30 September 2021, an improvement of 7.2% compared to prior period. This is in spite of increased inventories due to improved production performance and strategic stock holding in readiness for commencement of major construction projects in the pipeline as the economy recovers from COVID impact. The performance was enabled by improved operational performance and decline in trade receivables as management implemented more robust credit management strategies and completion of some major infrastructure projects.
Borrowings relates to project financing for construction of our 600,000 metric tons capacity plant commissioned in 2015. The decline in the period due to loan repayments in line with the facility agreement.

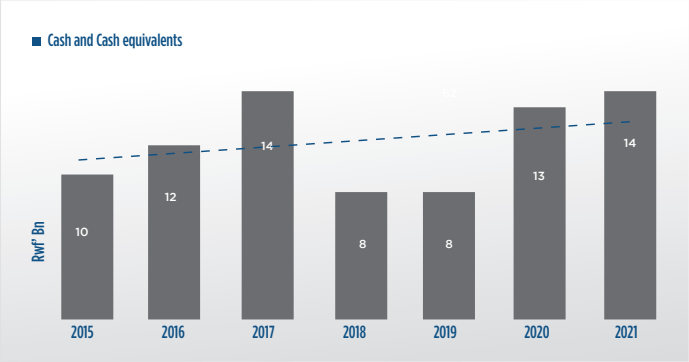
Outlook

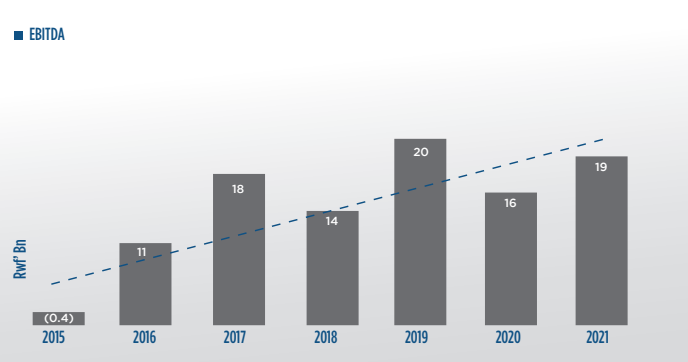
Projections indicate that Rwanda is turning the curve on GDP growth after the decline in calendar year 2021 with estimates of 6% - 7% growth being made going forward. We also have a health pipeline of major infrastructure projects that have commenced such as the New Bugesera Airport. To complement this, we have put in place strategies to grow in existing and new export markets going forward. We are therefore optimistic that further improvement in operational performance and the solid foundation laid so far will translate to even better financial performance going forward.

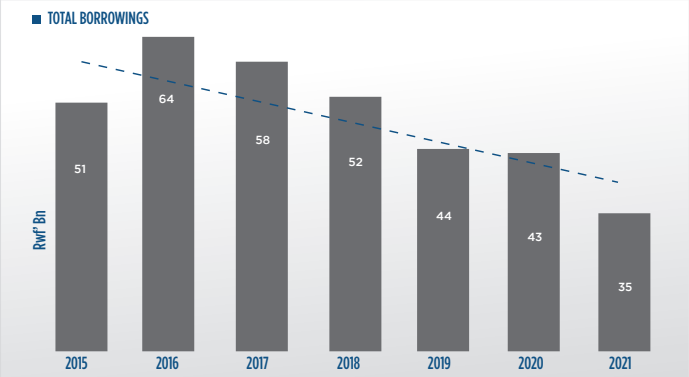
KEY FINANCIAL HIGHLIGHTS











Health & Safety

Performance on safety was remarkable as the year ended with a Zero Lost time Injury which is attributed to power of Teamwork, Management commitment, safety awareness, and employee and other stakeholders engagements.

2021 ended with a steady and sustainable performance towards cleaner production process through onsite containment of waste in line with Reduce, Reuse, Recycle elements (3R) where generated wastes were able to be reused at the site, destroyed into the KILN including all plastics , and electronic waste recycled at the E-waste recycling plant . CIMERWA is envisaged to continue strengthening its efforts towards trees planting as a carbona sink machines.

Control of COVID-19 and Vaccination: where we concluded the year with all 304 staff out of 305 fully vaccinated with addition of 401 contractor received full dose.

Certification to Integration of three ISO standards (Occupational Health and safety , Environmental Management Systems and Quality management system) will ensure that our company continues to improve and further develop its performance in the spirit of sustainable environmental protection , occupational Health and safety as we strive for the satisfaction of our customers by delivering quality products.

We continue to place the Health and Safety of all our staff,partners,community and other stakeholders at the top of our agenda.

SALES & MARKETING REVIEW

Our sales revenues during the year increased by 6.8% to reach 67.4B Rwf in spite of the impact of COVID-19 lockdowns, supply chain challenges and reduced purchasing power which adversely impacted customers' demand, especially in our trade segment (wholesale and retail market). Nonetheless, our construction and government segments performed reasonably well as key infrastructure projects remained active during the period. Our exports channel saw an impressive growth of +37% compared to previous year on the back of various strategic and tactical market actions.

We saw a significant pickup in the second half of the year following a muted market demand in the first half with COVID-19 restrictions. The performance above was achieved in spite of Rwanda witnessing a GDP decline of -3% in 2020. We are however optimistic of market demand growth going forward inline with GDP growth rate projections of 6% - 7% over the coming years. This will be mainly underpinned by the continued investment in infrastructure projects by the Government of Rwanda.

Imported cement from East Africa continues to be our main source of competition on top of the local competitor that started operations in July 2020. Key to remaining competitive is effective cost and price optimization, coupled with a strong marketing, sales, and distribution strategy. CIMERWA Plc is widely known for its high-quality standards, and we know that this is a key consideration for our customers when they are making a purchase decision.

At home, we continue to achieve more than 90% delivered service due to our route-to-market optimization. We are further looking to digitize our commercial operations.

Our customers remain king, and this is part of our ethos. We know that of all the things they value, service comes first. We are very committed to delivering a good service, and we have setup metrics across the organization to measure our customer satisfaction.

SUPPLY CHAIN REVIEW

In the year 2021, the supply chain function made significat achievements despite the impact of the pandemic on global transportation. Along with the ongoing pandemic, supply chains have grappled with extreme weather events, transportation disruptions, facility shortages and shortages of people, raw materials and finished goods. These have adversely impacted on on businesses including a sharp increase in international freight rates. Clearly, supply chains are exhibiting agility and resilience, two essential traits for a world in which disruption is a major factor.

As a function, the focus this year was on cost optimization with a focus on key cost drivers. We kicked off the project with inbound material price renegotiations. Key achievements included coal price reduction by -3.3% in USD and a review of transportation costs to enhance logistics efficiency where effective Bulk tanker rates were reduced by more than 7.5%. This was achieved through a combination of operational effiencies and contracts renegotiation. To support balanced supply and demand, we have grown our bulk tanker fleet so as to transport the required volumes for the New Bugesera International Airport and other critical infrastructure projects.

On sustainability, we continue to support the plant operations towards achieving lower carbon emissions through substitution of coal with alternative fuels such as peat, rich husks, palm kennels among others.

We remain committed to supporting the business in its transformation drive , including factory automation, capacity de-bottlenecking for expansion and advanced systems remodeling. We remain confident that further strides will be made in the coming year.

HUMAN RESOURCES

As part of its journey to be the market leader, CIMERWA Plc reviewed and adopted an improved organizational blueprint during the year. Critical positions have been filled with the right skills and competencies supported by simplified Human Resource management systems such as Pay space for payroll, Oracle Fusion for employee performance management and SAP HCM for employee data management.

We launched JABALI culture change program during the year with the aim of entrenching a performance-oriented culture across the organization. Key levers of this program include leadership development, clear purpose and direction, structure alignment and focus, provision of resources competencies, optimization of our business processes and systems, execution through effective stakeholder management, measurement for continuous improvement and recognition and reward.

We also rolled out an employee engagement flagship project to ensure that we achieve a highly mobilized workforce. An employee pulse survey carried out during the year showed a significant improvement from the previous survey with actions picked up for further enhancement of the work climate. Our people are our strength. We empower them by creating a safe, healthy, rewarding, and meaningful working environment that allows us to deliver on our purpose.

STRATEGIC REVIEW

A foundation for growth and performance improvement:

- The cement sector in Rwanda has a supply gap, an enviable position in EAC, with a demand of about 0.9Mtpa. Demand is projected to keep rising with population and urbanization growth of target of around 35% by 2024, Bugesera International Airport, Green cities, Model Villages, transport infrastructure development and other key projects.
- Rwanda Vision 2050 – 'high standards of living' for all, Build to recover program and the made in Rwanda initiatives are on high gear providing impetus for CIMERWA Plc as a market leader to diversify its production range and growth volumes.
- A Professional management team with a wealth of experience including Engineering, Strategy, Project Management, Law, and finance are critical for the success of our business.
- We strive to focus on strengthening our position by debottlenecking the plant to its designing capacity of 600Ktpa by FY 2023.
- CIMERWA Plc has proven to be resilient in difficult economic times, continuing to generate sustainable value for our stakeholders. We do this by offering our customers consistent products of good quality across the materials value chain.

How we create value for stakeholders:

To be the leading producer and supplier of quality cement and related products as well as solutions in the Great Lakes region while maximizing shareholder value, stakeholder roles are critical.

- We deliver quality products to our customers by focusing on high growth, low consumption per capita market with increasing urbanization, modern asset base and actively seeking to minimize the adverse impact for our operations to the environment.
- We stabilized the performance of our core operations and continued to protect our financial viability as we position the Company for future growth. We will continue to de-bottleneck the plant, keep initiatives to optimize the costs, defend & grow the market share through a robust route-to-market, and entrench strong governance framework and a high-performance culture.
- We also take into consideration the impact of the COVID-19 pandemic on our business and how it affects our human capital and took firm measures to address these.

External Environment:

- Consumer demand for cement and associated products is strongly driven by GDP growth and stage of economic development. While COVID-19 has been disruptive, Rwanda's economic potential is positive with forecast GDP growth rates of 5.1% in 2022 after a dip to -3% in 2020. (Source: NKC research report, October 2021).

- A new entrant, Prime Cement has commissioned a 0.6 million tonnes capacity milling plant in Musanze. Rwanda's national cement demand stands at about 0.9 million tons per year. The country now has an improved supply and demand balance which should see import reduction going forward. As the only local player that produces clinker, we stand with a cost leadership advantage that should put us in good stead to defend our market share.

Stakeholders Management:

- CIMERWA understands and proactively responds to legitimate stakeholder concerns and ensures effective governance across the company:
- Shareholders and lenders provide the capital we need to operate our business and expect sustainable returns on their investments over the long term. To be credible in the eyes of these stakeholders, we need to achieve positive financial results under the guidance of strong leadership.
- Constructive relationships with key government departments in Rwanda are critical to our success. We monitor any policy and regulatory developments closely. We proactively engage with our suppliers to ensure an efficient and effective procurement process and sport enhancement through annual Cimegolf tournaments

- Our employees are vital to maintaining CIMERWA's competitive edge and achieving our key performance indicators which drive our strategy. We therefore ensure that we have a diverse, competitive, and capable workforce that will deliver on our business objectives and create value for our stakeholders in the long term.

Without our customers, we are unable to operate. Our customer value proposition ensures that our customers receive quality products and service offerings while creating mutually beneficial relationships. We engage with various associations to appreciate customers and industry bodies as part of our inclusive approach to the way we do business. In this way, we have input to proposed legislation and regulatory changes, which could affect our business.

We continue to strengthen the relationships with our communities, which are crucial to our social license to operate. We aim to build practical relationships that enable suitable and relevant projects that address the specific needs of the community.

Material Risks:

- Disruption of production at CIMERWA may arise from equipment breakdowns and power interruptions and spares. We plan to execute reliability and capacity improvement initiatives to maximize capacity utilization going forward.

- Significant parts of the CIMERWA's operations require licenses and permits from various Governmental authorities. We monitor these licenses closely to ensure prompt renewals and compliance with their conditions.

- Due to cement manufacturing process, our operations unavoidably release carbon dioxide (CO_2) and other emissions into the atmosphere. We continue to enhance strategies to further reduce these emissions and, subsequently, our impact on the environment such as clinker factor reduction, alternative fuels usage and investment in dust capturing equipment.

CREATING SUSTAINABLE VALUE THROUGH TRANSPARENT ACCOUNTABILITY CORPORATE GOVERNANCE

Introduction

The company is governed by Rwanda corporate and securities laws, its Articles of Association, and the decision of the Board and Management respectively.

Its corporate governance framework is also based on the Rwandan Corporate Governance Code (dated July 2, 2012), Rwanda's Capital Markets Authority (CMA) laws, regulations, guidelines, and East African Community Directives and RSE rules and guidelines governing listed entities in Rwanda.

Additionally, the Board and Management have implemented the various underlying policies and procedures as well as separate codes of ethics and conduct that apply to all employees working with the company.

Our board

Our board of directors is ultimately accountable to CIMERWA shareholders and stakeholders for the management of the Company. It oversees governance of the company and is responsible for the company's strategic direction and control. The board exercises its control in terms of the Company's governance framework and gives a strategic direction that guides the Management in all company activities.

The directors individually and collectively conduct themselves with integrity, competence, responsibility, accountability, fairness, and transparency as they discharge their duties.

The Board is accountable to the General Meeting of Shareholders for the fulfillment of its respective duties. The Management is entrusted with the day today management of the company.

The other senior staff members support the Management in the fulfilment of its managerial duties.

Board composition

CIMERWA's board is committed to lead the Company objectively and effectively. The board therefore consists of the appropriate mix of knowledge, skills, experience, diversity, gender and independence which is commensurate with the nature, scale and complexity of the business and risks of CIMERWA.

