



Rwanda Energy Group Ltd

CONSOLIDATED ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

CONTENTS

CONTENTS.....	1
COMPANY INFORMATION	3
DIRECTORS REPORT	4
ANNUAL REPORT.....	5
FOREWORD	5
EXECUTIVE SUMMARY	6
1. INTRODUCTION	7
2. THE ACHIEVEMENTS FOR THE FISCAL YEAR 2020/2021.....	8
2.1. Power generation.....	9
2.2. Electricity transmission	11
2.3. Electricity distribution	14
2.4. Electricity access	14
2.5. Operations and maintenance	15
2.6. Corporate governance	18
2.7. Communication and public relations.....	18
2.8. Capacity building.....	20
2.9. Commercial services	20
2.10. Energy Efficiency	23
2.11. Financial performance and position	23
2.12. Gender mainstreaming	27
3. CONCLUSION	28
FINANCIAL STATEMENTS	29
STATEMENT OF DIRECTORS' RESPONSIBILITIES	29
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	32
CONSOLIDATED STATEMENT OF CASH FLOWS	33
NOTES TO THE FINANCIAL STATEMENTS	34
ANNEXES TO ANNUAL REPORT	64

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Annex 1: Implementation progress of REG Imihigo FY2020/21	64
Annex2: Details of all the corrections made in the stock of transmission lines	69
Annex 3: Generation installed Capacity by end of FY2020/21	73
Annex 4: Stock of Power transmission lines as of June 2021	75
Annex 5: A list of Substations as of June 2021.....	77

**COMPANY INFORMATION
MEMBERS OF THE BOARD OF
DIRECTORS (BOARD):**

Dr Didacienne MUKANYILIGIRA	Chairperson	From 14 December 2020
Pacifique TUYISHIME	Vice Chairperson	From 14 December 2020
Ms. Carine UMUTONI	Member	From 14 December 2020
Mr. Viateur MUGENZI	Member	From 14 December 2020
Mr. Jean Claude ILIBONEYE	Member	From 29 July 2014 to date
Mr. Charles KALINDA	Member	From 14 December 2020
Ms. Clemence Rita MUTABAZI	Member	From 14 December 2020
Mr. Ron WEISS	Board Secretary	From 15 May 2017 to date
Ms. Rehema NAMUTEBI	Former Ag. Chairperson	To 14 December 2020
Mr. Robert NYAMVUMBA	Former Vice Chairperson	To 14 December 2020
Ms. Christelle KAYIHURA	Former Member	To 14 December 2020
Ms. Rose BAGUMA	Former Member	To 14 December 2020

REGISTERED OFFICE:

KN82 ST 3, Nyarugenge District

P.O Box 5964

Kigali, Rwanda

BANKERS:

National Bank of Rwanda

P. O. Box 6219

Kigali

Bank of Kigali

P. O. Box 259

Kigali

Guaranty Trust Bank (Rwanda) Limited

P. O. Box 331

Kigali

Equity Bank Rwanda Limited

P. O. Box 494

Kigali

Compagnie Générale de Banque Limited

P. O. Box 3477

Kigali

Ecobank Rwanda Limited

P. O. Box 3268

Kigali

I and M Bank (Rwanda) Limited

P. O. Box 354

Kigali

Access Bank (Rwanda) Limited

3rd Floor, UTC Building

Kigali

Banque Populaire du Rwanda Limited

P. O. Box 1348

Kigali

DIRECTORS REPORT

The Directors present their report together with the audited financial statements of the Rwanda Energy Group Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended 30 June 2021 which show the state of the Company’s affairs.

Principal activities

The core business of the Company is managing the subsidiaries namely Energy Utility Corporation Ltd (EUCL) and Energy Development Corporation Limited (EDCL)

EUCL

The core business of the EUCL subsidiary is generation, transmission, distribution and retail of electricity generated by Government owned power plants under concession arrangement to different players including the Company and also power purchased from independent power producers.

EDCL

The core business of the EDCL subsidiary is development of energy projects funded by the Government and other partners.

Results

	Consolidated	
For year ended 30 June	2021 Rwf	2020 Rwf
(Loss)/Profit	<u>1,935,576,277</u>	<u>(14,242,409,832)</u>

Reserves

The reserves of the institution are stated on pages 32.

Directors

The directors who served during the year and to the date of this report are as shown on page 2.

ANNUAL REPORT

FOREWORD

It is with great pleasure that the Rwanda Energy Group Ltd presents its Annual Report for the fiscal year 2020/2021. This report highlights the REG's key achievements in its strategic objectives including among others electricity generation, electricity transmission and distribution, electricity access, operations and maintenance and others. During the Fiscal Year 2020/2021, concerted efforts were directed towards developing and providing reliable and affordable energy to ensure adequate service delivery and sustainable development.

In view of this, REG Ltd continues to strategize on how to achieve the targets of 2024 for increasing electricity access to 100% of all Rwandan households, reduction of biomass energy uses to 42% as well as increasing Rwanda's electricity generation capacity to 556MW. As a result, households' connections to electricity reached 64.53% by the end June 2021 from 55.41% of June 2020, and the total installed power generation capacity reached 238.37 MW from 228.418MW achieved in June 2020.

The Annual Report of REG includes the performance of REG's subsidiaries companies, the Energy Utility Corporation Limited (EUCL) and the Energy Development Corporation Limited (EDCL). This report is part of the external dissemination of our commitment to transparency and open communication to all our stakeholders, as well as to the wider public interested in our activities.

Please, enjoy reading this report and get updates and richness of the energy sector. We also hope it is an opportunity for our valued stakeholders to know our leading-edge operations, services and values.

Ron Weiss



Digitally signed
by Ron WEISS
(CEO)
Date: 2022.02.28
12:36:28 +02'00'

Ron Weiss

Chief Executive Officer

EXECUTIVE SUMMARY

This report highlights the key achievements realized in the Fiscal Year 2020/21 by the Rwanda Energy Group Ltd, through its subsidiaries EDCL and EUCL, against targets that were agreed in alignment with national strategic documents such as Vision2020, NST1, REG Imihigo and other high-level decisions as well as the REG strategic plan.

- In power generation, the total installed capacity increased from 228.418MW to 238.37 MW. The additional capacity is from the upgrade of Nyirabuhombohombo micro hydropower plant from 0.5 MW to 0.65 MW (addition of 0.15 MW), and the commissioning of Giciye III (9.8 MW)
- The highest annual peak demand was 164.4MW observed in April 2021, compared to 151.00MW observed in February 2020. The demand growth this year was 8.8% while it was 2.8% for the fiscal year 2019/2020.
- By the end of June 2021, the total length of the transmission network, including 220kV and 110kV lines, was recorded at 944.39 km across the country. The 110kV transmission line Bugesera – Bugesera Industrial Park was commissioned in October 2020 and added 23.1km on the network. The reported network length reduced to 944.39km from 1,285.62km reported in June 2020 due to the correction of errors, especially of double counting found in the existing list of transmission lines and their length. On the other hand, 4 high voltage substations of Mamba, Rwabusoro, Bugesera and Rubavu temporary as well as 30/30kV Camp-Belge substation were commissioned, bringing the total number to 37 substations including 5 switchyards located at power plants.
- The distribution network increased with a total length of 677.76km of medium voltage lines and 1,225.35 km of low voltage lines, bringing the total distribution network from 25,314.7km to 27,217.9 km, of which 9,883.6 km of medium voltage and 17,334.3 km of low voltage.
- By the end of June 2021, a total of 178,884 customers were connected to the National grid of which the productive users were 1,110. In addition to this, a total of 72,202 households were connected to off-grid electricity. By the end of June 2021, the electricity access rate had increased from 55.41% as reported by the end June 2020 to 64.53%.
- In this reporting financial year, REG/EDCL once again gave focus on raising awareness among the citizens on the use of modern cooking technologies transitioning from traditional cooking fuels and 20,568 Improved Cook Stoves were distributed.
- On the side of operations, power system performance and reliability remained generally stable. the total network collapse reduced from 5 blackouts in 2019/20 to 1 blackout in 2020/201 and the transmission network availability has been improved from 99.37% of the fiscal year 2019/2020 to 99.41% of the fiscal year of 2020/2021.
- Countrywide, the distribution network performance is still stable though with slight increase as compared to last year. The System Average Interruption Duration Index (SAIDI) was 18.2 hours per year from 17.2 hours per year of the previous year and the average number of interruptions that a customer experienced (SAIFI) was 44 times per year from 37 times per year.
- The average total power losses for this financial year (technical and non-technical) increased to 19.17% from 19.12% of the previous year, but the recorded monetary loss reduced from 444,517,432 FRW of the previous year to 441,882,913 FRW.

- The total electricity billed for both prepayment and post payment customers, including exports to Uganda through Cyanika-Kisoro, increased to 766,606,204.22 kWh from 702,597,060.14kWh of last year and respectively the bill increased to Rwf 157.906 billion from Rwf 137.912 billion.
- The total collection on prepayment, post payment and works were Rwf 154,361,119,629 compared to Rwf 157,906,289,288 of total bills, and the recorded collection rate is 98%.

1. INTRODUCTION

The Rwanda Energy Group (REG) with its subsidiary companies, Energy Development Corporation Limited (EDCL) and Energy Utility Corporation Limited (EUCL), was incorporated in July 2014 as part of the wider Government reform programme for the energy and water sectors in Rwanda. The overarching objective of the reform was to ensure that the energy sector is expanding the electricity generation capacity efficiently to meet the growing demand in the country.

The REG Holding therefore has the corporate mandate to provide overall coordination of utility operations and energy investment and development plans without operational responsibilities, while EUCL is to ensure efficiency in utility operations and end-users service delivery and EDCL is to ensure timely implementation and cost-efficient development of energy projects.

REG's overall goal is to achieve fast electrification levels for industry and household usage based on a sustainable and affordable tariff. In its strategic plan (2019 – 2024), REG has articulated the following ten industry and institutional focused objectives to guide the day to day operations.