At the end of the financial year, our board comprised nine non-executive and two executive Directors.
The board has four standing committees to which it delegated certain functions with the specific objective of evaluating key areas of its mandate on a more detailed basis.

These committees include:

- The Audit, Risk and Compliance Committee (ARCC).
- The Human Resources Social Ethics and Transformation Committee (HRSET).
- The Strategy and investment Committee, and
- Adhoc/Special Assignments Committee.

While the delegation to the board's committees promotes independent judgement and assists with the balance of power, it does not relieve the board of its duties. Our board of directors meets as often as required but at least four times annually.

Board committees

CIMERWA's board committees are instrumental in streamlining corporate governance and improving internal controls in the company. Each committee has an approved and documented terms of reference which are reviewed at least every second year and is constituted with due regard to the skills required by each committee to ensure the necessary knowledge, skills, experience and capacity to fully execute its duties. The committees report to the Board on material issues that arise in the year.

Audit, risk and compliance committee (arcc)

The ARCC exits pursuant to article 156 of law n° 007/2021 of 05/02/2021 governing companies. It is chaired by Mr. Edward Okaro Omolo and provides independent oversight of the effectiveness of CIMERWA's internal audit, finance and assurance functions and services, risk management, systems of governance, and technology and information governance, along with ensuring the company complies with all relevant laws and regulations.

The ARCC further recommends the appointment of an external auditor, oversees the external audit process and the integrity of the company's interim and preliminary announcements and any other announcements pertaining to results. The ARCC also assists the board to monitor CIMERWA's reporting activities, including the annual report and other external reporting.

Human resources social ethics and transformation committee (hrset)

Chaired by Ms. Eunice Nyala, the HRSET provides oversight of CIMERWA's ethical, environmental and social performance, monitoring CIMERWA's activities against relevant legislation, legal requirements or prevailing codes of best practice on matters relating to social and economic development, transformation, the environment, health and public safety, stakeholder relationships, and labour and employment.

It also assists the board in ensuring that the company is, and remains committed to being, a socially responsible corporate citizen by creating a sustainable business and having regard to CIMERWA's economic, social and environmental impact on the communities in which it operates.

The strategy and investment committee

Chaired by Ms. Anita Dancilla Umuhire, the Committee comprises at least two non-executive Directors (NEDs), the majority of whom are independent, with the required skills and experience.

The Committee assists the Board with evaluating and reviewing the company's investment framework, considers, evaluates, and analyses potential investments, acquisitions, divestments, and joint ventures; reviews post-project audits on major CAPEX and investments where applicable and addresses any identified gaps in the various investment projects in line with its charter.

Adhoc/special assignments committee.

This Committee is indeed adhoc and is only fully constituted on a need basis to handle special assignments as may be assigned by the Board from time to time. Once constituted, the Committee members elect from among themselves the Chairperson who reports to the Board regarding the assignment provided.

Analysis of CIMERWA Plc shareholdings as at 30th September 2021

Capital	Number and Class of Shares	Percentage of Issued Shareholder
PPC International Holdings (Pty) Ltd	358,641,960 ordinary shares	51%
Rwanda Social Security Board	142,306,060 ordinary shares	20%
AGDF Corporate Trust Fund	116,152,360 ordinary shares	16.5%
Rwanda Investment Group	80,550,600 ordinary shares	11. 5%
Sonarwa Holdings Limited	5,370,040 ordinary shares	1%
Local individuals	193,200 ordinary shares	0%
Foreign Individuals	5,300 ordinary shares	0%
Total	703,219,520 ordinary shares	100%

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Law No. 007/2021 of 05/02/2021 Governing Companies requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Law No. 007/2021 of 05/02/2021 Governing 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 surplus in accordance with International Financial Reporting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

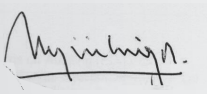
Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Approval of the financial statements

The accompanying financial statements on pages 37 to 82 were approved for issue by the Board of Directors and signed on its behalf by:

Director

Director



30th / November / 2021

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF CIMERWA PLC

Report on the audit of the financial statements

Our opinion

In our opinion, CIMERWA PLC's financial statements give a true and fair view of the financial position of CIMERWA PLC (the "Company") as at 30 September 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies.

What we have audited

The Company's financial statements on pages 37 to 82 comprise:

- the statement of financial position as at 30 September 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matter below was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter
Recoverability of the deferred income tax asset
The Company has carried forward income tax losses of Frw 19.8 billion as at 30 September 2021 with a related deferred income tax assets of Frw 3.9 billion (note 13). A significant amount of the tax losses arose in 2015 from claiming a 50% investment deduction on the commissioning of the current plant.
The policies for recognising deferred income tax assets are explained in note 25 (m). Assumptions made by the directors in recognising the deferred income tax asset are disclosed in note 21 (i).
The tax losses were set to expire on 30 September 2020 but the directors applied for, and were granted, an extension of the expiry period to 30 September 2022. The directors have reassessed the projected utilisation and are of the view that further extension beyond September 2022 will be required. The directors, in supporting the utilisation of the tax losses beyond 30 September 2022, have made projections on the basis that the current production constraints will have been resolved to enable the Company achieve its targeted sales and hence will be in a position to generate sufficient taxable profits.
The key assumptions which make this an area of focus are:
• Rwanda Revenue Authority will grant the request for extension of expiry of tax losses to September 2025 as the Company is still eligible;
• The Company will continue to meet the requirements for extension of the expiry period as per the Rwanda Income Tax Act of 16/2018 and the Ministerial Order No. 006/19/10/TC of 29/04/2019 determining requirements for authorisation to a taxpayer to carry forward loss for more than five tax periods (the "Ministerial Order");
• The Company will generate sufficient taxable profits over the extension period for it to fully utilise the deferred income tax asset.

How our audit addressed the key audit matter
We have performed the following procedures:
• Reviewed the requirements of the Income Tax Act and the Ministerial Order No. 006/19/10/TC of 29/04/2019;
• Assessed the eligibility criteria set out in the Ministerial Order which provides for extension of the period of recovery up to 5 years beyond the initial expiry period of 5 years;
• Reviewed actions taken by the directors to ensure that they will continue to meet the requirements of the Ministerial Order;
• Evaluated the likelihood of utilization of the deferred income tax asset through review of prior year performance as well as projected future taxable profits;
• Evaluated the adequacy and consistency of the relevant disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report and the Statement of directors' responsibilities (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other information that will be included in the Annual Report which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information that will be included in the Annual Report, if we conclude that here is a material misstatement therein, we are required to communicate the matter to the directors.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of Law No. 007/2021 of 05/02/2021 Governing 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Article 132 of Law No. 007/2021 of 05/02/2021 Governing Companies requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have no relationship, interest or debt with the Company. As indicated in our report on the financial statements, we have complied with the required ethical requirements. These are the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) which includes comprehensive independence and other requirements;

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

- We have communicated to the Company's Board of Directors, through a separate management letter, internal control matters identified in the course of our audit including our recommendations in relation to those matters.

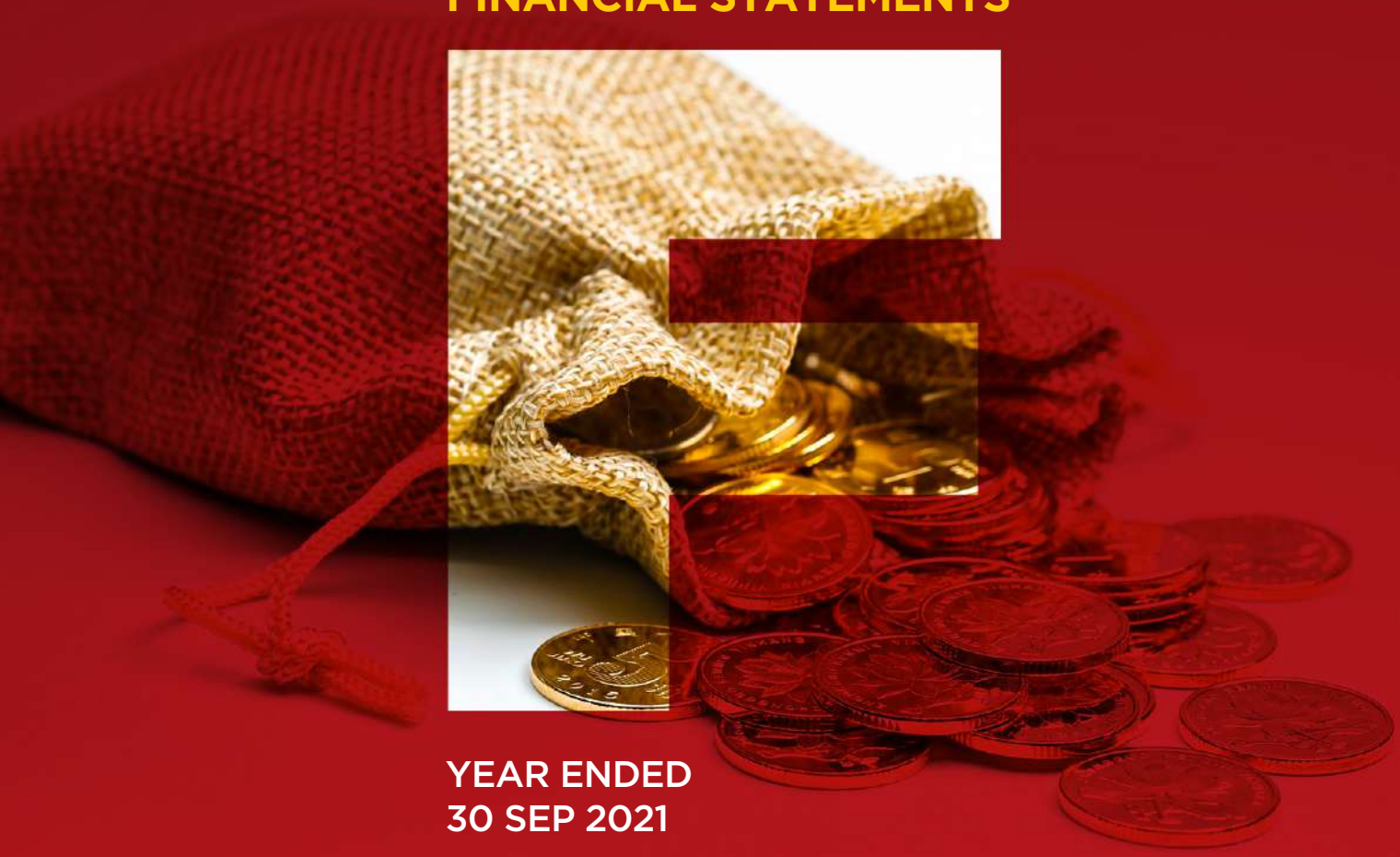
- According to the best of the information and the explanations given to us as auditors, as shown by the accounting and other documents of the Company, the annual accounts comply with Article 123 of Law No. 007/2021 of 05/02/2021 Governing Companies.

For PricewaterhouseCoopers
Rwanda Limited, Kigali,

Moses Nyabanda
Director

14 December 2021

FINANCIAL STATEMENTS



YEAR ENDED
30 SEP 2021

Statement of Comprehensive Income for the year ended 30 september 2021

	Notes	2021 Frw'000	2020 Frw'000
Revenue	1	67,373,754	63,092,204
Cost of sales	2	(49,656,151)	(49,593,393)
Gross profit		17,717,603	13,498,811
Other income	3	204,489	329,787
Interest income		130,744	147,972
Administrative expenses	4 (a)	(6,519,541)	(5,635,424)
Impairment losses on financial assets	4 (b)	91,480	(60,473)
Operating profit		11,624,775	8,280,673
Net foreign exchange losses	5(a)	(671,339)	(323,541)
Finance costs	5(b)	(5,552,066)	(6,020,912)
Profit before income tax		5,401,370	1,936,220
Income tax (expense)/ credit	6	(1,281,230)	15,520
Profit for the year		4,120,140	1,951,740
Other comprehensive income		-	-
Total comprehensive income for the year		4,120,140	1,951,740
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	25	5.86	2.78
Diluted earnings per share	25	5.86	2.78

The notes on pages 41 to 82 are an integral part of these financial statements.

Statement of Financial Position as at 30 September 2021

Assets	Notes	2021 Frw'000	2020 Frw'000
Non-current assets			
Property, plant and equipment	7	77,678,023	81,359,938
Exploration and evaluation assets	8 (a)	467,335	618,621
Intangible assets	8 (b)	157,827	49,698
Right of use asset	19	18,033	31,558
Environmental guarantee	18	8,710	8,710
		78,329,928	82,068,525
Current assets			
Inventories	9	12,788,139	10,904,555
Current income tax	6	122,277	109,168
Trade and other receivables	10	4,040,552	5,840,007
Cash and cash balances	11	14,288,649	13,330,241
		31,239,617	30,183,971
Total assets		109,569,545	112,252,496
Equity and liabilities			
Equity attributable to owners			
Share capital	12	35,160,976	35,160,976
Share premium		22,251,408	22,251,408
Retained earnings		4,287,096	166,956
		61,699,480	57,579,340
Liabilities			
Non-current liabilities			
Deferred income tax	13	2,836,423	1,555,193
Borrowings	15	24,292,665	34,178,229
Rehabilitation and decommissioning provisions	18	149,329	208,434
Non-current lease liabilities	19	5,521	19,005
		27,283,938	35,960,861
Current liabilities			
Trade and other payables	14 (a)	7,487,924	8,726,990
Provisions	14 (b)	966,446	413,172
Bank borrowings	15	10,958,029	8,978,828
Amounts due to related parties	17	1,158,817	580,585
Current lease liability	19	14,911	12,720
		20,586,127	18,712,295
Total equity and liabilities		109,569,545	112,252,496

The notes on pages 41 to 82 are an integral part of these financial statements.