1. **Generation:** Build a balanced and cost optimized Generation mix sufficient to meet growing Demand.
2. **Transmission:** Plan and Build infrastructure to ensure timely alignment of current and future Generation with National Demand
3. **Distribution:** Develop and Operate an Optimized Distribution Network to enhance Utility efficiency and reliability of power supply.
4. **Electricity Access:** Achieve 100% National Access to Electricity in 5 years (by 2024). using Grid and Off-grid Solutions
5. **Tariff evolution:** Develop a clear tariff trajectory with clear milestones based on effective engagement with IPPs, financiers and other stakeholders to achieve affordable tariff.
6. **Operation & Maintenance:** Ensure optimized plant and network operations for excellent service reliability, with most economical plan.
7. **Corporate Governance:** Structure and equip REG to competently implement strategy;
8. **Communication Strategy:** Build an awareness of REG's products and services to enlist commitment of stakeholders to the vision and mission;
9. **Capacity Building:** Enhance staff's professional and technical capacity to support REG consistently deliver on its mission;
10. **Commercial strategy:** To serve our customers and ensure their satisfaction through our culture of excellence.

This report highlights key achievements registered in the period between July 2020 and June 2021 in alignment with key sector strategic objectives outlined above, set in line with the National strategic documents such as Vision 2020, NST1, REG Strategic Plan 2017 – 2024 (REGSP) and other sector priorities as adopted in different national fora such as National Leadership Retreat (NLR), National Umushyikirano Council (NUC), Cabinet decisions and other high level commitments. The purpose of this report is therefore to provide information that depicts Rwanda Energy Group performance to the public, development partners and other stakeholders.

More specifically, every year REG signs a performance contract, Imihigo, with MININFRA for the implementation of key projects geared towards meeting the short and medium term sector targets as set in the aforementioned strategic documents.

For the FY2020/2021, REG signed to deliver on 20 outputs as detailed in *annex 1* of this report. The outputs were grouped under 4 key outcomes which are:

1. Increased electricity generation installed capacity from 227.58 to 307.58MW by June 2021
2. Improved power transmission and distribution network for reliability of power supply
3. Increased access to electricity from 56% to 61% by end of June 2021
4. Improved transmission and distribution capabilities and availability of the network

By the end of June 2021, all 20 outputs were on track. In addition to this, REG signed for Joint Imihigo with 4 outputs grouped under 2 outcomes which are:

1. Increased Households access to electricity from 56 % to 61%
2. Reduced biomass usage for cooking

The four outputs for Joint Imihigo were already part of the overall Imihigo and they were all on track by the end of June 2021. Detailed implementation progress for Joint Imihigo is provided in *annex 1*.

2. THE ACHIEVEMENTS FOR THE FISCAL YEAR 2020/2021

Access to safe, reliable, affordable and cost-effective energy infrastructure is essential to achieve the levels of growth defined under the National Strategy for Transformation (NST1) and Vision 2020. It is planned that by 2024, universal access to electricity shall be attained at 100% (52% on-grid and 48% off-grid).

In order to attain the desired development impact of the above programs and other strategic interventions, the REG implemented different projects in the 2020/2021 and key achievements are provided in the following paragraphs. The status below, therefore, provides an insight of how the energy sector performed towards its ambitious targets.

2.1. Power generation

By end of June 2021, the total installed capacity increased from 228.418 MW to 238.368 MW. The additional capacity is from the upgrade of Nyirabuhombohombombo micro hydropower plant from 0.5 MW to 0.65 MW (addition of 0.15 MW), and the commissioning of Giciye III (9.8 MW).

The independent power producers now own 121.52MW of installed capacity, equivalent to 50.78% share of the total installed capacity, while the Government of Rwanda represented by REG Ltd has 99.216MW, equivalent to 41.62% share of total installed capacity and the importation is 18.1MW, equivalent to 7.59%.

The highest annual peak demand was 164.4MW, observed in April 2021 compared to 151.02 MW, observed in February 2020. The demand growth this year is 8.8% while it was unusually very low at 2.8% for the year of 2019/2020 as a result of COVID-19 pandemic outbreak and the resulting lockdowns that saw the economic activities slow down significantly.

Installed generation capacity by source

Hydropower and thermal power continue to dominate with the highest shares of the installed generation capacity of 104.628 MW equivalent to 44.00% and 58.8MW equivalent to 25.00% respectively, while solar power contributes the least (5%) as per the table and graph below:

Technology	Installed capacity (MW)	%
Hydropower	104.628	44
Thermal Power	58.8	25
Solar Power	12.05	5
Methane Gas	29.79	12
Import & Shared	18.1	8
Peat Fired PP	15	6
Total	238.368	100

Table 1: Installed capacity by Technology

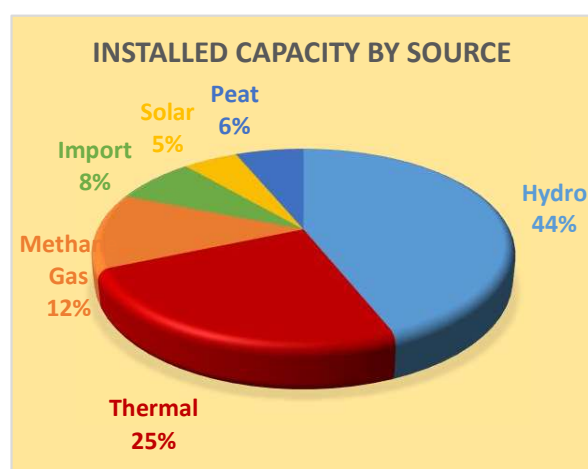


Figure 1: Installed capacity Contribution by source

Energy generated by source of energy (GWh)

The corresponding energy generated by hydropower increased from 387GWh to 494.4 GWh and it improved its share in the energy mix from 44.4% of last year to 51.8% this year. On the other hand, energy generated from thermal power plants reduced from 135.9GWh to 92.7 GWh and the corresponding share in the energy mix reduced from 15.6% to 9.7%. The contribution of methane gas, solar power and imports did not vary much whereby energy produced from methane gas moved from 213.6 GWh (24.5%) to 206.8 GWh (21.7%), solar moved from 17.7GWh (2%) to 18.1 GWh (1.9%) and imports from 31.95GWh (3.7%) to 29.7 GWh (3.1%) respectively. On the other hand, there was noticeable variation in the energy generated from peat to power and regional shared power plants whereby energy from peat increased from 19.0GWh (2.2%) to 30.6 GWh (3.2%), while energy from regional shared plants increased from 69.2GWh (7.9%) to 82.3 GWh (8.6%). The graph below illustrates the changes in the energy mix.

Details	Hydro	Methane	Thermal	Solar	Peat	Import	Shared	Total
2015-2016	271.9	114.5	174.5	13.9	1.4	56.9	18.9	652.1
2016-2017	277.2	197.6	129.6	14.5	14.3	22.9	56.0	712.1
2017-2018	333.8	195.0	138.7	16.9	15.3	31.5	50.2	781.4
2018-2019	337.5	213.1	158.7	18.1	31.0	32.0	63.9	854.2
2019-2020	387.0	213.6	135.9	17.7	19.0	31.95	69.2	872.6
2020-2021	494.4	206.8	92.7	18.1	30.6	29.7	82.3	954.7
Contribution to energy Mix (%)	51.8%	21.7%	9.7%	1.9%	3.2%	3.1%	8.6%	100.0%

Table 2: Energy generated by source of energy from 2015-2021 (in GWh)

Energy generated categorized by plants' owners

Based on ownership of power plant, IPPs power plants contribution was 493,755,909.12kWh (52%), while GoR. owned power plants' contribution was 348,826,411.31kWh (36%) and import & shared contribution was 112,071,628.3kWh (12%). The table below presents the generation by category of ownership:

Source of Generation	Generated Energy (kWh)		
	FY 2019/2020	FY 2020/2021	% (FY 2020/2021)
IPPs Power Plants	473,516,095.64	493,755,909.12	51.72%
GoR Power Plants	299,740,392.00	348,826,411.31	36.54%
Import + Shared	99,375,634.38	112,071,628.3	11.74%
Total Generation	872,632,122.02	954,653,948.70	100%

Table 3: Energy Generated by plants' owners

The Least Cost Power Development Plan

The least cost power development plan was revised and updated in December 2020 and June 2021. The purpose of the plan is to have a systematic development of the Rwanda Generation Resources prioritizing the least cost options, to ensure that the tariff affordability objectives are being optimized. The key updates this year were:

- Re-alignment of CODs of delayed projects.
- Biomass installed capacity review.
- Least-cost addition of KP1/Shema II Power Company

2.2. Electricity transmission

By the end of June 2021, the total length of the transmission network, including 220kV and 110kV lines, was recorded at 944.39 km across the country. The 110kV transmission line Bugesera – Bugesera Industrial Park was commissioned in October 2020 and added 23.1km on the network. The reported network length reduced to 944.39km from 1,285.62km reported in June 2020 due to the correction of errors, especially of double counting found in the existing list of transmission lines and their length. Details of all the corrections made are shown in *annex 2*, whereas significant corrections made are shown below:

<i>As Reported in 2019/2020</i>			<i>As corrected in 2020/2021</i>		
<i>Transmission Line</i>	<i>Voltage rating (kV)</i>	<i>Length (km)</i>	<i>Transmission Line</i>	<i>Voltage rating (kV)</i>	<i>Length (km)</i>
<i>Ntaruka-Gifurwe</i>	<i>110</i>	<i>8.5</i>	<i>Duplication of Ntaruka - Gifurwe</i>		<i>0</i>
<i>Gifurwe-Ntaruka</i>	<i>110</i>	<i>18.4</i>	<i>Duplication of Gifurwe - Mukungwa</i>		<i>0</i>
<i>Mamba-Rwabusoro-Bugesera-Gahanga</i>	<i>220</i>	<i>119</i>	<i>Mamba-Rwabusoro</i>	<i>220</i>	<i>21.54</i>
			<i>Rwabusoro-Bugesera SS</i>	<i>220</i>	<i>40.64</i>
			<i>Bugesera SS - Gahanga</i>	<i>110</i>	<i>17.31</i>
<i>Mururu II-Burundi border</i>	<i>110</i>	<i>26.8</i>	<i>Not for Rwanda. For Burundi</i>		<i>0.00</i>
<i>Mururu II-DRC Border</i>	<i>110</i>	<i>3.2</i>	<i>Not for Rwanda. For DRC</i>		<i>0.00</i>
<i>Rulindo-Musha via Gabiro</i>	<i>110</i>	<i>109.8</i>	<i>Duplication of Gabiro - Musha & Rulindo - Gabiro</i>		<i>0.00</i>
<i>Shango-Kivu WATT-Rubavu & Kibuye</i>	<i>220</i>	<i>163.6</i>	<i>Duplication of Shango - Rubavu & Rubavu - Kibuye</i>		<i>0.00</i>
Total km		449.30			79.49

Table 4: Key corrections made on the length of the transmission lines

By end June 2021, three (3) high voltage substations of Mamba, Rwabusoro and Bugesera along the transmission line Mamba-Rwabusoro-Bugesera-Gahanga as well as 30/30kV Camp-Belge substation and the temporary 110/30kV Rubavu substation along Mukungwa-Nyabihu transmission line were completed and commissioned, bringing the total number to 37 substations including 5 switchyards located at power plants of Gishoma, Jabana II, Mukungwa, Ntaruka and Nyabarongo I.

More progress was also made in the construction of the following high voltage transmission lines projects:

- **Rwanda-Burundi Transmission line and associated substations** registered overall progress of 93% for transmission line and 84% for the works at Gisagara and Kigoma substations.
- **Birembo, Shango, Bwishyura, Rubavu and Kibuye Substations** recorded an overall progress of 60% with works completed at Birembo and Shango and the supply of main equipment completed for the rest of the substations. The new contract for completion of remaining works that were left behind by former contractor ISOLUX was at contract stage.

- ***Rusumo-Bugesera-Shango transmission line*** project to evacuate power from Rusumo regional hydro power plant overall progress was recorded at 72% while that of associated substations of Bugesera and Shango was at 98.2% and 99.92% respectively.
- ***Bwishyura-Kigoma-Rwabusoro transmission line with extensions of associated substations*** registered an overall progress of 21%.
- ***Mukungwa-Nyabihu Transmission line with associated substations*** reported an overall progress of 83% with the commissioning of Mukungwa – Nyabihu line as well as Camp-belge substation and Rubavu temporary substation.



Figure 2: Bugesera substation



Figure 3: Nyabihu substation

The Transmission Plan

The transmission network development plan was revised and updated in February and June 2021 and the key updates incorporated are the following:

- Modeling of the transmission system with updated infrastructure parameters
- Contingency Analysis (N- 1), using DigSilent Power Factory, on the national electricity transmission system to ensure that this condition is met.
- Updates on the commissioning of different projects
- The roadmap for the development plan of Industrial Parks Supply
- Musanze, Bugesera, Muhanga, Huye and Rusizi Industrial Parks and Nyabihu SS plots
- Updated Transformer movement (Mt. Kigali to Rubavu S/S).

- Project Cost Update (inclusion of additional costs (VAT, feasibility study costs, expropriation costs)).

2.3. Electricity distribution

About 13 years ago, the Government of Rwanda established the Electricity Access Rollout Program (EARP) to distribute power from the transmission nodes to the end-users, whilst bridging the rural-urban electricity access divide. This year, the distribution network was extended with a total of 738.5 km of medium voltage lines and 1,280.7 km of low voltage lines, bringing the total distribution network to 27,333 km up from 25,314 km reported last year at the end of June 2020. The respective total lengths for medium and low voltage networks are now 9,944.3 km and 17,389.6 km.

The Distribution Plan

In December 2020 and June 2021, the distribution network development plan was revised and updated mainly to include the following:

Major Updates made in the Distribution Plan (December 2020 revision)

- Anticipated load growth on Distribution Network from 2021-2023 and proposing network strengthening initiatives to cope with increase in load demand.
- Improvement of distribution network zoning and identification of all areas of the network with critical voltage drop issues
- Assessment of all distribution transformers loading profile countrywide to identify their status as well as accounting for losses
- Consideration of all planned grid access projects countrywide
- The entire Medium Voltage network was modelled
- Micro power plants feeding into the MV network were also considered.
- New feeder lines from substations which are under construction such as Gisagara and Nyabihu in order to reduce the length of Butare, Rukarara and Gisenyi feeders.
- Network modelling and assessment of existing Medium Voltage distribution network

2.4. Electricity access

The Government has committed to meet universal access to electricity, with an estimated 3.7 million households to be connected by the year 2024. By the end of June 2021, the electricity access rate countrywide had increased from 55.41% to 64.53%.

A total of 178,884 new customers were connected to the National grid of which the productive users were 1,110. This brought the cumulative number of customers connected to the grid from 1,092,081 to 1,270,965

(1,267,702 on prepaid and 3,263 on post-paid) which is equivalent to 46.92% access rate computed on a total of 2,709,000 households reported by the NISR (EICV, 5).

The performance of REG in implementing its Imihigo signed with MININFRA for grid access was achieved at 150.76%, as the target was connection of 118,657 new customers to the grid.

In addition to this, a total of 72,202 households were connected to off-grid electricity bringing the cumulative total to 477,184 households from 404,982, equivalent to access rate of 17.61% from 15.1%. These off-grid connections are mainly rooftop solar panels and they are installed by the independent private companies on a willing-buyer-willing-seller basis.

The Access Plan

In December 2020 and June 2021, the access plan was revised and updated mainly to include the following:

- The impact of available funds from development patterns on universal access by 2024
- Final approved report of NEP (2018) from the consultant TATA/ MIT
- Updated mapping (2021) of villages to be electrified through grid or off-grid solutions.

2.5. Operations and maintenance

On the side of operations, power system performance and reliability is continuously improving, and the number of system blackouts reduced from 5 to 1 blackout during the reporting period. The chart below illustrates the trend of blackouts occurrence over the last 6 years:

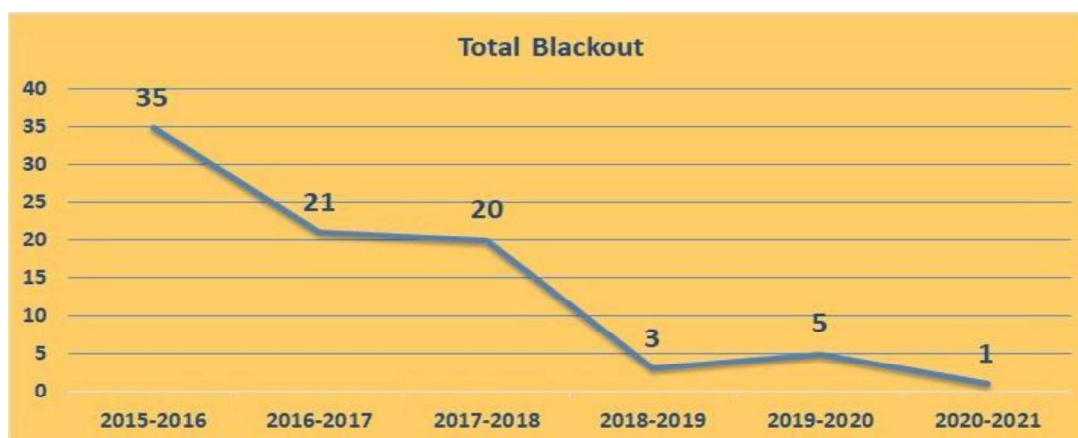


Figure 4: Total blackouts trend

The recorded transmission network availability in the year of 2020/2021 improved from 99.37% to 99.41% as shown in the table below:

TRANSMISSION LINE AVAILABILITY 2020-2021					
		Outage duration min		1,108	
Q1		Days	Hours	Difference	Availability in %
	Period duration	92	132480	131,372	99.164%
		Outage duration min		1,009	
Q2		Days	Minutes	Difference	Availability in %
	Period duration	92	132480	131,471	99.238%
		Outage duration min		850	
Q3		Days	Minutes	Difference	Availability in %
	Period duration	90	129600	128,750	99.344%
		Outage duration min		104	
Q4		Days	Minutes	Difference	Availability in %
	Period duration	91	131040	130,936	99.921%
		Outage duration min		3071	
Annual		Days	Minutes	Difference	Availability in %
	Period duration	365	525600	522,529	99.416%

Table 5: Transmission line availability in 2020-2021

The average total power losses for this year (technical and non-technical) increased from 19.12% of the previous year to 19.26 % as per the graph below:

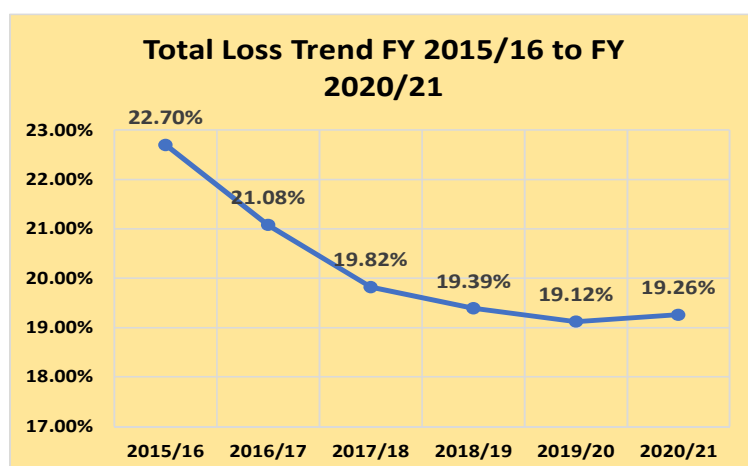


Figure 5: Trend of total energy losses

Countrywide, the distribution network performance did not improve compared to the previous year given that the System Average Interruption Duration Index (SAIDI) increased from 17.2 hours per year to 18.2 hours per year and the average number of interruptions that a customer experienced (SAIFI) increased from 37 times per year to 44 times per year.