Statement of Changes in Equity for the year ended 30 September 2021

	Notes	Share capital Frw'000	Share premium Frw'000	Retained earnings Frw'000	Total equity Frw'000
Year ended 30 September 2020					
At 1 October 2019		35,160,976	22,251,408	(1,784,784)	55,627,600
Comprehensive income					
Profit for the year		-	-	1,951,740	1,951,740
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	1,951,740	1,951,740
At 30 September 2020		35,160,976	22,251,408	166,956	57,579,340
Year ended 30 September 2021					
At 1 October		35,160,976	22,251,408	166,956	57,579,340
Comprehensive income:					
Profit for the year		-	-	4,120,140	4,120,140
Other comprehensive income		-	-	-	-
Total comprehensive income for the year				4,120,140	4,120,140
At 30 September 2021		35,160,976	22,251,408	4,287,096	61,699,480

The notes on pages 41 to 82 are an integral part of these financial statements.

Statement of Cash Flows for the year ended 30 September 2021

	Notes	2021 Frw'000	2020 Frw'000
Profit before income tax		5,401,370	1,936,220
Adjustments for:			
Interest income		(130,744)	(147,972)
Foreign exchange losses	5	671,339	323,542
Loss allowance on cash and cash equivalents		23,165	12,250
Finance costs		5,552,066	6,020,912
Loss/ (gain) on disposal of property, plant and equipment	5	14,330	-
Depreciation charge on property, plant and equipment	7	6,917,886	7,849,778
Depreciation charge on right of use asset	7	13,525	9,017
Impairment charge on the peat plant	8	207,075	-
Amortization charge on exploration and evaluation asset	8	72,313	53,050
Amortization charge on intangible assets	7	32,983	18,492
Changes in working capital:			
Increase in environmental guarantee		-	(8,710)
Decrease/(increase) in trade and other receivables		1,799,455	781,720
Increase in inventories		(1,883,584)	(2,436,950)
Increase in due to related parties		578,232	352,523
Increase in trade and other payables		(685,792)	994,403
Cash generated from operations		18,583,619	15,758,275
Interest received		130,744	108,825
Income tax paid		(13,108)	11,450
Net cash inflow from operating activities		18,701,254	15,855,650
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(3,250,301)	(2,923,380)
Purchase of exploration and evaluation asset	8(a)	78,973	(404,561)
Purchase of intangible assets		(141,112)	(30,513)
Net cash used in investing activities		(3,312,439)	(3,358,454)
Cash flows from financing activities			
Repayment of borrowings	15	(14,034,954)	(7,410,501)
Principal elements of lease payments	19 (ii)	(7,425)	(8,850)
Net cash used in financing activities		(14,042,379)	(7,419,351)
Net increase in cash and cash equivalents		1,346,435	5,077,845
Cash and cash equivalents at beginning of year		13,330,241	8,137,106
Effects of exchange rate changes on cash and cash equivalents	16	(388,027)	115,290
Cash and cash equivalents at end of year		14,288,649	13,330,241

The notes on pages 41 to 82 are an integral part of these financial statements.

1. Revenues

The Company has one operating segment. The operations of the Company are located in only one geographic location, Rwanda. The revenue of the operating segment is presented below.

	2021 Frw'000	2020 Frw'000
Revenue from the sale of cementitious goods	67,373,754	63,092,204

Revenue is recognised when the Company transfers control of goods to a customer at the amount to which the Company expects to be entitled. Revenue is recognised at a point in time. The Company applies the five-step approach as per IFRS 15 Revenue from contracts with customers to determine when to recognise revenue and at what amount. The following approach is used:

- Identify contract with customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company accounts for a contract with a customer only when: there is evidence of an arrangement; the Company can identify each party's rights regarding the goods to be transferred; the contract has commercial substance and collectability is reasonably assured.

The Company's principal business is the sale of cementitious products. Revenue is recognised upon completion of the performance obligation, being the delivery of the product to the customers. Revenue is recognised net of rebates and discounts provided to the customers.

Revenues of approximately Frw 2,889 million (2020: Frw 9,274 million) are derived from a single external customer

2. Cost of sales

	2021 Frw'000	2020 Frw'000
Direct materials	8,015,617	7,328,108
Energy	17,203,901	16,922,378
Employee benefits expense (Note (4c))	4,738,946	3,561,834
Depreciation	6,498,071	7,572,560
Change in inventories	(3,276,249)	(176,779)
Transportation	7,925,172	8,224,860
Outsourced services	702,790	1,274,583
Plant repairs and maintenance	4,248,001	3,322,797
Equipment hire	460,224	334,348
Consumables	1,663,899	241,521
Local taxes	475,721	391,512
Insurance	548,794	461,850
Amortization charge on exploration and evaluation asset (Note 8(a))	72,313	53,050
Impairment charge on the peat plant	207,075	-
Other direct costs	171,876	80,771
	49,656,151	49,593,393

2. Cost of sales (continued)

	2021 Frw'000	2020 Frw'000
Depreciation expense is analysed as follows:		
Included within:		
Cost of sales above	6,498,071	7,572,560
Administrative expenses (Note 4(a))	212,740	277,218
Impairment of peat plant	207,075	
Total depreciation and impairment of property, plant and equipment (Note 7)	6,917,886	7,849,778

3. Other income

	2021 Frw'000	2020 Frw'000
Insurance refund		124,254
Sale of scrap and other items	118,249	134,691
Lease income from rental of staff houses	40,027	50,642
School fees	39,500	14,006
Medical clinic income	6,713	6,194
	204,489	329,787

Insurance refund

Insurance refund relates to proceeds from insurance company, SONARWA, for losses incurred following a business loss incidents in May and July 2020.

Sale of scrap and other items

Income from the sale of scrap and other items is recognised at a point in time as the goods are delivered to the customer and it is reasonably certain that the customer will pay.

Lease income from rental of staff houses

Lease income from operating leases is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

School fees and medical clinic income

As part of its community support projects, the Company operates a school and a medical clinic and charges subsidised school and medical services fees, respectively. Income from these activities is recognised over time as the services are provided.

4. (a) Administrative expenses

	2021 Frw'000	2020 Frw'000
Employee benefits expense (Note 4(c))	2,307,815	2,169,671
Professional consultancy costs	197,800	72,425
Depreciation (Note 2)	212,740	277,218
Travelling and accommodation	162,487	247,987
Sales and marketing	335,638	310,906
Company functions and meals	148,873	448,945
Management support fees	302,109	249,197
Insurance	345,823	380,817
Technical support fees	760,548	168,715
Bank charges	161,575	245,289
Salaries and wages school (Note 4(c))	97,358	80,489
Health and safety	71,857	-
Donations	20,696	27,762
Auditor's remuneration	47,828	47,828
Repairs and maintenance	274,014	289,651
Membership and subscription	73,399	11,599
Amortization charge on intangible assets (Note 8(b))	32,983	18,492
Litigation expenses	30,567	36,962
Penalties	289,348	421
Loss on disposal of assets	14,330	-
Increase in loss allowance on cash and equivalents	23,165	12,250
Depreciation – right of use asset	13,525	9,017
Office running costs	422,224	434,003
Other administrative expenses	172,839	95,780
	6,519,541	5,635,424

4. (b) Impairment losses on financial assets

	2021 Frw'000	2020 Frw'000
Loss allowance on trade and other receivables (Note 10)	(91,480)	60,473

4. (c) Employee benefits expense

	2021 Frw'000	2020 Frw'000
Salaries and wages	6,756,512	5,384,690
Retirement benefits costs:		
• Contributions to the Rwanda Social Security Board	321,707	281,950
• Other staff costs	65,900	145,354
	7,144,119	5,811,994
Included within:		
• Cost of sales	4,738,946	3,561,834
• Administrative expenses	2,307,815	2,169,671
• Salaries and wages school	97,358	80,489
	7,144,119	5,811,994

5. (a) Net foreign exchange losses

	2021 Frw'000	2020 Frw'000
Foreign exchange gains	977,981	267,918
Foreign exchange losses	(1,649,320)	(591,459)
	(671,339)	(323,541)

5. (b) Finance costs

	2021 Frw'000	2020 Frw'000
Interest expense on long term borrowings	5,527,800	5,859,938
Interest expense on short term loans and overdrafts	-	241,949
Reassessment of rehabilitation and decommissioning provision during the year	-	(96,901)
Unwinding of discount on rehabilitation and decommissioning provision	19,868	11,937
Interest on finance lease liabilities	4,398	3,989
	5,552,066	6,020,912

6. Income tax expense

	2021 Frw'000	2020 Frw'000
Current income tax		
Deferred income tax expense/(credit) (Note 13)	1,281,230	(15,520)
Income tax expense/(credit)	1,281,230	(15,520)

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Profit before income tax	5,401,370	1,936,220
Tax calculated at the statutory income tax rate of 20% (2020: 20%)	1,080,274	387,244
Tax effects of:		
• Change in tax rate from 30% to 20% for newly listed companies	-	(523,571)
• Expenses not deductible for tax purposes	878,934	135,101
• Prior year understatement of deferred income tax liabilities	(674,506)	(14,294)
Income tax expense/(credit)	1,281,230	(15,520)

The current income tax asset on the statement of financial position is analysed as follows:

	2021 Frw'000	2020 Frw'000
At start of year	109,168	97,718
Withholding tax paid during the year	13,109	11,450
Current income tax receivable at 31 December	122,277	109,168

7. Property, plant and equipment

	Land Frw'000	Buildings Frw'000	Motor vehicles Frw'000	Computer equipment Frw'000	Plant and machinery Frw'000	Office furniture and equipment Frw'000	Work in progress Frw'000	Total Frw'000
At 1 October 2020								
Cost	1,544,857	2,699,508	2,391,636	859,186	113,763,501	788,129	360,857	122,407,674
Accumulated depreciation		(758,871)	(2,042,021)	(706,325)	(37,036,236)	(504,283)	-	(41,047,736)
Net book amount	1,544,857	1,940,637	349,615	152,861	76,727,265	283,846	360,857	81,359,938
Year ended 30 September 2021								
Opening net book amount	1,544,857	1,940,637	349,615	152,861	76,727,265	283,846	360,857	81,359,938
Disposals at cost	-	(712)	(188,544)	(66,361)	(682,550)	(70,685)	-	(1,008,852)
Additions	-	-	138,900	28,002	1,851,215	155,025	1,077,159	3,250,301
Transfers from work in progress	-	75,914	-	-	119,522	-	(195,436)	-
Disposals – accumulated depreciation	-	307	188,544	64,622	670,388	70,662	-	994,523
Depreciation charge	-	(153,361)	(169,026)	(102,629)	(6,364,837)	(128,033)	-	(6,917,886)
Closing net book amount	1,544,857	1,862,785	319,489	76,495	72,321,003	310,815	1,242,580	77,678,023
At 30 September 2021		-						
Cost	1,544,857	2,774,710	2,341,992	820,827	115,051,688	872,469	1,242,580	124,649,123
Accumulated depreciation		(911,925)	(2,022,503)	(744,332)	(42,730,685)	(561,654)		(46,971,100)
Closing net book amount	1,544,857	1,862,785	319,489	76,495	72,321,00	310,815	1,242,580	77,678,023

Property, plant and equipment as security is as disclosed on note 15

7. Property, plant and equipment (continued)

	Land Frw'000	Buildings Frw'000	Motor vehicles Frw'000	Computer equipment Frw'000	Plant and machinery Frw'000	Office furniture and equipment Frw'000	Work in progress Frw'000	Total Frw'000
At 1 October 2019 Cost								
Cost	1,051,074	2,463,563	2,323,162	768,079	111,063,327	719,696	1,303,593	119,692,495
Accumulated depreciation		(601,993)	(1,866,580)	(555,713)	(29,801,485)	(372,189)	-	(33,197,960)
Net book amount	1,051,074	1,861,568	456,582	212,365	81,261,845	347,508	1,303,593	86,494,535
Year ended 30 September 2020								
Opening net book amount	1,051,074	1,861,568	456,582	212,365	81,261,845	347,508	1,303,593	86,494,535
Additions	549	37,650	68,475	91,108	2,615,397	60,541	49,660	2,923,380
Transfers from work in progress	493,234	198,295	-	-	84,776	7,892	(784,197)	-
Transfers to exploration assets		-	-	-	-	-	(208,199)	(208,199)
Depreciation charge	-	(156,876)	(175,442)	(150,612)	(7,234,753)	(132,095)	-	(7,849,778)
Closing net book amount	1,544,857	1,940,637	349,615	152,861	76,727,265	283,846	360,857	81,359,938
At 30 September 2020								
Cost	1,544,857	2,699,508	2,391,636	859,186	113,763,501	788,129	360,857	122,407,674
Accumulated depreciation	-	(758,871)	(2,042,021)	(706,325)	(37,036,236)	(504,283)		(41,047,736)
Closing net book amount	1,544,857	1,940,637	349,615	152,861	76,7271265	283,846	360,857	81,359,938

Property, plant and equipment as security is as disclosed on note 15

7. Property, plant and equipment (continued)

During the year, the directors reassessed the useful lives of property, plant and equipment as required by IAS 16 Property, plant and equipment. This followed an assessment of the life of the quarry. The life of the quarry was reassessed to more appropriately reflect the pattern of the consumption of the future economic benefits embodied in the quarry. In accordance with IAS 16, this reassessment represents a change in an accounting estimate and is therefore applied prospectively in terms of IAS 8 Accounting policies, changes in accounting estimates and errors. The review resulted in changes in the expected useful lives of the following asset categories:

	Prior useful life	Current useful
Asset category	(years)	life(years)
Plant and machinery	22 years	24 years

The impact of the change in applying the adjusted useful life for the year ended 30 September 2021 is a a decrease in depreciation expense of Frw 529 million. The future impact of this change is expected to be similar, if all variables remain constant.