DESCRIPTION	UNITS	BASELINE (July 19- June 20)	SMART	STRETCH	ACH' July 20 - June 21
Distribution Department key performance indicators					
SAIDI	Hours/year	17.2	22.7	20.4	18.2
SAIFI	TIMES/year	37	44.3	39.8	44

Table 6: Brief performance on distribution SAIDI and SAIFI

During this financial year, a total number of recorded outages is **12,049** from **10,756** and almost all were caused by earth faults, overcurrent and under frequency as shown by the table below and the corresponding monetary loss reduced from Rwf 444,517,432 of last year to Rwf 441,882,913.

Cause	Frequency	Duration (h)	Energy not served (MWh)	Total Cost	Freq %
Earth Fault	4281	584.0	856.2	159,254,895	36%
Overcurrent	3695	491.2	651.9	121,247,268	31%
Under Frequency	3555	329.2	418.5	77,847,070	30%
Emergency Works	360	169.3	214.9	39,964,797	3%
Planned Works	113	164.1	213.6	39,727,541	1%
Overload	38	1.3	15.6	2,908,428	0%
Overvoltage	7	0.9	5.0	932,914	0%
Grand Total	12049	1739.9	2375.7	441,882,913	100%

Table 7: Summary of annual outages

The outages frequency is presented as follow:

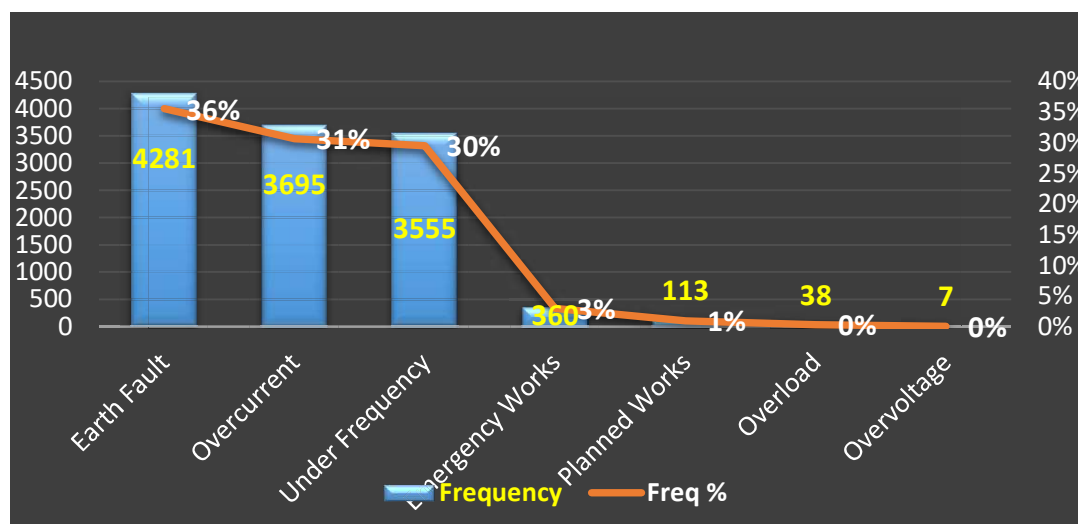


Figure 6: Representation of annual outages frequency

2.6. Corporate governance

The functional strategies identified in REG strategic plan can only be realized by putting in place structures, systems policies and procedures that support efficient implementation and the need to attract, develop and retain staff with the requisite skills for effective implementation. It is in that regard that out of the minimum four required meetings of the Board of Directors were held successfully. Legal opinions were delivered to the Management and to the Board on regular basis.

The REG/EUCL/EDCL organizational structure review has been approved to best fit organization mandate and include lessons learnt in in the organization while enhancing efficient & effective operations and coordination, as well as monitoring and evaluation.

2.7. Communication and public relations

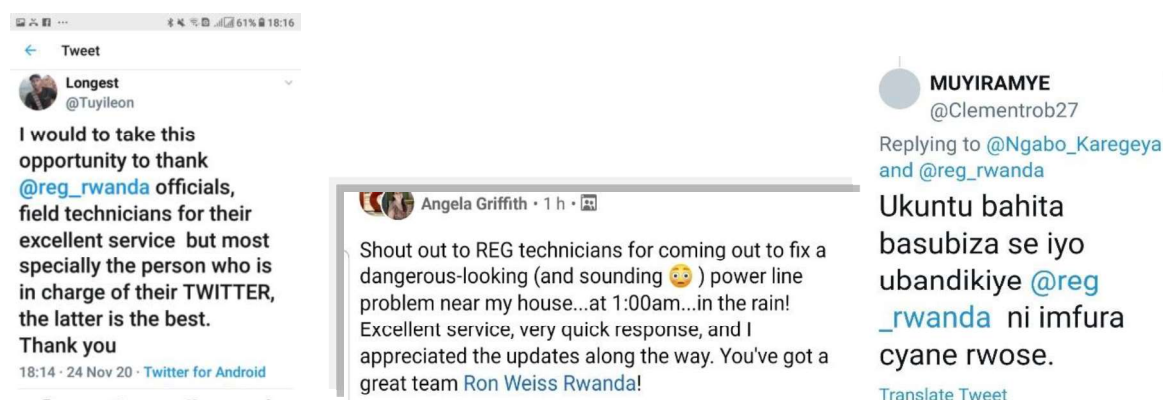
During the fiscal year 2020/2021, different communication activities were implemented aiming at enhancing the corporate positive image and raising public awareness as well as ensuring customers' satisfaction by timely responding to their queries. The following activities were achieved:

- **Ensuring positive appearance in local media publications:** With an aim to publish at least 1 success story on a weekly basis in local media to ensure positive perception among the public, a total of 151 positive news stories related to REG achievements and projects were published in local media during

the year 2020/2021. These stories were published as paid supplements and also as bonus stories thanks to various media relations initiatives. Most of the published stories were related to electrification projects, off-grid and clean cooking programs as well as the fight against theft of electricity and electrical materials. Daily monitoring of media publications was also done to ensure that all negative issues reported in media are handled

- **Awareness raising activities:** REG used talk-shows and advertorial spots on Radios and TVs, to ensure education and awareness on the use of off-grid solutions, clean cooking technologies and safety among others. A total of 8 talk shows were held on local radios and TVs while 8 publicity audiovisual spots were produced and broadcasted on different community radios.
- **Using social media to ensure customers satisfaction:** A close follow up on customer's queries submitted via social media and immediate response to these queries was key among the communication team work during the year 2020/2021. The aim is to ensure satisfaction of customers seeking support and information on electricity services.

Feedbacks submitted by the customers on the same social media indicate that REG is much appreciated when it comes to caring for customers' issues. Below are some examples of the feedback screenshots:



- **Using company's platform for visibility and hub of REG information:** REG website and its various social media platforms including Twitter, Facebook, Flickr, Instagram, LinkedIn and YouTube accounts were used to share with the public various information regarding projects, achievements, energy statistics, power outages and other useful documents containing information to be shared with the public. A quarterly newsletter was also regularly published on REG website and social media.
- **Corporate Social Responsibility: Different activities and events were sponsored** to promote REG's image and visibility. These include Miss Rwanda 2021, Service excellence Awards as well as the Connection of a village of survivors of the Genocide against the Tutsi in Muhanga District (Murambi). Under CSR, REG also supports Imbuto Foundation in the facilitation of girls to pursue technical and vocational education. Every year, REG contributes to Ibuka activities to commemorate the Genocide against Tutsi and also provides monthly electricity tokens to Kigali Genocide Memorial Site.

REG also has 2 professional sports team which increase the company's visibility (REG Basketball Club & REG Volleyball Club).

- **Branches serving as one stop center for all REG and subsidiaries information:** In order to strengthen REG branding and ease access to services provided by REG and its subsidiary companies, REG currently has 33 branches including 1 branch in every District and 6 branches in Kigali City. These branches represent REG, EUCL and EDCL in all matters related to their respective Districts/location. Managers of branches serve also as spokesperson of REG and they can interact with media on all issues related to REG, EDCL and EUCL concerning their respective Districts.

2.8. Capacity building

Human capacity development has been at the forefront of interventions within the energy sector. REG continues to ensure adequate skillsets among its staff to ensure that all Rwandans are served with electricity by end of 2024.

We cannot talk of the capacity building without considering the recruitment of staff to be trained and their compensations on services rendered. The following were accomplished in the sphere of human resources management:

- i. Staff recruitment: 19 new EDCL staff, 22 New EUCL Staff and 1 new REG Holding Staff were recruited (on contract and permanent basis), to fill in 37 vacant positions within EDCL, 43 Vacant posts within EUCL, and 18 Vacant posts within REG Holding.
- ii. Capacity building: 71 EUCL staff, 24 EDCL staff and 1 REG Holding staff were trained in various fields including Operations and maintenance of power infrastructure, Health & Safety, Public Financial Management, Project Management, Public Procurement...
- iii. Payment of salary arrears: REG received Two Billion (2,000,000,000 Frw) from MINECOFIN to pay arrears of former EWSA staff. The received budget was used to pay 420 employees at 75% of the total due.

2.9. Commercial services

Electricity billing and revenue collections

During the fiscal year 2020/2021, the total electricity billed by EUCL for both prepayment and post payment customers, including exports to Uganda through Cyanika-Kisoro, increased to 766,606,204.22 kwh from 702,597,060.14kWh of last year and respectively the bill increased to Rwf 157,906,289,288 from Rwf 137,912,290,995.

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

The total collection on prepayment, post payment and works were Rwf 154,361,119,629 compared to Rwf 157,906,289,288 of total bills, the collection rate was 98%. The following tables provide details on total revenue collections of FY2020/21.

Total Revenue collections for both Prepaid & Postpaid

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Prepaid	5,394,091,987	5,519,806,780	5,373,945,989	5,664,706,043	5,538,362,405	5,935,997,631	5,415,893,226
Postpaid	6,389,824,804	6,702,003,950	6,415,423,998	7,024,389,137	6,759,248,701	6,460,913,697	5,365,091,854
Total	11,783,916,791	12,221,810,730	11,789,369,987	12,689,095,180	12,297,611,106	12,396,911,328	10,780,985,080

	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total	%
Prepaid	5,149,165,666	6,140,592,675	6,020,185,293	6,162,407,989	6,115,964,997	68,431,120,681	47%
Postpaid	5,233,949,281	6,839,300,875	5,985,370,031	6,069,569,918	6,635,322,548	75,880,408,794	53%
Total	10,383,114,947	12,979,893,550	12,005,555,324	12,231,977,907	12,751,287,545	144,311,529,475	100%

Table 8: Total Revenue collections for both Prepaid & Postpaid

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Billing vs Collections for the first Financial Year 2020/2021								
Billing								
	Post Paid	Pre-paid	Works	Dark Fiber	UETCL	OWN CONSUMPTION	PUBLIC LIGHTING	Total Amount Billed
Jul-20	6,825,511,548	5,394,091,987	68,770,261	-	27,774,417	93,664,943	349,040,199	12,316,148,214
Aug-20	6,667,380,528	5,519,806,780	164,734,262	-	29,235,248	91,139,741	342,967,738	12,381,156,818
Sep-20	6,681,181,607	5,373,945,989	103,256,145	-	27,831,546	101,171,964	334,035,285	12,186,215,287
Oct-20	6,970,968,689	5,664,706,043	135,227,961	-	32,505,009	114,147,943	326,907,276	12,803,407,702
Nov-20	7,228,409,554	5,538,362,405	27,783,053	113,423,861	34,937,434	109,156,220	350,491,392	12,942,916,307
Dec-20	7,212,150,411	5,935,997,631	1,696,328,983	110,995,068	34,239,104	121,311,295	358,144,977	14,989,711,197
Jan-21	6,959,983,052	5,415,893,226	183,657,432	-	33,213,782	110,649,875	342,487,560	12,592,747,492
Feb-21	6,769,424,327	5,149,165,666	661,793,835	-	29,884,044	95,346,730	352,410,659	12,610,267,872
Mar-21	7,010,210,701	6,140,592,675	410,534,942	-	34,724,123	104,314,799	331,125,781	13,596,062,441
Apr-21	7,340,394,389	6,020,185,293	311,627,873	117,127,251	36,182,075	99,146,960	337,550,638	13,825,516,880
May-21	7,051,238,848	6,162,407,989	133,312,468	-	40,537,123	97,429,147	332,556,077	13,387,496,428
Jun-21	7,855,055,716	6,115,964,997	264,425,247	-	39,196,690	102,261,976	351,501,458	14,274,642,650
Total	84,571,909,370	68,431,120,681	4,161,452,463	341,546,180	400,260,594	1,239,741,593	4,109,219,039	157,906,289,288
Collection								
	Post Paid	Pre-paid	Works	Dark Fiber	UETCL	OWN CONSUMPTION	PUBLIC LIGHTING	Total Cash Collections
Jul-20	6,361,142,306	5,394,091,987	68,770,261	-	28,682,498	93,664,943	349,040,199	11,852,687,052
Aug-20	6,672,053,228	5,519,806,780	164,734,262	-	29,950,722	91,139,741	342,967,738	12,386,544,992
Sep-20	6,386,951,841	5,373,945,989	103,256,145	-	28,472,157	101,171,964	334,035,285	11,892,626,132
Oct-20	6,993,879,009	5,664,706,043	135,227,961	-	30,510,128	114,147,943	326,907,276	12,824,323,141
Nov-20	6,724,311,267	5,538,362,405	27,783,053	-	34,937,434	109,156,220	350,491,392	12,325,394,159
Dec-20	6,426,061,022	5,935,997,631	1,691,769,984	224,119,931	34,852,675	121,311,295	358,144,977	14,312,801,243
Jan-21	5,331,748,766	5,415,893,226	183,657,432	-	33,343,089	110,649,875	342,487,560	10,964,642,512
Feb-21	5,203,434,345	5,149,165,666	661,793,835	-	30,514,936	95,346,730	352,410,659	11,044,908,782
Mar-21	6,804,570,900	6,140,592,675	396,923,713	-	34,729,975	104,314,799	331,125,781	13,376,817,263
Apr-21	5,948,590,512	6,020,185,293	311,627,873	333,227,355	36,779,520	99,146,960	337,550,638	12,650,410,552
May-21	6,069,569,918	6,162,407,989	133,312,468	-	-	97,429,147	332,556,077	12,365,290,375
Jun-21	6,635,322,548	6,115,964,997	264,425,247	-	-	102,261,976	351,501,458	13,015,712,792
Total	75,557,635,661	68,431,120,681	4,143,282,235	557,347,286	322,773,133	1,239,741,593	4,109,219,039	149,012,158,996
	5,348,960,633	Money on Public lighting & Own Consumption						5,348,960,633
Percentage	96%	100%	100%		81%	100%	100%	98%
Note: Note: Postpaid Collection rate including Money on Public lighting of (4,109,219,039), EUCL own Consumption (1,239,741,593) & VAT exclude on some Public Institutions that pay us less VAT								

Table 9: Billing Vs Collections

Revenue Protection Program (RPP)

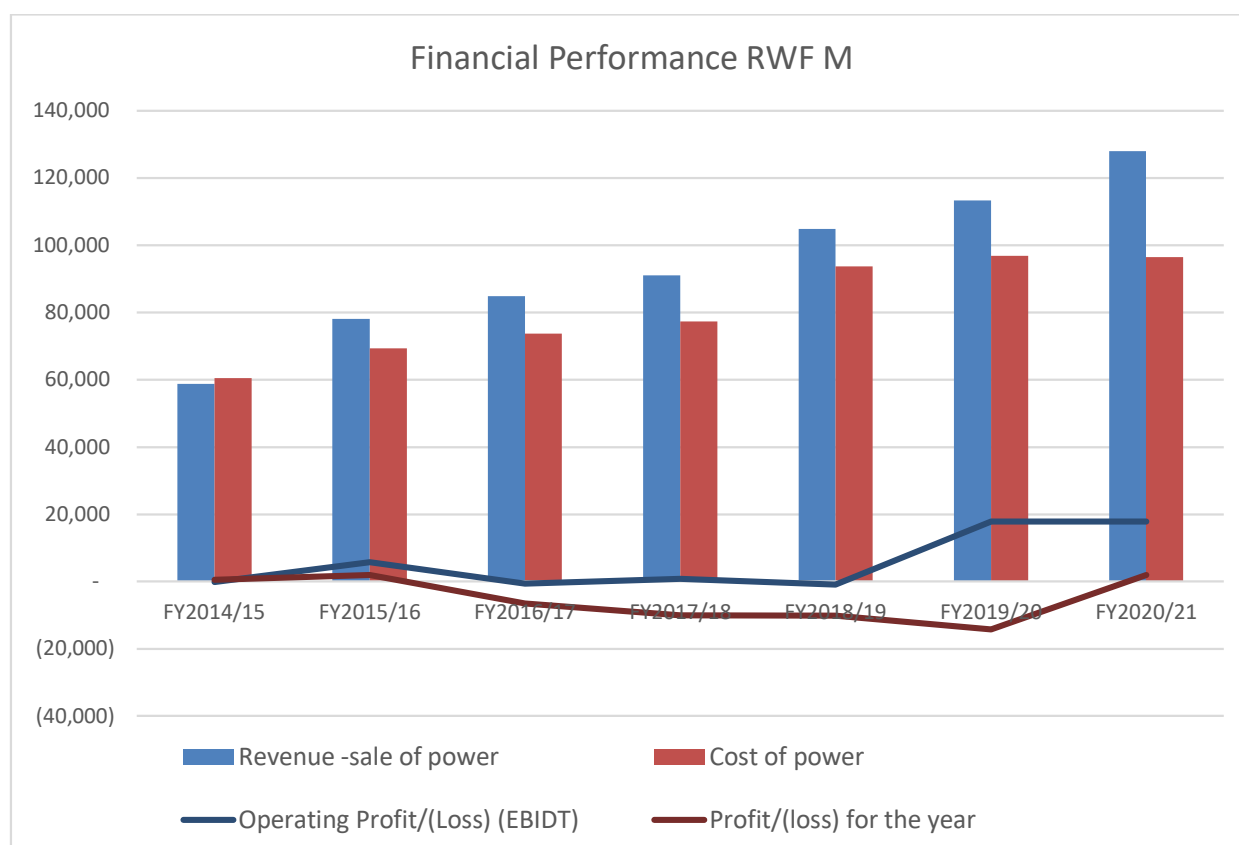
The Revenue Protection Program (RPP) Funded by the World Bank has been implemented and 2000 smart meters have been installed at the premises of Postpaid Customers. An additional 1000 smart meters has been acquired from the World Bank to cover the remaining customers. Currently the automated Metering System (MDM) is now linked to the billing system (CMS) and results yielded will enable data from customers' meters to be pushed into Customer Management System.

2.10. Energy Efficiency

About 83% of Rwandan Households use traditional biomass fuels for cooking and heating. However, the NST1 targets to reduce the use of these fuels from 79.9% to 42% by 2024. REG/EDCL had opted to continuing focus on awareness campaigns on the use of alternative cooking technologies and dissemination of Improved Cook Stoves (ICS). In this year, 26 awareness campaigns were carried out across all Districts and 302,614 Improved Cook Stoves were distributed.