Work in progress

Work in progress comprises the following:

- Frw 753 million: Critical spares that are transferred to the respective asset class once installed
- Frw 280 million: Pozzolana crusher being setup at the plant
- Frw 125 million: Cement silos being setup at distribution centres
- Frw 59 million: Capital expenditure waiting for installation at the plant site.
- Frw 24 million : Land expropriation costs and testing which are still ongoing. The land located in Nyakabuye and Kibangira are being expropriated for mining activities.

8. (a) Exploration and evaluation assets

	2021 Frw' 000	2020 Frw' 000
Cost	(years)	life(years)
At start of year	760,141	147,381
Additions	-	404,561
Change in estimate	(78 ,973)	-
Transfer from property, plant and equipment	-	208,199
At end of year	681,168	760,141
Amortisation		
At start of year	(141,520)	(88,470)
Charge for the year	(72,313)	(53,050)
At end of year	(213,833)	(141,520)
Net book value	467,335	618,621

Exploration and evaluation assets relate to capitalised limestone deposits exploration costs and estimated mine rehabilitation and decommissioning costs. They are amortised over the estimated life of the limestone reserves. The assets are depreciated over a 24 year period (2020: 22 year period). During the year, the life of the mine was reassessed, which increased it from the original life of 22 years to 24 years. As at 30 September 2021, the remaining life of the mine was 16 years (2020: 14 years). The impact of the change is disclosed in the table above.

8. (b) Intangible assets

	2021 Frw' 000	2020 Frw' 000
Cost		
At start of year	151,413	120,900
Additions	141,112	30,513
	292,525	151,413
Amortisation		
At start of year	(101,715)	(83,223)
Charge for the year	(32,983)	(18,492)
At the end of year	(134,698)	(101,715)
Net book value	157,827	49,698

Intangible assets relate to software licenses.

9. Inventories

	2021 Frw' 000	2020 Frw' 000
Spare parts	6,996,296	7,385,645
Semi-finished goods	3,813,586	1,231,017
Fuel oil	91,137	292,245
Coal	636,589	1,286,476
Raw materials	1,099,170	182,057
Finished goods	344,569	144,398
Paper bags	340,900	447,759
Other consumables	525,760	978,152
Provision for inventories	(1,059,868)	(1,043,194)
	12,788,139	10,904,553

During the year, expensed inventory amounted to Frw 37,901 million (2020: Frw 43,831 million) for inventories. This is recognised in cost of sales.

The movement on provision for inventories during the year is as follows:

	2021 Frw' 000	2020 Frw' 000
at 1 October	(1,043,194)	(812,812)
Additional provisions during the year	(16,674)	(303,947)
Releases of provisions during the year	-	73,565
Disposals	-	-
At 30 September	(1,059,868)	(1,043,194)

10. Trade and other receivables

	2021 Frw' 000	2020 Frw' 000
Trade receivables	1,840,474	3,965,175
Less: loss allowance	(340,840)	(432,320)
Net trade receivables	1,499,635	3,532,855
Prepayments	2,310,378	2,104,909
Advances to related parties (Note 17 (vi))	211,260	191,930
Other receivables	19,280	10,313
Total prepayments and other receivables	2,540,917	2,307,152
	4,040,552	5,840,007

Prepayments at 30 September 2021 included amounts of Frw 1,850 million (2020: Frw 2,000 million) relating to advance payments for factory spare parts, capital expenditure for expected crusher improvements and insurance prepayments amounting to Frw 462 million (2020: Frw 374 million).

In the opinion of the directors, the carrying amounts of trade and other receivables approximate their fair values.

The closing loss allowances for trade receivables as at 30 September 2021 and 2020 reconcile to the opening loss allowances as set out below.

	2021 Frw' 000	2020 Frw' 000
Opening loss allowance as at 1 October	432,320	371,847
(Decrease)/ increase in specific provisions	(45,398)	162,714
(Decrease)/ increase in general loss allowance	(46,082)	(102,241)
Net loss allowance recognised in income statement during the year	340,840	60,473
Receivables written off during the year as uncollectible	-	-
Total loss allowance as at 30 September	340,840	432,320

11. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2021 Frw' 000	2020 Frw' 000
Cash at bank	14,336,837	13,355,543
Less: loss allowance	(49,076)	(25,912)
Cash in hand	888	610
	14,288,649	13,330,241

11. Cash and cash equivalents (continued)

The closing loss allowances for cash balances as at 30 September 2021 reconcile to the opening loss allowances as set out below.

	2021 Frw' 000	2020 Frw' 000
Opening loss allowance as at 1 October	25,911	13,661
Increase/(decrease) in loss allowance during the year	23,165	12,251
	49,076	25,912

12. Share capital

	Number of shares '000	Ordinary share capital Frw'000	Share premium Frw'000
Ordinary shares each with a par value of Frw 50 at 1 October 2019, 30 September 2020 and 30 September 2021	703,220	35,160,976	22,251,408

The total authorised and issued number of ordinary shares is 703,219,520 (2020: 703,219,520) with a par value of Frw 50 per share. All issued shares are paid up.

Share premium arose when the shares of the Company were issued at a price higher than the nominal (par) value.

Earnings per share

	2021	2020
Profit for the year attributable to equity shareholders — Frw'000	4,120,140	1,951,740
Weighted average number of shares – '000	703,220	703,220
Earnings per share:		
Basic earnings per share — Frw	5.86	2.78
Diluted earnings per share — Frw	5.86	2.78

As at 30 September 2021, the Company did not have any potential ordinary shares.

The Company is in the process of setting up an employee share option plan. This will grant employees share options that could be potential ordinary shares. Since the plan has not yet been operationalised, these have not been considered in calculating the Company's diluted earnings per share. As a result, earnings per share is based on the Company's profit after income tax divided by the number of shares in issue during the year for each of the presented years.

13. Deferred income tax

Deferred income tax is calculated using the enacted income tax rate applicable to a listed entity of 20% (2020: 20%) within the first 5 years of initial listing. The movement on the deferred income tax account is as follows:

	2021 Frw'000	2020 Frw'000
At start of year	1,555,193	1,570,714
Charge/(credit) to profit and loss account (Note 6)	1,281,230	(15,520)
At end of year	2,836,423	1,555,193

Deferred income tax assets and deferred income tax credit in the statement of comprehensive income (SOCI), are attributable to the following items:

	1 October 2020 Frw'000	Charged/ (credited) to P&L Frw'000	30 September 2021 Frw'000
Year ended 30 September 2021			
Deferred income tax liabilities			
Property, plant and equipment:			
• On a historical cost basis	7,814,222	(524,309)	7,289,913
Deferred income tax assets			
Tax losses carried forward	(5,854,185)	1,882,687	(3,971,497)
Provisions	(404,844)	(77,148)	(481,992)
	(6,259,029)	1,805,539	(4,453,489)
Net deffered income tax liability	1,555,193	1,281,230	2,836,424
Year ended 30 September 2020			
Deferred income tax assets			
Tax losses carried forward	(10,264,225)	4,410,040	(5,854,185)
Provisions	(764,704)	359,860	(404,844)
	(11,028,929)	4,769,900	(6,259,029)
Net deferred income tax liabilities	1,570,714	(15,520)	1,555,193

Deferred income tax assets relating to unused tax loss carry-forwards and to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. As at 30 September 2021, the Company had recognised deferred income tax assets on carried forward income tax losses totalling Frw 3,971 million (2020: Frw 5,854 million) since it was foreseeable that carried forward tax losses could be offset against future taxable profits.

The directors applied for, and were granted, an extension of two years to losses that were to expire by September 2022 as per the provisions of the Income Tax Act enacted in April 2018 and the accompanying ministerial order No 006/19/TC of 29/04/2019 gazette No 18 of 6/05/2019 that allows companies to seek for an extension to carry forward tax losses for a further five-year period beyond the statutory period

See note 21 (i) for significant assumptions made regarding the recoverability of the deferred income tax assets arising from carried forward tax losses.

14. (a) Trade and other payables

	2021 Frw'000	2020 Frw'000
Trade payables	3,717,443	4,360,453
Amounts due to plant contractors	102,272	216,329
Customer deposits	918,138	3,408,296
Statutory liabilities	1,888,139	669,774
Accrued expenses	802,824	-
Other payables	59,109	72,138
	7,487,925	8,726,991

14. (b) Provisions

	2021 Frw'000	2020 Frw'000
Leave pay accrual	470,893	376,209
Provision for litigations	45,867	36,963
Bonus accrual	449,686	-
	966,446	413,172

i) Leave pay accrual

	2021 Frw'000	2020 Frw'000
At 1 October	376,209	325,350
Additional provisions during the year	94,684	50,879
Releases of provisions during the year	-	-
	470,893	376,209

ii) Provision for litigations

	2021 Frw'000	2020 Frw'000
At 1 October	36,963	-
Additional provisions during the year	24,404	36,963
Releases of provisions during the year	(15,500)	
	45,867	36,963

iii) Bonus accrual

	2021 Frw'000	2020 Frw'000
At 1 October	-	590,406
Additional provisions during the year	449, 686	
Releases of provisions during the year		(590,406)
	449,686	-

15. Borrowings

	2021 Frw'000	2020 Frw'000
Non-current bank loans	24,292,665	34,178,229
Current bank loans	10,958,029	8,978,828
Total borrowings	35,250,694	43,157,057

The bank loans are a syndicated loan facility denominated in both US Dollars and Rwanda Francs. The facility was fully drawn down in 2015.

the currency and interest rates under each participating bank are as follows:

	Currency	Interest rate p.a	2021 Frw'000	2020 Frw'000
TDB Bank	US$	LIBOR+7.25%	9,352,410	11,686,084
East Africa Development Bank	US$	LIBOR+7.25%	1,869,830	2,336,299
Ecobank Rwanda Plc	Frw	16%	2,266,959	2,750,235
Bank of Kigali Plc	Frw	16%	11,770,870	14,271,463
KCB Bank Rwanda Plc	Frw	16%	8,410,836	10,197,880
I&M Bank Rwanda Plc	Frw	16%	1,579,789	1,915,096
			35,250,694	43,157,057

The movement for loans from financial institutions as below:

Long term loan

	2021 Frw'000	2020 Frw'000
As at 1 October	43,157,056	44,269,309
Principal repaid	(9,072,448)	(4,454,455)
Interest expense	5,538,665	5,859,938
Interest repaid	(4,962,506)	(2,956,046)
Foreign exchange losses	589,926	438,311
Closing balance	35,250,694	43,157,057

Repayments of principal for the syndicated loan commenced in March 2016. The loan is payable by February 2024.
There were no defaults on interest and capital repayments during the year (2020: None). The carrying amount of the borrowings approximates to their fair values since the interest payable on the borrowings is close to current market rates.

15. Borrowings (continued)

The effective interest rates for the borrowings were 17.33% for the Rwanda Francs borrowing and 8.4% for the US Dollars borrowing.

The syndicated loan is secured by the Company's property, plant and equipment. The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2021 Frw'000	2020 Frw'000
Land	1,544,857	1,544,857
Buildings	1,862,785	1,940,637
Plant and equipment	72,321,003	76,727,264
	75,728,645	80,212,758

The banks also hold a debenture over the Company's business assets as collateral. The debenture expires in 2028. Information on the applicable financial covenants is disclosed below.

Loan covenants

Under the terms of the syndicated loan described under clause 19.1 amended and restated, the Company is required to comply with the three financial covenants whose status is as follows as at 30 September 2021:

	Threshold per loan covenants	Status as at 30 Sep 2021 Conclusion
1. Debt service coverage ratio	>1.2X	0.8 Debt Service Coverage Ratio is not within covenant threshold.
2. Net Debt to EBITDA	< 3.8x in FY19 and 3.0x in subsequent years	1.9 Net Debts/EBITDA ratio within covenant threshold
3. Interest cover ratio	>1.5x	2.0 Interest Cover Ratio within covenant threshold

During the year ended 30 September 2020, the Company obtained a waiver on the covenants up to 30 March 2024. While the Company was in breach of one of the covenants, this was not an event of default as per conditions within the agreement with the lenders.

In addition to the borrowings above, Bank of Kigali Plc had granted the Company the following facilities as at 30 September 2021:

Type of facility	Facility limit
Letter of credit	USD 123,532
Letter of credit	EUR 268,667
Bank guarantees	Frw 162,743,741

16. Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	2021 Frw'000	2020 Frw'000
Cash and cash equivalents	14,288,649	13,330,241
Borrowings	(35,250,694)	(43,157,056)
Lease liability	(20,432)	(31,725)
Net debt	(20,982,477)	(29,858,540)

Cash and cash equivalents	14,288,649	13,330,241
Gross debt - fixed interest rates	(24,048,886)	(29,166,231
Gross debt - variable interest rates	(11,222,240)	(14,022,384)
Net debt	(20,982,477)	(29,858,540)

	Borrowings	Lease liability	Cash and equivalents	Total
As at 1 October 2019	(44,269,309)	-	8,137,106	(36,132,203)
Cash flows	7,410,501	8,850	5,077,846	12,497,197
Acquisition - lease	-	(40,575)	-	(40,575)
Foreign exchange adjustments	(438,310)	-	115,290	(323,020)
Other changes	(5,859,938)		-	(5,859,938)
At 30 September 2020	(43,157,056)	(31,725)	13,330,241	(29,858,540)
Cash flows	14,034,954	11,293	1,346,436	15,392,683
Foreign exchange adjustments	(589,926)	-	(388,028)	(977,954)
Other changes	(5,538,665)	-	-	(5,538,666)
At 30 September 2021	(35,250,694)	(20,432)	14,288,648	(20,982,477)

Other changes include non-cash movements, including accrued interest expense which will be presented as financing cash flows in the statement of cash flows when paid.

17. Related party transactions

The Company's immediate parent company is PPC International Holdings (Pty) Ltd and the ultimate parent company and controlling party is PPC Ltd, with both companies incorporated in South Africa. There are other companies that are related to CIMERWA PLC through common shareholdings or common directorships. The following transactions were carried out with related parties:

i) Government of Rwanda

On 30 September 2021, the Government of Rwanda, through Rwanda Social Security Board and Agaciro Development Fund held a minority shareholding in the Company of 37% which is unchanged from prior year. As a result, Government of Rwanda controlled bodies are related parties of the Company. The Company enters into transactions with many of these bodies. Transactions include the payment of taxes, principally corporate income tax, value added tax, withholding tax, employer pension contributions, and district mining levies. Directors have taken the exemption under IAS 24 not to disclose such transactions.

ii) Key management compensation

Key management includes members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2021 Frw'000	2020 Frw'000
Salaries and wages	1,077,436	1,007,028
Contributions to Rwanda Social Security Board	43,972	43,868
	1,121,408	1,050,896

iii) Directors' remuneration

	2021 Frw'000	2020 Frw'000
Salaries and wages included with key management compensation above	536,134	326,792
Contributions to Rwanda Social Security Board	22,509	12,168
Sitting and other allowances	32,584	20,389
	591,228	359,349

Remuneration per director for the directors who served during the year was as follows:

	2021 Frw'000	2020 Frw'000
Regis Rugemanshuro	6,743	3,448
Richard Tusabe	-	2,054
Bhekizitha Wiseman Mthembu	-	69,507
Albert Sigei Kipkemoi	353,967	269,454
Christian Rugeri	5,133	7,311
Nyirimihigo Jean Marie Vianney	8,477	7,575
Mokate Ramafoko	-	-
Chrissie Moloseni	-	-
Florida Kabasinga	1,514	-
Phindokuhle Mohlala	-	-
Eunice Nyala	4,159	-
Edward Okaro Omolo	4,159	-
Sternford Moyo	1,514	1,514
John Bugunya	204,676	-
	591,228	359,349

17. Related party transactions (continued)

iii) Directors' remuneration (continued)

The unremunerated directors relate to directors appointed by the controlling party, PPC Ltd. They were remuneration by PPC Ltd for their services.

iv) Purchase of services from parent company

	2021 Frw'000	2020 Frw'000
Management and technical support fees	539,141	212,028
Cost recoveries	328,801	129,308
VAT reverse charge	194,715	76,576
	1,062,657	417,912

v) Purchase of goods and services

	2021 Frw'000	2020 Frw'000
Insurance premiums to SONARWA	295,610	355,004
Purchases of peat from Rwanda Energy Company Limited	470,488	552,397
	766,098	907,401

Rwanda Energy Company Limited is a subsidiary of Rwanda Investment Group Limited (RIG), which is a shareholder of the Company.

vi) Other income

	2021 Frw'000	2020 Frw'000
Insurance refund from SONARWA (note 3)	-	124,254

vii) Amounts due from related parties arising from purchase of goods/services

	2021 Frw'000	2020 Frw'000
Amount due to SONARWA	-	17,879
Amounts due to parent company	1,158,817	562,706
	1,158,817	580,585

viii) Amounts due from related parties arising from purchase of goods/services

	2021 Frw'000	2020 Frw'000
AGACIRO Development Fund (recoverable listing fees)	53,189	64,872
Rwanda Social Security Board (recoverable listing fees)	98,615	79,267
SONARWA Life Assurance Company Limited (recoverable listing fees)	3,582	2,879
Rwanda Investment Group Limited (recoverable listing fees)	55,874	44,912
	211,260	191,930

The amounts due from related parties relate to Rwanda Stock Exchange listing fees which were paid by the Company and are reimbursable from the respective shareholders that floated their shares. The amounts due to and due from related parties are interest and collateral free, and are payable on demand.

18. Decommissioning and rehabilitation provisions

	2021 Frw'000	2020 Frw'000
Provision for mine decommissioning	149,329	208,434
	149,329	208,434
The movement in the provision is as follows:		
At 1 October	208,434	293,398
Remeasurement impact during the year	(78,973)	(96,901)
Additions during the year	-	-
Unwinding of discount	19,868	11,937
	149,329	208,434

Estimating the provision for mine decommissioning is complex as most of the obligations will only be fulfilled sometime in the future and the provisions are influenced by changing regulations and technologies, life of mine, and political, environmental, safety, business and statutory considerations in Rwanda. The Companies is required to restore mining and processing sites at the end of their productive lives to an acceptable condition consistent with local regulations and in line with Company policy.

Legislative requirements in Rwanda require the Company to issue a guarantee for environmental rehabilitation of the mining site. The Company has secured the guarantee of Frw 8,710,000, which is disclosed as an environmental guarantee on the statement of financial position. This guarantee will be refunded to CIMERWA after performing required mines rehabilitation at the end of mine life. The estimation of the costs to remediate the mining site and affected processing site as well as the determination of the other key inputs as disclosed in note 21 have been based, where possible, on external independent third-party information. The determination of the risk-free discount rate has been based, where available, on long dated government risk-free bond rates for securities issued in Rwanda, factoring in the life of the mine, for the purposes of determining the present value of the future estimated cash flows.

During the year, the directors reassessed the life of the mine. This increased by an additional 2 years as at 30 September 2021.

19. Leases

This note provides information for leases where the Company is a lessee. For lessor activities, see note 3.

(i) Amounts shown in the statement of financial position

The statement of financial position shows the following amounts related to leases:

	2021 Frw'000	2020 Frw'000
Right of use asset: Building	18,033	31,558
	18,033	31,558
Lease liability:		
Current	14,911	12,720
Non-current	5,521	19,006
	20,432	31,726

19. Leases (continued)

	2021 Frw'000	2020 Frw'000
Right of use asset		
Building Cost:		
At start of year	40,575	
Additions	-	40,575
At end of the year	40,575	40,575
Amortizations:		
At start of year	(9,017)	
Charge for the year	(13,525)	(9,017)
At end of year	(22,542)	(9,017)
Net carrying value	18,033	31,558

ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2021 Frw'000	2020 Frw'000
Depreciation charge of right of use asset (building)	13,525	9,017
Interest expense (included in finance costs)	4,398	3,988
	17,923	13,005

The total cash outflow for leases in 2021 was Frw 13.6 million (2020: Frw 11.4 million) (including principal elements of lease payments of Frw 13.6 million (2020: Frw 7.4 million) and 4.8 million (2020: Frw 4 million) of interest expense). For the purposes of the statement of cash flows, acquisition of right of use assets are a non cash investing activity.

iii) The Company's leasing activities and how these are accounted for

The Company leases one residential building. The rental contract is fixed for one year but has extension options as described in (v) below. The contract only contains lease components, and there are no non-lease components.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any covenants other than the interest in the leased asset that is held by the lessor. Leased assets may not be used as security for borrowing purposes.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date and
- Amounts expected to be payable by the Company under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lease in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

19. Leases (continued)

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Company has chosen not to revalue the right-of-use building.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and vehicles.

iii) Variable lease payments

Right-of-use assets are measured at cost comprising the following:

iV) Extension and termination options

Extension and termination options are included in the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the lessor.

v) Residual value guarantees

The Company has not provided any residual value guarantees on its lease.

20 (a) Financial risk management objectives and policies

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Rwanda Francs	Cash flow forecasting Sensitivity analysis	Holding foreign currency bank accounts which act as a natural hedge for foreign denominated purchases
Market risk – interest rate	Long term borrowings at variable and fixed rates	Sensitivity analysis	Entering into a combination of fixed and variable interest rate borrowings
Market risk – security prices	The Company does not hold any financial instrument subject to price risk	Not applicable	Not applicable
Credit risk	Cash at bank Trade and other receivables	Aging analysis	Diversification of bank deposits Restriction of credit trading terms
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Financial risks are managed by the finance department in accordance with policies set out by the Board of Directors.

20. (a) Financial risk management objectives and policies (continued)

Market risk

(i) Foreign exchange risk

Exposure

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Rwanda francs, was as follows:

US Dollars:	2021 Frw'000	2020 Frw'000
Assets		
Cash at bank and on hand	4,986,142	1,434,610
Trade receivables	-	-
	4,986,142	1,434,610

US Dollars:	2021 Frw'000	2020 Frw'000
Liabilities:		
Bank borrowings	(11,328,540)	(14,170,654)
Trade and other payables	(742,594)	(797,595)
	(12,071,134)	(14,968,249)
Net position	(10,636,524)	(13,533,639)

Sensitivity

At 30 September 2021, if the Rwandan Franc had weakened/strengthened by 10% against the US dollar with all other variables remaining constant, post-tax profit or loss for the year would have been Frw 849 million (2020: Frw 1,082 million) lower/ higher, mainly as a result of US dollar denominated borrowings, trade payables and bank balances.

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. The borrowings were specifically taken to finance the new cement plant construction and included a mix of variable and fixed interest rates to manage cash flow and fair value interest rate risk. During 2019, the Company's borrowings at variable rate were denominated in US Dollars.

The Company's fixed rate borrowings and receivables are carried at amortized cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Included in the variable rate borrowings are 10-year floating-rate debts of Frw 24,048 million (2020 Frw 29,166 million) whose interest rate is based on 6-month USD LIBOR. These facilities are not hedged.

At 30 September, an increase / decrease of 100 basis points in the lending rate would have resulted in a decrease / increase in post-tax profit or loss by Frw 101,686,583 (2020: Frw 118,849,958).

The exposure of the Company's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

20. (a) Financial risk management objectives and policies (continued)

Market risk (continued)

	2021 Frw'000	% of total loans	2020 Frw'000	% of total loans
Variable rate borrowings - USD LIBOR	(11,328,540)	32%	14,022,383	32%
Fixed rate borrowings - maturity dates			5,243,860	(797,595)
Less than 1 year	6,987,741	20%	23,742,542	15 %
1 - 5 years	16,934,414	48%	2	67 %
	35,250,694	100%	43,157,056	100%

An analysis by maturities is provided under liquidity risk below. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Credit risk

Credit risk is managed on a Company basis. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables. The Company does not have any significant concentrations of credit risk. The Company credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

(i) Risk Management

The Company has policies in place to ensure that contracts are entered into with customers with appropriate credit history and that its financial interests are contractually safeguarded at the time of engagement.
Balances are reviewed monthly and appropriate follow up is carried out by the credit control unit, Finance Director, Commercial and eventually escalated to the Executive management for possible dunning or legal action.

(ii) Security

For some trade receivables the Company may obtain security in the form of bank guarantees, letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

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

	2021 Frw'000	2020 Frw'000
Cash at bank	14,288,649	13,329,631
Trade receivables	1,499,635	3,532,855
Amounts due from related parties	211,260	191,930
Other receivables	19,280	10,313
	16,018,824	17,064,729

Notes (continued)

20. (a) Financial risk management objectives and policies (continued)

Credit risk (continued)

Cash and cash equivalents

The Company has applied an average probability of default of 0.34% to the bank balances as at 30 September to determine the impairment loss disclosed under note (11).

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been analysed based on shared credit risk characteristics and the days past due. During the year, the directors have refined the analysis of trade receivables into the following sectors:

- Government and related entities
- Construction companies
- Distributors
- Others

Therefore, probabilities of default have been developed at this level for 2021 and 2020.

The expected loss rates are based on the payment profiles of sales over a period of 24 months from October 2018 to September 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward looking information to the extent that there is a strong correlation between the forward-looking information and the expected credit losses. The Company has identified GDP, inflation rate and unemployment rate of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021						
Gross carrying amount – Government and related entities (Frw'000)	33,653	12,248	-	173,582	259,251	478,734
Less customers with bank guarantees	-	-	-	164,176	213,935	378,111
Net receivables	33,653	12,248	-	9,406	45,316	100,623
Expected loss rate	6.58%	9.98%	13.30%	100%	100%	
Loss allowance (Frw'000)	3,798	2,008	-	9,406	45,316	60,528
30 september 2021						
Gross carrying amount – Distributors (Frw'000)	172,430	18,760	-	-	26,966	218,157
Less customers with bank guarantees						
Net receivables	-	-	-	-	26,966	26,966
Expected loss rate	2.16%	6.20%	12.57%	100%	100%	
Loss allowance (Frw'000)	-	-	-	-	26,966	26,966

20. (a) Financial risk management objectives and policies (continued)

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021						
Gross carrying amount – Government and related entities (Frw'000)	440,578	408,851	1,042	43,716	267,655	1,161,842
Less customers with bank guarantees	(355,233)	(235,623)	-	(30,416)	(68,390)	(689,663)
Net receivables	85,345	173,228	1,042	13,300	199,265	472,180
Expected loss rate	4.37%	7.18%	12.76%	100%	100%	
Loss allowance (Frw'000)	9,631	30,846	304	13,300	199,265	253,346

The analysis above excludes customers for whom specific provisions were made. These are as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021						
Gross carrying amount – Government and related entities (Frw'000)	-	-	-	-	117,316	117,316
Specific provisions made	-	-	-	-	117,316	117,316
Net receivables after specific provisions (Frw'000)	-	-	-	-	-	-

During the period ended 30 September 2021, the only specific provision made related to prepayments not recovered from suppliers amounting to Frw 90 million and specific provision relating to credit sales to customers amounting to Frw 117 million.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021						
Gross carrying amount – Government and related entities (Frw'000)	1,079,062	1,973,044	5,950	-	9	3,058,065
Less customers with bank guarantees	-	-	-	-	-	-
Net receivables	1,079,062	1,973,044	5,950	-	9	3,058,065
Expected loss rate	0.39%	1.41%	4.99%	14.54%	100%	
Loss allowance	4,162	27,739	297	-	9	32,206