2.11. Financial performance and position

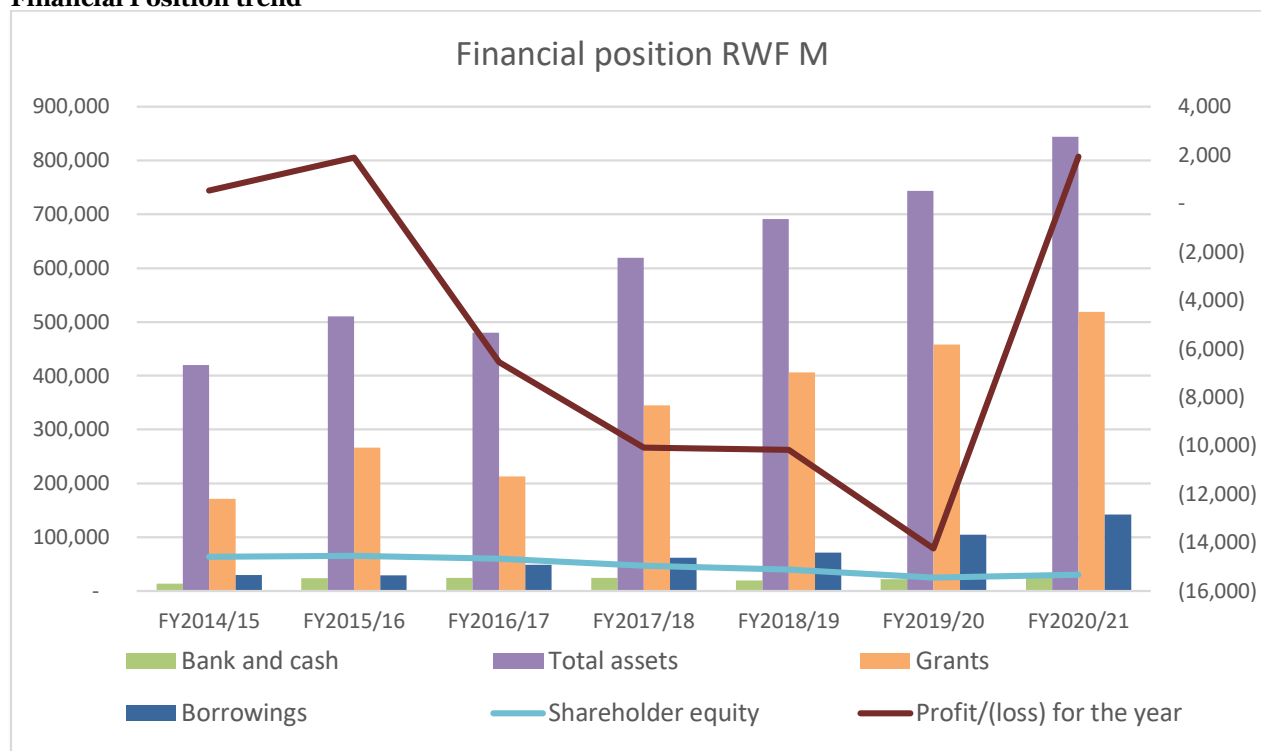
Financial Performance trend



Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Financial performance	Consolidated	REG	EUCL	EDCL
For year ended 30 June 2021	Rwf M	Rwf M	Rwf M	Rwf M
Revenue	127,949	-	127,949	-
Cost of Sales	(96,470)	-	(96,470)	-
Gross profit	31,479	-	31,479	-
Grants and subsidies	42,766	397	29,843	15,138
Other income	7,036	2,373	6,466	544
Distribution costs	(14,682)	-	(14,682)	-
Administrative expenses	(32,799)	(2,265)	(20,601)	(14,891)
Operating profit before interest, tax, depreciation and amortisation	33,800	506	32,504	791
Depreciation and amortisation	(22,835)	(593)	(21,698)	(544)
Operating (loss)/profit	10,965	(88)	10,807	247
Interest income	15	-	15	-
Finance costs	(10,286)	-	(10,040)	(247)
(Loss)/profit before income tax	694	(88)	782	-
Income tax credit/(expense)	1,242	-	1,242	-
(Loss)/profit for year	1,936	(88)	2,023	-

Financial Position trend



Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Financial position	Consolidated	REG	EUCL	EDCL
As at 30 June 2021	Rwf M	Rwf M	Rwf M	Rwf M
ASSETS				
Non-current assets				
Plant and equipment	681,508	20,280	446,171	215,057
Concession intangible asset	58,534	-	58,534	-
Intangible assets	6,220	-	5,976	244
Investment in EUCL	-	55,955	-	-
Investment in EDCL	-	2	-	-
Amounts due from related parties	-	-	7,751	4,179
Total non-current assets	746,262	76,236	518,432	219,480
Current assets				
Concession intangible asset	-	-	-	-
Inventory	28,449	-	11,007	17,443
Trade and other receivables	37,996	63	19,310	18,623
Amounts due from related parties	-	-	-	1,534
Bank and cash balances	31,381	3	17,050	14,328
Total current assets	97,826	66	47,367	51,927
Total assets	844,088	76,303	565,799	271,408
EQUITY AND LIABILITIES	Consolidated	REG	EUCL	EDCL
Equity	Rwf M	Rwf M	Rwf M	Rwf M
Share capital	3	3	40,000	2
Retained earnings	(35,960)	(8,031)	(28,133)	-
Re-organisation reserve	66,423	66,478	15,900	-
Total Equity	30,467	58,451	27,768	2
Non-current liabilities				
Concession intangible obligation	58,534	-	58,534	-
Deferred income tax liability	19,873	-	19,873	-
Grants	519,084	10,036	298,132	211,120
Borrowings	141,984	-	109,152	32,833
Amounts due to related parties	-	7,608	1,922	-
Total non current liabilities	739,475	17,645	487,612	243,952
Current liabilities				
Concession intangible obligation	-	-	-	-
Borrowings	2,303	-	2,303	-
Amounts due to related parties	-	-	3,934	-
Trade and other payables	71,844	208	44,182	27,454
Total current liabilities	74,146	208	50,419	27,454
Total Equity and Liabilities	844,088	76,303	565,799	271,408

Table 10: REG Ltd Consolidated financials

Revenues

Revenue achieved in the year was Frw 127.95 billion compared to Frw 132.90 billion for budget planned, with the variance of -4%. The revenues below the budget by 4% is explained by not achieving the planned energy consumption due to reduction in demand because of COVID-19.

Cost of power

Cost of power was RWF 96.47 billion compared to RWF113.19 billion for the planned budget, with the variance of -16%. The cost was below the budget mainly due to delay of commission of Hakan peat to power plant that was expected to come on grid in April 2020 and supply electricity until the end of the financial year.

Subsidies

Of the committed subsidies of Frw.10.5 billion, Frw.9.5 billion was received during the year in EUCL. And the balance of 1 billion was still outstanding.

Other incomes

The amount was higher than the budget amount due increase in customer projects that were executed during the year.

Operating costs

Overall operating expenditure was increased by 3.18 billion Compared to the budget due to management fees paid to REG of 1.55 billion and network materials given to EDCL from RESSP (EUCL project) of 1.63 billion.

Gross Profit Margin and EBITDA

The company's gross profit has positively improved from Frw 16.51 billion (15%) in 2019/20 to 33.27 billion (26%) in 2020/2021 of the total revenue. There has been also an improvement in EBITDA from 14% in 2019/20 to 27% in 2020/2021.

Investing cash flows

Highlighting on movement of cash flows of EDCL, there were investments of RWF147.344 billion against Frw 138.132 billion for the revised budget FY 2020/2021, all financed by grants and loans (from GoR and Development partners). The following is the summary of budget execution report

Description	Approved Budget	Revised Budget	Execution Budget	Execution Rate
I. EDCL GoR Budget	62,816,577,819	66,396,152,859	94,611,012,626	142%
I.1 Administrative and Support Services	16,808,463,612	16,808,463,612	16,759,785,306	100%
I.2 GoR Development Budget	46,008,114,207	49,587,689,247	77,851,227,320	157%
I.2.1 Electricity Generation	3,060,788,872	2,759,205,581	2,530,104,926	92%
I.2.2 Electricity Transmission And Distribution	30,030,606,066	34,378,391,122	60,645,172,294	176%
I.2.3 Energy Efficiency And Supply Security	12,916,719,269	12,450,092,544	14,675,950,100	118%
II. External Resources	77,694,418,840	58,919,950,675	45,131,084,711	77%
II.1 External Grants	36,529,746,838	31,042,424,798	18,324,139,557	59%
II.2 External Loans	41,164,672,002	27,877,525,877	26,806,945,154	96%
III. Other Revenues	12,332,177,622	12,816,201,622	7,602,094,906	59%
Grand Total	152,843,174,281	138,132,305,156	147,344,192,243	107%

Table 11: EDCL budget Execution Report

The overspending observed on the GoR budget in general and as well as development budget was due to the additional allocation granted after the budget revision to compensate the gap observed on key& critical transmission projects.

Expropriation

During 2020/21 fiscal year, REG/EDCL received 15,199 files worth Frw 6,838,876,508, among them 12,134 files have been compensated for Frw 5,775,267,092 while 3,065 files worth Frw 1,063,609,416 were under process.

2.12. Gender mainstreaming

In terms of promoting gender within the company, REG a full time gender advisor who is in charge of ensuring gender equality is considered at work place and all REG activities are gender sensitive. The following are the key activities done during fiscal year 2020/21:

- Through REG affirmative action plan, the company has completed a 6months training for 31 women with technical background who have completed their studies in IPRCs. The intention of this training was to increase a number of women with technical background who have potential and skills that the company needs and are able to compete for available vacant positions within the company.
- REG HR manual was revised and gender equality was integrated. This was aligned with the affirmative action plan to ensure gender equality and equity promotion will be implemented without much hindrances.
- REG participated in Gender Seal program, where GMO, Private sector and UNDP conducted gender diagnosis within REG. This was conducted by a consultant that was hired by those institutions. The outcomes were positive and REG was awarded among best companies that have worked hard to promote gender equality, the CEO of REG received this award.
- There has been much emphasis in recruiting women mainly in leadership and technical positions, here most position advertised were revised and ensure positions criteria do not act as hindrances to either men or women and as a result of that of all positions recruited in REG and its subsidiaries 43% were given to women.
- REG participated in engendering utilities program and 3 staff who have been participating have complete this one-year program. These employees will work together with the management to continue promoting gender within the company. Again, this team that was under this program is working on the company succession plan which will be gender sensitive, business case as well as change management to ensure gender equality program is strengthened within REG.
- REG celebrated the International women's day virtually due to pandemic of Covid-19. This event involved company staff and other partners. The Chief Gender Monitor (GMO) explained the

importance of gender accountability in energy sector. Through this event, REG awarded 18 women from REG and its subsidiaries who performed well in previous year.

- REG in partnership with Engendering Utilities program, trained men managers on male engagement and these will act as catalysts to other men within REG to ensure gender mainstreaming is perceived well.
- REG is collaboration with WIRE are working on training 25 women with technical background in the whole power system to prepare them to work in REG training center.
- REG/EUCL and EDCL managers were given sessions on unconscious biases at workplace and how to avoid them. This helps to promote gender equity by considering people the same and give them equal opportunities with knowledge to understand who are behind and give them extra support without bias.
- There is continuous following of company compliance on gender policy, sexual harassment policy and affirmative action plan.
- As part of talent attraction and outreach REG worked with GMO to meet and inspired women in technical schools to work in energy sector, REG female engineers spoke to these women and inspired them. This is a continuous process and we are planning more meetings and visits once Covid-19 restrictions are over.

3. CONCLUSION

This report highlights the key achievements realized in the Rwanda Energy Group over the course of fiscal year 2020/21. Though the performance of this year was generally good, REG and its subsidiaries continue to face the following challenges that negatively impact on the delivery of medium and long term goals of the energy sector as stipulated in such strategic documents as the NST1 and REG strategic plan:

1. Insufficient budget for development projects
2. The issue of mismatching demand and power supply
3. End user tariffs that are not cost reflective

As was the case in FY 2019/20, the COVID19 pandemic negatively affected the implementation of some projects in FY2020/21 though not as much as in the previous year.

Despite the above-mentioned challenges, REG is committed to continue engaging its shareholders as well as other stakeholders to find appropriate solutions. REG will also continue to build on the achievements realized and continue to implement policies, programs and strategies to achieve NST1 targets in close collaboration with all stakeholders involved, encouraging teamwork among its employees, as well as strengthening coordination, monitoring and evaluation.

FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Law No. 17/2018 of 13/04/2018 governing companies as modified and complemented to date 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 for the financial year. 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. The directors 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 Law No. 17/2018 of 13/04/2018 governing companies as modified and complemented to date. 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 profit 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 the next twelve months from the date of this statement.

Ron Weiss



Digitally signed
by Ron WEISS
(CEO)
Date:
2022.02.28
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.....
Ron WEISS
Chief Executive Officer

Date .

.....
Dr Didacienne MUKANYILIGIRA
Chairperson

Date 01/03/2022 .

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For year ended 30 June		2021	2020
	Notes	Rwf	Rwf
Revenue	6	127,948,878,814	113,281,837,720
Cost of Sales	7	(96,470,048,808)	(96,772,342,745)
Gross profit		31,478,830,006	16,509,494,975
Grants and subsidies	8	42,745,884,377	36,035,089,084
Other income	9	7,036,112,241	6,043,036,913
Distribution costs	10	(14,681,549,627)	(13,510,192,426)
Administrative expenses	11	(32,778,823,275)	(30,952,664,982)
Operating profit before interest, tax, depreciation and amortisation		33,800,453,721	14,124,763,563
Depreciation and amortisation	12	(22,835,063,668)	(22,787,574,227)
Operating (loss)/profit		10,965,390,053	(8,662,810,664)
Interest income	13(a)	14,946,588	11,124,958
Finance costs	13(b)	(10,286,428,422)	(5,814,833,727)
(Loss)/profit before income tax		693,908,220	(14,466,519,433)
Income tax credit/(expense)	14	1,241,668,057	224,109,601
(Loss)/profit for year		1,935,576,277	(14,242,409,832)
Other comprehensive income (net of tax)		-	-
Other comprehensive income		-	-
Total comprehensive loss for the year		1,935,576,277	(14,242,409,832)

The notes on pages 36 to 63 are an integral part of these financial statements.

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June		2021	2020
ASSETS	Notes	Rwf	Rwf
Non-current assets			
Plant and equipment	15	681,507,730,018	596,979,768,518
Concession intangible asset	16	58,533,877,102	55,962,949,016
Intangible assets	17	6,220,258,405	5,807,431,332
		746,261,865,525	658,750,148,866
Current assets			
Concession intangible asset	16	-	-
Inventory	18	28,449,420,960	27,133,924,704
Trade and other receivables	19	37,995,826,801	36,149,780,103
Amounts due from related parties	25(a)	697	697
Bank and cash balances	19	31,380,867,047	21,482,474,272
		97,826,115,504	84,766,179,776
Total assets		844,087,981,030	743,516,328,642
EQUITY AND LIABILITIES			
Equity			
Share capital	21	3,000,000	3,000,000
Retained earnings		(35,959,546,848)	(38,156,293,259)
Re-organisation reserve	27	66,423,495,945	63,104,763,008
		30,466,949,097	24,951,469,749
Non-current liabilities			
Concession intangible obligation	21(a)	58,533,877,102	55,962,949,016
Deferred income tax liability	22	19,872,797,279	21,114,465,336
Grants	23	519,084,105,985	458,084,943,706
Borrowings	24 ii	141,984,107,070	104,127,136,276
Amounts due to related parties	25(b)i	-	-
Total non-current liabilities		739,474,887,436	639,289,494,333
Current liabilities			
Concession intangible obligation	21(b)	-	-
Borrowings	24 i	2,302,571,990	1,805,837,819
Amounts due to related parties	25(b)ii	(o)	(o)
Trade and other payables	26	71,843,572,507	77,469,526,741
		74,146,144,496	79,275,364,560
Total Equity and Liabilities		844,087,981,030	743,516,328,642

The notes on pages 34 to 63 are an integral part of these financial statements.

The audited consolidated financial statements of Rwanda Energy Group limited as set out on pages 30 to 64 were endorsed to be shared to shareholder by the board of directors on _____ and signed on its behalf by:



Digitally signed
by Ron WEISS
(CEO)
Date: 2022.02.28
12:39:56 +02'00'

Ron WEISS
Chief Executive Officer

Date: .

Dr Didacienne MUKANYILIGIRA
Chairperson

Date: 01/03/2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Reorganisation reserves	Total
For year ended 30 June 2021	Rwf	Rwf	Rwf	Rwf
At 1 July 2020	3,000,000	(38,156,293,259)	63,104,763,008	24,951,469,749
Reorganisation adjustments			3,318,732,937	3,318,732,937
Prior period adjustment		261,170,135		261,170,135
Profit/(loss) for the year		1,935,576,277		1,935,576,277
At 30 June 2021	3,000,000	(35,959,546,848)	66,423,495,945	30,466,949,097
For year ended 30 June 2020				
At 1 July 2019	3,000,000	(23,525,728,340)	63,104,763,008	39,582,034,668
Reorganisation adjustments	-			-
Prior period adjustment		(388,155,087)		(388,155,087)
Profit/(loss) for the year		(14,242,409,832)		(14,242,409,832)
At 30 June 2020	3,000,000	(38,156,293,259)	63,104,763,008	24,951,469,749

The notes on pages 34 to 63 are an integral part of these financial statements.

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

For year ended 30 June

		2021 Rwf	2020 Rwf
<u>Cash flows from operating activities</u>			
(Loss)/profit before income tax		693,908,220	(14,466,519,432)
Adjustments for:		-	-
Prior period adjustment		261,170,135	(376,048,232)
Depreciation	12	22,708,699,134	22,579,477,123
Impairment, loss/(profit) of plant and machinery	15	51,555,870	824,154,480
(Decrease)/increase in provision		-	-
Realised grants		(16,359,855,465)	(15,989,293,717)
Amortisation of intangible assets	12	238,593,118	389,600,451
Interest income		(14,946,588)	(11,124,958)
Cash flows before working capital movements		7,579,124,422	(7,049,754,286)
Changes in:			
- Inventories	18	(1,315,496,256)	(3,898,709,336)
- Trade and other receivables	19	(1,846,046,699)	(14,984,250,276)
- Trade and other payables	26	(5,625,954,235)	16,083,308,134
- Related parties	25(b)i	(2,549,029,786)	(881,842,393)
- Grants		-	-
Cash generated from operations		(3,757,402,553)	(10,731,248,156)
Interest received		14,946,588	11,124,958
Net cash generated from operating activities		(3,742,455,965)	(10,720,123,198)
<u>Cash flows from investing activities</u>			
Receipt of grants		13,133,061,437	25,683,374,127
Amounts due from related parties	25(b)i	2,549,029,786	661,807,567
Proceeds on disposals		-	60,000,000
Purchase of software	17	(651,420,196)	(670,668,518)
Transfer of assets		9,623,975,009	9,238,096,549
Purchase of property and equipment		(113,634,781,199)	(95,354,055,072)
Net cash used investing activities		(88,980,135,162)	(60,381,445,348)
<u>Cash flows from financing activities</u>			
Proceeds/(repayment) loan facilities		38,353,704,966	30,704,859,453
Grants received	23	64,267,279,007	42,468,275,473
Proceeds from related party borrowings		-	-
Net cash used Financing activities		102,620,983,973	73,173,134,926
Net cash in/(out) flow for the period		9,898,392,846	2,071,566,380
Cash and cash equivalents			
At beginning of year		21,482,474,275	19,410,907,895
At end of the year	19	31,380,867,120	21,482,474,275

The notes on pages 34 to 63 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 General information

"The Rwanda Energy Group Ltd (REG) is a private company domiciled in the Republic of Rwanda and wholly owned by Government. It was established in August 2014 and has two subsidiary companies Energy Utility Corporation Ltd (EUCL) and Energy Development Corporation Limited (EDCL) It was formed after dissolution of the Energy, Water and Sanitation Authority (EWSA) through Prime Minister's Order N°87/03 of 16/08/2014.