Notes (continued)

20. (a) Financial risk management objectives and policies (continued)

Credit risk (continued)

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021						
Gross carrying amount – Government and related entities (Frw'000)	1,079,062	1,973,044	5,950	-	9	3,058,065
Less customers with bank guarantees	-	-	-	-	-	-
Net receivables	1,079,062	1,973,044	5,950	-	9	3,058,065
Loss allowance	4,162	27,739	297	-	9	32,206

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021						
Gross carrying amount – Distributors (Frw'000)	88,318	54,167	42,630	-	43,073	228,188
Less customers with bank guarantees	(56,150)	(48,478)	(42,630)	-	-	(147,258)
Net receivables	32,169	5,689	-		43,073	
Expected loss rate	3.82%	6.63%	23.11%	100%	100%	80,930
Loss allowance (Frw'000)	1,228	377	-			1,605

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2020						
Gross carrying amount – Distributors (Frw'000)	-	1,322	-	-	43,073	2,522
Less customers with bank guarantees	-	-	-	-	-	-
Net receivables	-	1,322	-		43,073	
Expected loss rate	17.90%	18.39%	23.11%	100%	100%	2,522
Loss allowance (Frw'000)	-	243	-	-	1,200	1,443

Notes (continued)

20. (a) Financial risk management objectives and policies (continued)

Credit risk (continued)

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2020						
Gross carrying amount – Government and related entities (Frw'000)	215,285	27,461	61,811	64,709	307,160	676,427
Less customers with bank guarantees	(92,931)	(5,636)	(11,271)	-	-	(109,838)
Net receivables	122,354	21,825	50,540	64,709	307,160	566,589
Expected loss rate	8.25%	12.40%	26.05%	100%	100%	
Low allowance (Frw, 000)	17,755	3,404	16,103	64,709	132,379	234,351

The above ECL provisions are summarized as below:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021						
Gross carrying amount	646,661	439,859	1,042	217,299	553,275	1,858,135
Provisions made	(13,428)	(32,854)	(304)	(22,706)	(271,547)	(340,840)
Net receivables after provisions	633,232	407,005	738	194,593	281,727	1,517,295

The closing loss allowances for trade receivables as at each period end reconcile to the opening loss allowances as follows:

	2021 Frw'000	2020 Frw'000
Opening loss allowance as at 1 October	432,320	371,847
Net loss allowance during the year (note 10)	(91,480)	60,474
Receivables written off during the year as uncollectible	-	-
	340,840	432,320

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

20. (a) Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. The finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management perform cash flow forecasting and monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities and proactively managing positions where there is a breach. The Company's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year Frw' 000	2-3 years Frw' 000	4-5 years Frw' 000	More than 5 years Frw' 000	Total Frw' 000
30 September 2021					
Trade payables	3,717,443	-	-	-	3,717,443
Amounts due to plant contractors	102,272	-	-	-	102,272
Customer deposits	918,138	-	-	-	918,138
Other payables	1,921,514	-	-	-	1,921,514
Lease obligations	20,432	-	-	-	20,432
Due to related parties	1,158,817	-	-	-	1,158,817
Interest bearing borrowings	14,643,557	28,066,817	-	-	42,710,374
	22,482,173	28,066,817	-	-	50,548,990

	Less than 1 year Frw' 000	2-3 years Frw' 000	4-5 years Frw' 000	More than 5 years Frw' 000	Total Frw' 000
30 September 2020					
Trade payables	4,360,453	-	-	-	4,360,453
Amounts due to plant contractors	216,329	-	-	-	216,329
Customer deposits	3,408,296	-	-	-	3,408,296
Other payables	485,310	-	-	-	485,310
Lease obligations	15,692	16,034	-	-	31,725
Due to related parties	580,585	-	-	-	580,585
Interest bearing borrowings	13,768,324	28,845,065	14,067,783	-	56,681,172
	22,834,989	28,861,099	14,067,783	-	65,763,871

20. (a) Financial risk management objectives and policies (continued)

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 shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 17, cash and cash equivalents as disclosed in note 11, and equity attributable to shareholders, comprising stated capital, reserves and retained earnings.

Capital risk management is carried out in accordance with the Company's policy. A committee that include the Parent company's senior financial executives reviews the capital structure of the Company on a quarterly basis. As part of this review, the cost of capital and the risks associated with each class of capital are considered. Based on recommendations of the committee, the Company balances its overall capital structure through issues of equity instruments, dividend cover reviews, and the issue of new debt or redemption of existing debt.

During the year, the Company's strategy, which remained unchanged from 2020, was to maintain a gearing ratio within 50 to 65%. The gearing ratios at 30 September 2021 and 30 September 2020 were as follows:

	2021 Frw '000	2020 Frw'000
Net debt	20,982,477	29,858,540
Total equity	61,669,306	57,579,340
Net debt to equity ratio	34%	52%

20. (b) Financial instruments by category

Financial assets at amortised cost

	2021 Frw '000	2020 Frw'000
Environmental guarantee	8,710	8,710
Trade receivables	1,499,635	3,532,855
Advances to related parties	211,260	191,930
Other receivables	19,280	10,313
Cash at bank	14,288,649	13,329,631
	16,025347,	17,073,439
Financial liabilities at amortised cost:		
Trade payables	3,717,443	4,360,453
Amounts due to plant contractors	102,272	216,329
Customer deposits	918,138	3,408,296
Other payables	1,426,216	72,138
Intercompany payables	1,158,817	580,585
Borrowings	35,250,694	43,157,057
Lease liability	20,432	31,725
	42,594,012	51,826,583

Fair value of financial instruments

For the majority of the borrowings and payables, the fair values are not materially different to their carrying amounts, since the interest payable on those liabilities is either close to current market rates or the borrowings are of a short-term nature. For trade receivables these are short term in nature and fair values approximate carrying values.

The borrowing cost of the USD portion of the syndicated loan is carried at an interest rate of LIBOR plus 7.25% which is the market rate while the FRW portion is based on interest rate of 16% which is within range of industry average rate of 16.5% for corporate loans and hence approximates the fair value.

	Carrying amount Frw' 000	2021 Fair value Frw' 000	Carrying amount Frw' 000	2020 Fair value Frw' 000
Borrowings (USD portion)	11,222,240	11,222,240	14,022,384	13,818,995
Borrowings (FRW portion)	24,028,454	24,028,454	29,134,673	26,361,876
	35,250,694	35,250,694	43,157,057	40,180,871

21. Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Directors also need to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

i) Deferred income tax asset

Deferred income tax asset relating to unused tax loss carry-forwards and to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. As at 30 September 2021, the Company had recognised deferred income tax assets on tax loss carry-forwards and other temporary differences totalling Frw 4,449 million (2020: Frw 6,259 million) arising from substantial investment allowances under the Rwandan Investment Code. This followed completion of the construction of a new cement plant in 2015. These losses were due to expire in 2020.

The directors took advantage of the provisions of the Income tax act enacted in April 2018 and the accompanying ministerial order No 006/19/TC of 29/04/2019 gazette No 18 of 6/05/2019 (the "Ministerial Order") that allows companies to seek for an extension to carry forward tax losses beyond the five-year statutory period. Based on this, an application was made and granted by the Rwanda Revenue Authority for extension on the utilisation of the tax losses for a two-year period to 30 September 2022. The Ministerial order also allows for an extension of a further 3 years on expiry of the current two-year extension period that the directors have been granted. The directors expect to recover the tax losses by September 2023, and an extension to the expiry period is expected to be granted since the Company is still in compliance with the requirements of the Ministerial Order to seek further extension.

21. Critical accounting estimates and judgements (continued)

ii) Deferred income tax asset(continued)

Significant assumptions made by the directors include the following:

- No dividend will be paid over the extension period, being one of the conditionalities set out under the Ministerial Order for an extension to be granted.
- Planned plant efficiency improvements are expected to result in production capacity exceeding the current year production capacity of 450,000 tonnes, with projections for 2022 at 466,000 tonnes and 530,000 tonnes in 2023.
- There will be continued sufficient demand on the market to assimilate the projected production volumes over the next 2 years.

Sensitivity analysis

If a dividend was to be paid out over the extension period, any unutilised income tax losses would immediately be forfeited at that point.

If planned plant efficiency improvements were not met, and sales / plant capacity was limited to the current 429,000 tonnes for each of the next two years, deferred income tax assets worth Frw 1.9 billion would be impaired over the 2 year period. Over an assumed 4 year period (i.e assuming a further 3 year extension period is granted), the Company has headroom of Frw 1.5 billion. This means that sufficient taxable profits would be generated over the 4 year period, and corporate income tax would be payable on the Frw 1.5 billion in 2025.

If the directors' projected sales volumes of 530,000 and 550,000 tonnes in 2022 and 2023 were to fall below expectation by 10%, the recognised deferred income tax asset would be impaired by Frw 1.7 billion over the two year extension period. However, if directors seek a further three-year extension to 30 September 2025, then head room of Frw 5.1 billion would be available. This means that sufficient taxable profits would be generated over the 3 year period.

iii) Carrying value of property, plant and equipment

At 30 September 2021, the Company's net investment in property, plant and equipment amounted to Frw 76,924 million (2020: Frw 81,360 million), details of which are set out in note 7 to the financial statements.

There has been no change in the nature of the property, plant and equipment or to the policies relating to the use thereof during the year.

Impairment assessments of individual material assets, especially the cement plant, were
undertaken for the 2021 financial year. The Company has been considered as one cash generating unit for the purposes of the impairment review. The directors have made the following significant assumptions in assessing the expected cash flows to be generated by the cement plant over the next 15 years:

- Limestone reserves of 7.2 megatons, resulting in an estimated remaining life of mine of 16 years based on estimated average 0.45 megatons of limestone mined per annum;
- Weighted average cost of capital of 15.71%;
- Expected sales volumes growth of 14% per annum;
- Expected cost inflation of 5% per annum.

21. Critical accounting estimates and judgements (continued)

Sensitivity analysis

If the estimated limestone reserves were higher/lower by 100,000 tonnes, holding all other factors constant, there would be no impairment provision recognised to the profit or loss account. If the weighted average cost of capital was higher/lower by 1%, holding all other factors constant, there would be no impairment provision recognised to income statement.

If the expected sales volume growth was 500 basis points higher, holding all other factors constant, there would be no impairment provision recognised to income statement. If the expected sales volume growth was 500 basis points lower, holding all other factors constant, there would be no impairment provision recognised to income statement.

If the expected cost inflation was 500 basis points higher, holding all other factors constant, the impairment provision recognised to the income statement would be Frw 25 billion.

(iv) Decommissioning and rehabilitation provisions

As part of the identification and measurement of assets and liabilities, the Company has recognized a provision for environmental obligations associated with the limestone quarry. In determining the carrying value of the provision, assumptions and estimates are made in relation to revision of discount rates,
updated environmental cost estimates, changes to lives of operations, new disturbances and the expected timing of those costs. Estimating the future costs of these obligations is complex as most of the obligations will only be fufilled in the future. Furthermore, the resulting provisions and assets are influenced by changing technology and regulations, life of mine, environmental, safety, business and statutory considerations. Refer note 18 for the carrying amount of the decommissioning provision. Significant estimates made by the directors include;

- Inflation rate of 5%
- Risk free discount rate of 12.48%
- Remaining life of mine of 16 years

The estimation of the costs to remedy the mining quarry have been based on external consultants hired by the Company to carry out an estimate of these costs. The risk free rate was obtained by using the National Bank of Rwanda yield curve for long term government bonds.

If the inflation rate was higher/lower by 1%, holding all other factors constant, the provision recognised in the balance sheet would be higher/lower by Frw 25 million and Frw 22 million respectively, and the related interest expense due to the unwinding of the discount would be higher/lower by Frw 1.9 million.

If the risk free discount rate was higher/lower by 1%, holding all other factors constant, the provision recognised in the balance sheet would be lower/higher by Frw 19 million and Frw 22 million respectively, and the related interest expense due to the unwinding of the discount would be lower/higher by Frw 0.34 million.

21. Critical accounting estimates and judgements (continued)

(iv) Decommissioning and rehabilitation provisions (continued)

If the life of mine was higher/lower by one (1) year, holding all other factors constant, the provision recognised in the balance sheet would be lower/higher by Frw 10 million, and the related interest expense due to the unwinding of the discount would be lower/higher by Frw 0.35 million. Additionally, local environmental regulations require the Company to issue a guarantee for environmental rehabilitation. The Company deposited a guarantee of Frw 8.7 million to FONERWA Rwanda Green Fund in 2019 to meet this requirement.

v) Expected credit losses on financial assets

IFRS 9 requires impairments to be determined based on an expected credit loss (ECL) model for financial assets carried at amortised cost or fair value through other comprehensive income. The Company recognises an allowance for either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk. The Company measures the ECLs in a manner which reflects a probability-weighted outcome, the time value of money and the entity's best available forward looking information. The preceding probability-weighted outcome considers the possibility that a credit loss will occur and the possibility that no credit loss will occur, no matter how low the probability of credit loss occurrence might be.

The ECL model applies to financial assets measured at amortised cost. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to credit risk management under note 20 above for further details.

vi) Useful lives of property, plant and equipment

The Directors determine the estimated useful lives and related depreciation charges for its property, plant and equipment ("PPE"). Items of PPE are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological advancements, product lifecycles, life of mine and maintenance programmes are taken into account.

The residual value assessments consider issues such as future market conditions, the remaining useful life of the asset and projected disposal values. The Company has not made any material adjustments to the residual values in the current year.

In line with the requirements of IAS 16 Property, plant and equipment, it is Company policy that the useful life of the assets be reviewed annually. The Company has reviewed the useful lives of assets regularly and during this financial year the Company has continued using some of the fully depreciated assets. IAS 8 Accounting policies, changes in accounting estimates and errors requires that a change in useful life be applied to the carrying amount which must then be depreciated over the new useful life. As the carrying amount of these assets is zero and the group's policy is to account for PPE using the cost model, both the cost and accumulated depreciation remain in the fixed asset register until the Company discontinues the use of the assets and a decision to scrap them has been taken. At that time they will be derecognised from the fixed assets register. Directors will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

21. Critical accounting estimates and judgements (continued)

(vi) Useful lives of property, plant and equipment

Below is a sensitivity analysis on the effect on depreciation charge in the event of an increase or decrease on the depreciation charge applied to the property, plant and equipment.

Asset category	Current (100%)	(+20%)	(-20%)	(+40%)	(-40%)	(+60%)	(-60%)
Plant	6,177,342	7,412,811	4,941,874	8,648,280	3,706,406	9,883,748	2,470,937
Buildings	153,360	184,033	122,689	214,705	92,017	245,378	61,344
Motor vehicles	169,025	202,831	135,221	236,636	101,415	270,441	67,610
Office furniture	108,453	130,414	86,762	151,834	65,072	173,525	43,381
Computer equipment	102,629	123,155	82,103	143,681	61,577	164,206	41,052
Total	6,710,811	8,052,974	5,368,649	9,395,136	4,026,487	10,737,298	2,684,325

(vi) Interest rate benchmark reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as USD LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes. To transition existing contracts and agreements that reference LIBOR to Secure Overnight Financing Rate ("SOFR"), adjustments for term differences and credit differences might need to be applied to SOFR, to enable the two benchmark rates to be economically equivalent on transition. The Finance department is managing the Company's USD LIBOR transition plan. The greatest change will be amendments to the contractual terms of the USD LIBOR-referenced floating-rate debt. However, the changed reference rate may also affect other systems, processes, risk and valuation models, as well as having tax and accounting implications.

Currently, management's plan is to migrate LIBOR based borrowings to fixed rate, Rwanda Franc denominated borrowings. This is expected to be completed in the first half of financial year 2022.

22. Contingent liabilities

The Company did not have any contingent liabilities as at 30 September 2021 (2020: Nil).

23. Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	2021 Frw'000	2020 Frw'000
Capital commitments	792,168	854,593

24. Summary of significant accounting policies

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

(a) Basis of preparation

(i) Compliance with IFRS

The financial statements of CIMERWA PLC have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

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(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis. The financial statements. The financial statements are approved and authorized for issue by the board of directors. The directors reserve the right to amend or withdraw the financial statements.

iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the year commencing 1 October 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The Company also elected to adopt the following amendments early:

- Annual Improvements to IFRS Standards 2018 – 2020 Cycle

24. Summary of significant accounting policies

(b) Revenue recognition

The Company revenue is derived from the sale of cementitious products to the Company's customers. Revenue is recognised when the performance obligation obligations are satisfied by transferring control of the promised product to the Company's customers. Revenue is recognised net of indirect taxes, rebates and discounts provided to the customers.

Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation. For contracts that contain multiple performance obligations, the transaction price is allocated to each performance obligation based on the relative stand alone selling prices. Revenue recognised is based on the amount that depicts the consideration to which the Company expects to be entitled in exchange for transferring the goods and services promised to the customer.

All revenue from the sale of cementitious products is recognised at a point in time.

24. Summary of significant accounting policies

(b) Revenue recognition (continued)

Sale of cementitious products

The Company manufactures and sells a range of cementitious products that include cement and clinker. Revenue from the sale of cementitious goods is recognised when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer. This occurs upon delivery, when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered.

Cementitious products are often sold with retrospective volume rebates based on aggregate sales over a specified period. Revenue from these sales is recognised based on the selling price specified in the contract, net of the estimated volume rebates. Accumulated experience is used to estimate and provide for the rebates using the most likely amount method. In this regard, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume rebates payable to customers in relation to sales made until the end of the reporting period. As part of the assessment of whether the estimated volume rebate should be constrained, it was noted that there were no significant reversals from the refund liability that were recognised in the current year. The directors will continue to reassess its ability to estimate the expected volume rebates reasonably.

A receivable is recognised when the goods are delivered. This is the point in time that the consideration becomes unconditional as only the passage of time is required before the payment is due. No significant financing element is deemed present as the sales are made with credit terms largely ranging between 7 and 60 days which is consistent with market practice.

Generally, cementitious products are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery. No warranty provision of right of return contract liabilities has therefore been recognised by the Company in this regard.

24. Summary of significant accounting policies (continued)

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rwanda Francs ("Frw") which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

d) Property, plant and equipment

Items of property, plant and equipment (PPE) are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairments.The cost of self-constructed assets includes expenditures on materials, direct labour and an allocated portion of project overheads. Cost also includes the estimated cost of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset and are required by local legislation.

The cost of PPE may also include the estimated costs of decommissioning the assets and site rehabilitation costs to the extent that they relate to the asset. Estimating the future costs of these obligations is complex as most of the obligations will only be fulfilled in the foreseeable future.

Furthermore, the resulting provisions and assets are influenced by changing technologies and regulations, life of mine, political, environmental, safety, business and statutory considerations in the Country in which the Company operates.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	15 to 24 years
Motor vehicles	3 – 5 years
Computer equipment	2 – 3 years
Plant and machinery	2 - 24 years
Equipment and motor vehicles	4 - 8 years
Critical spares	5 years

24. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

(e) Leases

The Company's accounting policy for leases is described in note 19 (iii).

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted-average method less provision for impairment. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(g) Financial instruments

Accounting for financial instruments

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and liabilities are classified as current if expected to be realised or settled within 12 months; if not, they are classified as non-current.

Offsetting financial instruments

Offsetting of financial assets and liabilities arises when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The net amount is reported in the statement of financial position.

Financial instrument classification

The Company classifies its financial instruments into the following categories:

- Financial assets at amortised cost; and
- Financial liabilities at amortised cost.

25. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The classification is dependent on the purpose for which the financial instruments were acquired. Directors determine the classification of financial instruments at initial recognition. Financial instruments comprise trade and other receivables, cash and cash equivalents, borrowings and trade and other payables.

Subsequent measurement

Subsequent to initial recognition, financial instruments are measured as described below.

Financial assets

Financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities

Financial liabilities comprise trade and other payables, bank overdrafts, borrowings, and other non-current liabilities (excluding provisions).

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

De-recognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company's trade and other receivables are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial. See note 20 for further details.

h) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method.

24. Summary of significant accounting policies (continued)

h) Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(i) Advance payments denominated in foreign currency for significant items of property, plant and equipment

Project advance payments denominated in foreign currency are initially recorded at the ruling exchange rate on the date of the payment. The advance payment is treated as a non-monetary asset as there is no expected repayment in units of currency and is thus not translated at each reporting date. On the portion of any invoice for property, plant and equipment that is offset by the advance payment, the amounts capitalized to property, plant and equipment are recorded at the historical carrying amount of the advance payment.

(j) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

(k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(l) Employee benefits

(i) Retirement benefit obligations

The Company and all its employees contribute to the Rwanda Social Security Board, which is a defined contribution scheme.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company's contributions to the defined contribution scheme are recognised as an employee benefit expense when they fall due.

24. Summary of significant accounting policies (continued)

(l) Employee benefits (continued)

(ii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognised as an expense accrual.

The Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises an accrual where contractually obliged or where there is past practice that has created a constructive obligation. The bonus is payable at the discretion of the Board.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(m) Income tax expense

a) Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Rwanda tax legislation. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the statement of financial position date. Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

24. Summary of significant accounting policies (continued)

(r) Impairment of assets

Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(s) Segment reporting

The chief operating decision maker, who is the Company's executive committee as it is the body that examines the Company's performance and allocates resources. The committee has identified the Company as one segment. Therefore, assets and liabilities are deemed to contribute to the overall performance of the Company and separate presentation of balance sheet has not been made.

The committee primarily uses earnings before interest, taxes, depreciation and amortisation (EBITDA) to assess the performance of the segment. The Company has one reportable segment whose revenue is presented in note 1.

No individual customer comprises more than 10% of the Company's revenue. Revenue from external customers from exports was Frw 12,943 million (2020: Frw 9,291 million).

EBITDA reconciles to operating profit before income tax as follows:

	2021 Frw'000	2020 Frw'000
Total EBITDA	18,447,502	16,123,510
Finance costs	(6,092,661)	(6,196,481)
Depreciation and amortisation	(7,036,707)	(7,930,336)
Impairment of financial assets	91,480	(60,473)
Profit before income tax	5,401,370	1,936,220
Income tax credit/ (expense)	(1,281,230)	15,520
Profit for the year	4,120,140	1,951,740

	2021 Frw'000	2020 Frw'000
Non-current assets	78,329,928	82,068,525
Current assets	31,239,617	30,183,971
Total assets	109,569,545	112,252,496
Non-current liabilities	91,480	(60,473)
Current liabilities	5,401,370	1,936,220
Total liabilities	47,870,065	54,673,156

	2021 Frw'000	2020 Frw'000
Additions to non-current assets		
Property, plant and equipment (Note 7)	3,250,301	2,923,380
Intangible assets (Note 8 (b))	141,112	30,513
Exploration and evaluation asset (Note 8(a))	-	404,561
	2,559,051	3,358,454

BECAUSE OF CIMERWA

OUR CSI AGENDA OVERVIEW

OVER THIS PAST FINANCIAL YEAR CIMERWA PLC'S CSI WAS MAINLY FOCUSED ON STRENGTHENING EXISTING INITIATIVES AND SUPPORTING COMMUNITIES THROUGH COVID-19 AND SOME OF THE ISSUES IT BROUGHT WITH IT. THE COMPANY'S EFFORTS WERE CONCENTRATED TOWARDS STRENGTHENING 7 KEY AREAS; HEALTH, EDUCATION, CAPACITY BUILDING, TRADE, ACCESSIBILITY, LIVES & SPORTS.

BECAUSE OF CIMERWA

WHEN I STARTED OUT AS A STUDENT AT L'EDUCATEUR, I COULDN'T SPEAK ENGLISH BUT NOW AM FLUENT. THANK YOU CIMERWA FOR BUILDING L'EDUCATEUR.

GLORIA ISHIMWE - STUDENT AT L'EDUCATEUR

MUGANZA - RUSIZI, BUGARAMA

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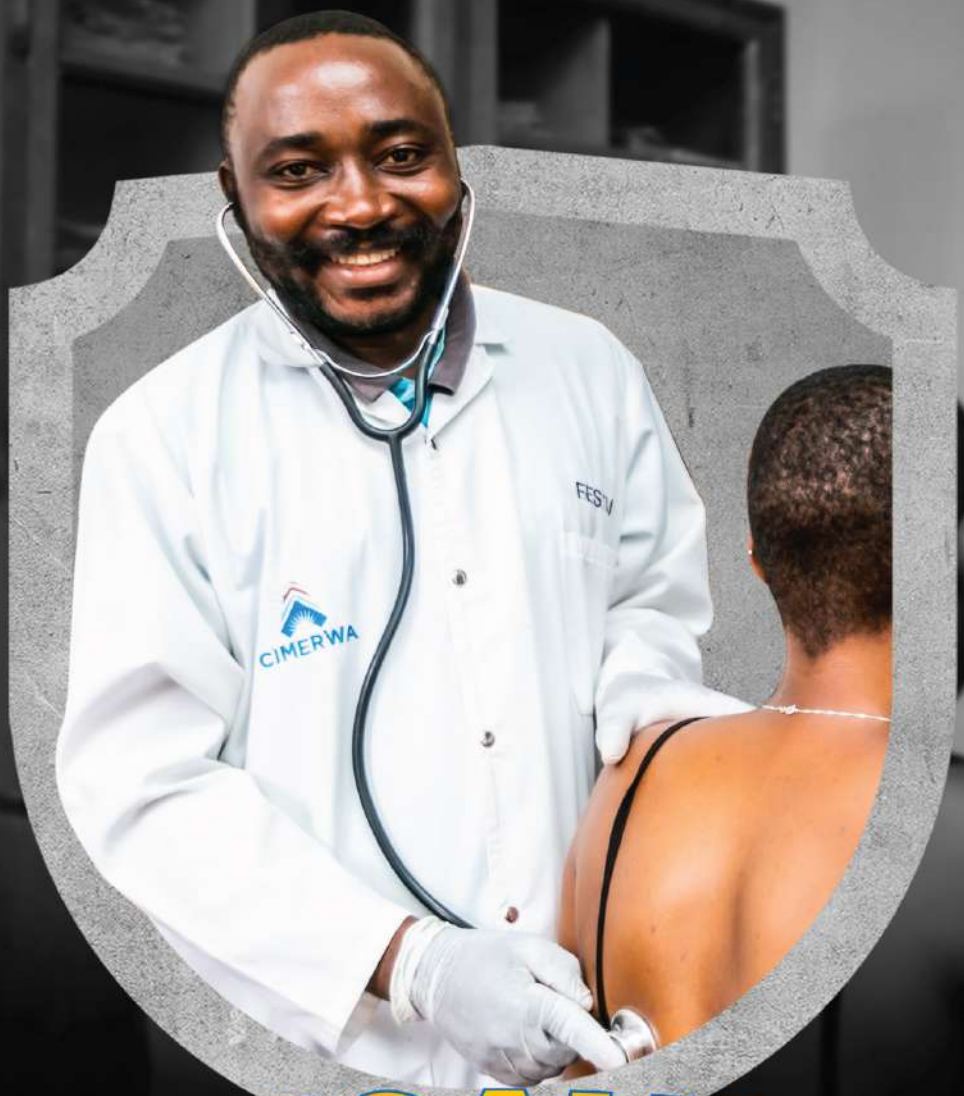
STRENGTHENING RWANDA

Strengthening Education – L'educateur School.

CIMERWA Plc's Nursery & Primary School – l'educateur continues to thrive, established in 2003 to cater to children of CIMERWA's employees and the community around the plant, the school now hosts over 765 students from the region surrounding the plant. Parents pay a subsidized tuition fee at the school and children benefit from top-notch education since the school is ranked 1st on the District level.



BECAUSE OF CIMERWA

AS A DOCTOR, MY VOCATION IS HELPING PEOPLE AND I'M PROUD TO BE DOING THAT FOR THE BUGARAMA COMMUNITY THANKS TO CIMERWA'S CLINIC.

DOCTOR AT CIMERWA'S CLINIC

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STRENGTHENING RWANDA

Strengthening Health – CIMERWA Clinic & Handwashing Stations.

Clinics and handwashing stations have been in high demand over the past two years, they have helped communities across the world join the collective fight against the COVID-19 pandemic. With the same in mind, CIMERWA built eleven handwashing stations in strategic high-frequency areas such as markets & bus parks. In addition to this, the CIMERWA clinic provides COVID-19 testing facilities to employees and the surrounding community. Established at the plant premises in 1984. It comprises a pharmacy, a 14-bed facility, and a laboratory manned by trained staff.

BECAUSE OF CIMERWA

BEFORE THIS MARKET WAS BUILT GETTING CUSTOMERS WAS AN ISSUE BECAUSE WE HAD NO PLACE TO SELL FROM. TODAY OUR STORIES ARE QUITE DIFFERENT DUE TO THIS MARKET AND THE SUPPORT PROVIDED BY CIMERWA.

TRADER AT CIMERWA'S MARKET IN BUGARAMA

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STRENGTHENING RWANDA

Strengthening Trade – Bugarama Market.

Built by CIMERWA Plc, the Bugarama market was established to support traders in the area especially women who had no proper market in which to trade their wares. This market built on CIMERWA land currently houses over 60 traders who also benefit from free electricity and water on the premises courtesy of CIMERWA Plc.

BECAUSE OF CIMERWA

WE THANK CIMERWA FOR GIVING US THE HOUSE WE OPERATE IN, WATER, ELECTRICITY AND MORE. I WAS A HOUSEWIFE BEFORE BUT NOW I WORK AND SUPPORT MYSELF AND MY FAMILY BECAUSE OF THE TTCM COOPERATIVE .

MARIE ROSE MUKAHIRWA - MEMBER OF TTCM COOPERATIVE

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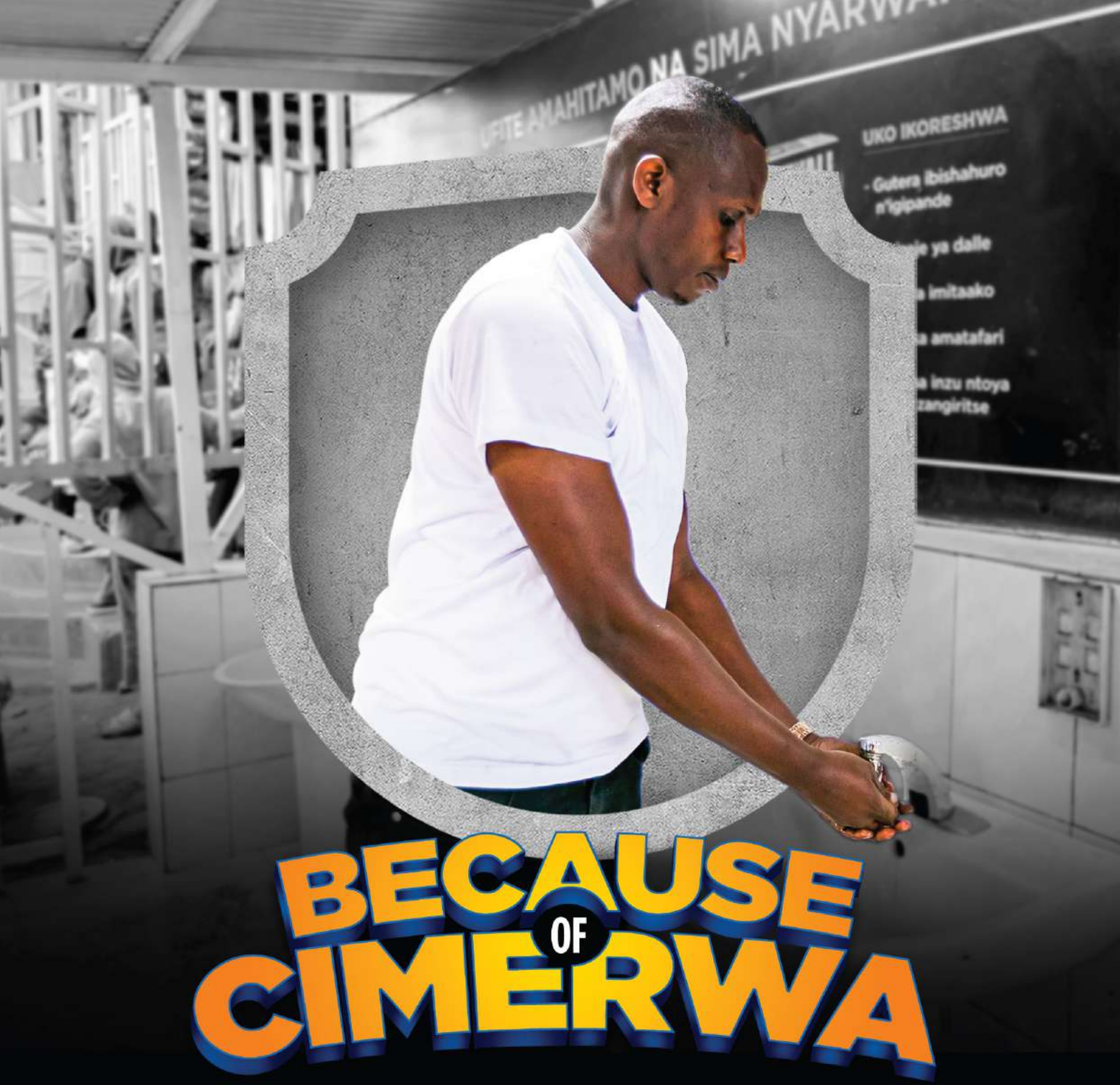
STRENGTHENING RWANDA

Strengthening Capacity – Tailoring Project.

The TTCM tailoring cooperative had just over 20 members in 2015 who were struggling since they had no working premises, equipment and close to no professional training. Over 5 years later, the contrast is striking, with the support of CIMERWA Plc the tailors now have a house to operate in fully equipped with water and electricity, professional sewing machines, they benefitted from a tailoring workshop that has upgraded their skills and they now manufacture the entirety of CIMERWA Plc's overalls and plant uniforms. The cooperative has now grown to include 42 members



BECAUSE OF CIMERWA

AS A TRADER IN THIS MODERN MARKET, OBSERVING THE COVID-19 SAFETY GUIDELINES MEANT STAYING IN BUSINESS. CIMERWA ENABLED US TO DO JUST THAT BY DONATING THESE HANDWASHING STATIONS.

TRADER IN THE RUSIZI MODERN MARKET

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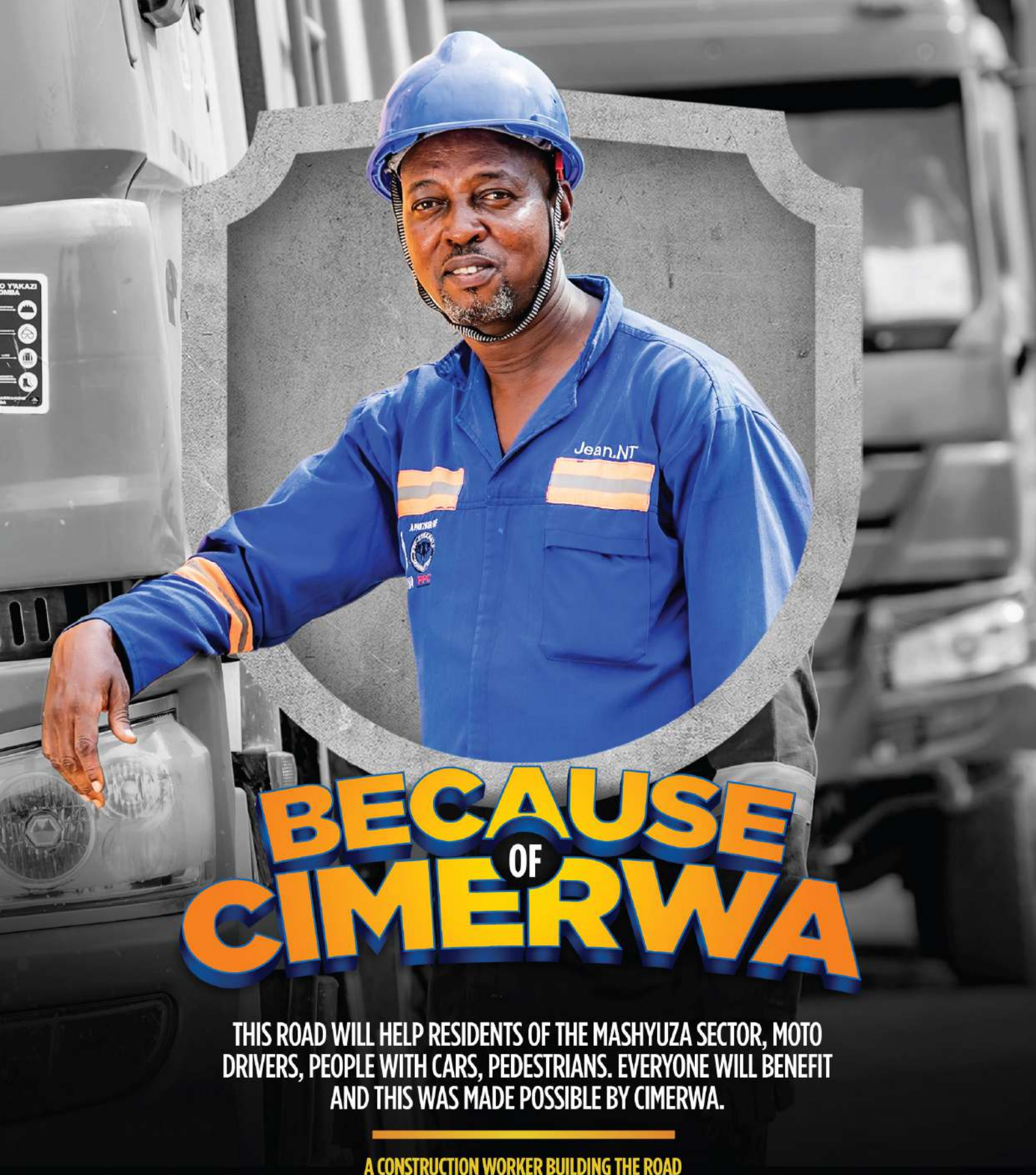
STRENGTHENING RWANDA

Strengthening Lives – Water Treatment Plant.

CIMERWA Plc's Water Treatment Plant helps the community in Bugarama access clean water at no cost. The water treatment plant, which has a capacity of 2,60 m3 per day, supplies clean water to more than 3,500 families in the Bugarama villages through company-owned pipelines. This is a considerable contribution to sanitation and health in the area.



BECAUSE OF CIMERWA

THIS ROAD WILL HELP RESIDENTS OF THE MASHYUZA SECTOR, MOTO DRIVERS, PEOPLE WITH CARS, PEDESTRIANS. EVERYONE WILL BENEFIT AND THIS WAS MADE POSSIBLE BY CIMERWA.

A CONSTRUCTION WORKER BUILDING THE ROAD

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STRENGTHENING RWANDA

Strengthening Accessibility – Bugarama Road Project.

Every quarter, CIMERWA Plc invests in maintaining local roads connecting several sectors such as the Mashyuza and Nyakabuye sectors as well as the Muganza and Gitambi sectors. This maintenance drive has made the roads more accessible for bicycles and bikes which are used mainly for the commercial transport of passengers, not to mention cars transporting cargo and regular pedestrians.

CIMERWA IS WITH US EVERY STEP OF THE WAY AND WEARING THEIR LOGO ON OUR JERSEY MAKES US WALK WITH EXTRA CONFIDENCE TOWARDS THE PITCH.

PATIENCE NIYONGIRA – ESPOIR FC GOALKEEPER

MUGANZA - RUSIZI, BUGARAMA

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STRENGTHENING RWANDA

Strengthening Sports – Espoir FC.

No town is fully complete without a sports team to rally after, Espoir FC is that team for Rusizi District and It has donned the CIMERWA colors since 2015. The team finished its latest season on a high note ranking 4th in the first division of the National League. Espoir FC is a beacon of hope for sports fans and aspiring athletes in the region.

FORWARD LOOKING STATEMENT

This report contains certain forward-looking views that are not historical facts and relate to other information which is based on forecasts of future results and estimates of amounts not yet determinable. By their nature, forward looking statements involve uncertainties and the risk that these forward-looking statements will not be achieved. Although CIMERWA Plc believes the expectations reflected in these statements are reasonable, no assurance can be given that these expectations will prove correct. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, outcomes could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment, other government action and business and operational risks.

Forward looking statements apply only as at the date on which they are made. CIMERWA Plc does not undertake to update or revise them, whether arising from new information, future events or otherwise. While CIMERWA Plc takes reasonable care to ensure the accuracy of information presented, it accepts no responsibility for any damages – be they consequential, indirect, special or incidental, whether foreseeable or unforeseeable – based on claims arising out of misrepresentation or negligence in connection with a forward-looking statement. This report is not intended to contain any profit forecasts or profit estimates.

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