The core business of the REG is managing the subsidiaries namely Energy Utility Corporation Ltd (EUCL) and Energy Development Corporation Limited (EDCL)

EUCL

The core business of the EUCL is generation, transmission, distribution and retail of electricity generated by Government owned power plants under concession arrangement to different players including the Company and also power purchased from independent power producers.

EDCL

The core business of the EDCL is development of energy projects funded by the Government and other partners.

The address of the Company's registered office is as follows:

Rwanda Energy Group Ltd (REG)
KN82 ST 3, Nyarugenge District, Kigali City,
P.O.Box. 537 Kigali, Rwanda."

2 Going Concern

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

3 Summary of significant accounting policies

a) Basis of accounting and statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

For the Rwandan Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account is presented by the Statement of Comprehensive Income in these financial statements.

c) Summary of significant accounting policies

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. 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 Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in Statement of Comprehensive Income within 'finance income or cost'. All other foreign exchange gains and losses are presented in Statement of Comprehensive Income within 'other income or expenses'.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services or goods supplied, stated net of value-added tax (VAT), returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement."

Revenue is recognised as follows:

- Sales of electricity - external

Electricity sales revenue is recognised when customers on post-paid metering are billed for the power consumed. The billing is done for each monthly billing cycle based on the units consumed as read on the customers' electricity meters and the approved consumer tariffs. Electricity sales revenue for customers on prepaid metering is recognised when customers purchase electricity units. Electricity sales revenue is recognised in the financial statements net of Value Added Tax ("VAT").

Sale of electricity - internal refers to revenue from consumption by Company offices and installations. These revenues are billed and recognised on the same basis described above.

- Revenue from works

Customers are required to fully or part-fund the cost of new installations to their facilities. This amount is paid in advance to the Company as a non-refundable capital contribution. The non-refundable capital contribution is treated as an advance payment until utilised for the construction of the installation paid for."

- Dark fibre revenue

This represents income from rental of Company fibre optic cable lines to third parties. The revenue from renting the lines is recognised on a monthly basis for the period the contract is effective.

- Connections and other non-energy sales

Other revenues include reconnection fees, meter replacement fees, fines, penalties, tender fees and other sundry incomes. They are recognised as they are earned at the rates prescribed by applicable rates or at the amounts agreed with the customers.

- Interest income

Finance revenue comprises interest receivable from bank deposits and other deposits. Finance revenue is recognised as it accrues in Statement of Comprehensive Income, using the effective interest method.

- Subsidies

Subsidies are recognised at the actual amounts received from Government. These amounts are paid directly to the fuel supplier and the tax authorities in order to compensate the cash shortfall arising from a capped regulated tariff.

- Realised grants

Grants are recognised in statement of comprehensive income on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants used to purchase, construct or otherwise acquire non-current assets are recognised in the statement of financial position and transferred to statement of comprehensive income on a systematic and rational basis over the useful lives of the related assets.

- Penalties — Relates to penalties charged to customers and is recognised upon billing of customer or default of the contract.
- Other sundry income — This relates to connection fees charged by EUCL on behalf of EARP project. Revenue is recognised once EUCL acknowledges the amount charged on behalf of EARP.

d) Plant and equipment

"Property, plant and equipment are stated at cost or valuation, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and for qualifying assets, borrowing costs.

The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Residual value, useful life and depreciation methods are reviewed at least annually at the reporting date. Changes in the residual value and expected useful life are accounted for by changing the depreciation charge for the year, and treated as changes in accounting estimates. Freehold land is not depreciated.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve, all other decreases are charged to Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to Statement of Comprehensive Income) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings."

Capital work in progress

Capital work-in-progress is included under property and equipment and comprises costs incurred on ongoing capital works relating to both customer and internal works. These costs include material, transport and labour cost incurred."

Land is not depreciated.

Depreciation on other assets is calculated using the reducing balance method to allocate their cost or revalued amounts to their residual values over their estimated useful lives using the annual depreciation rates as follows:

Buildings - 5%

Generation assets -5%

Transmission assets - 5%

Distribution assets - 5%

Motor vehicles - 25%

Computer equipment - 33.3%

Furniture and fittings - 12.5%

Laboratory Equipment - 25%

e) Service concession agreement

The concession arrangement is governed by the provisions in the Prime Ministers Order N°87/03 of 16/08/2014 Determining Modalities of Transfer of Responsibilities and Property of Energy, Water and Sanitation Authority (EWSA) ("PMO").

Article 5 of the PMO stated that power plants shall remain property of the Government but shall be managed by the companies through concession agreements with the Government. Under this article, Government concessioned eight (8) power plants to EUCL.

The significant terms of the agreement are the following:

- The concession agreement for the eight plants is for twenty (20 years) years;
- As a transitional arrangement for the first 5 years from 18/08/2014 (effective date), the annual concession fee will be restricted to zero (0) Frw to allow for progressive reduction in the weighted cost of generation (weighted average cost of the energy mix);
- After the grace period, monthly payments to Government will be effected by as guided by “Schedule B – Amortisation Schedule” over the useful-life of each generation plant concessioned.

The key obligations of EUCL in this arrangement are:

- Refurbish, operate the plants in accordance with this agreement, prudent utility practices, relevant permits and all laws/regulations;
- adhere to and observe at all times standards and practices concerning the protection of health, safety and the environmental regulations which are then in force and are legally binding in Rwanda;
- Employ staff or engage contractors of high repute and competence to guarantee the smooth operation and maintenance of these plants.

EUCL's rights under this concession agreement are summarized as follows:

- the right to operate, maintain and develop the Plants;
- the right to generate power from the Plants; and
- the right to control and sell power generated by the Plants pursuant to the provisions in this Agreement and other relevant laws and regulations governing the electricity supply industry.

Renewal of the concession agreement

Either party may elect to have the concession renewed for another term whose length, terms and conditions thereof are agreed to by the other party. Once such renewal arrangements have been triggered, the existing terms and conditions remain in force beyond the expiring term albeit on transitional basis until the renewal or lack of it have been fully determined and the rights and obligations have been transferred to an appropriate party.

Expiration without prejudice

The expiration or earlier termination of this Agreement shall be without prejudice to all rights and obligations of the Parties accrued under this Agreement prior to such expiration or earlier termination but otherwise the Parties shall have no further obligations hereunder following such expiration or earlier termination except for obligations which are expressed to survive such expiration or earlier termination pursuant to this Agreement.

EUCL's cashflows are not specified in this contract and vary according to the usage of the concessioned assets.

In accordance with IFRIC 12 , Service Concession Arrangements, the concession asset was classified as an intangible concession asset and the obligation as an intangible concession obligation.

f) Intangible assets

This relates to acquired computer software licences.

They are initially capitalised at cost, which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to Statement of Comprehensive Income using the straight-line method over their estimated useful lives of 10 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in Statement of Comprehensive Income when the changes arise."

Computer software is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from unforeseeable changes of such software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income when the asset is derecognised.

g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Comprehensive Income on a straight-line basis over the period of the lease.

h) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories comprises purchase price, import duties, transport and handling charges and is determined on weighted average basis. Net realisable value is the price at which the inventory can be realised in the normal course of business after allowing for the costs of realisation. Obsolete and defective inventories are fully written off.

i) Trade receivables

Trade receivables are amounts due from customers for services rendered or merchandise sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment."

j) 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.

k) Share capital

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

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

l) 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 Statement of Comprehensive Income over the period of the borrowings, using the effective interest method.

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."

m) Income tax

i) Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in Statement of Comprehensive Income, 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.

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date. The 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.

ii) 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 Statement of Comprehensive Income.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting 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.

The Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss at reporting date, or when there are indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognised in Statement of Comprehensive Income whenever the carrying amount of the asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the asset's or cash-generating unit's (CGU's) fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

n) Retirement benefits obligations

The employees and the Company contribute to the Rwanda Social Security Board, a national defined contributions retirement benefits scheme. Contributions are determined by the country's statutes and the Company's contributions are charged to the income statement.

o) Government and other grants

Government and other grants are recognised where there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments."

p) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

q) Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

r) Impairment of Assets

The Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss at reporting date, or when there are indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognised in Statement of Comprehensive Income whenever the carrying amount of the asset exceeds its recoverable amount.

An asset's recoverable amount is the higher of the asset's or cash-generating unit's (CGU's) fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, an appropriate valuation model is used. Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

s) Application of new and revised International Financial Reporting Standards (IFRS)

(i) Changes in accounting policy and disclosures

The company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2020. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in on 30 September 2021, they did not have a material impact on the annual financial statements of the company. The nature and the impact of each new standard or amendment is described below:

The following amendments did not have an impact on the company

1. IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance Contracts
2. Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
3. Amendments to IAS 1 Classification of Liabilities as Current or Non-current

4.	Amendments to IFRS 3	Reference to the Conceptual Framework
5.	Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
6.	Amendments to IAS 37	Onerous Contracts—Cost of Fulfilling a Contract
7.	Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
8.	Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
9.	Amendments to IAS 8	Definition of Accounting Estimates
10.	Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(ii) Standards issued but not yet effective

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the

remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

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

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to four Standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information

included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither

accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 3 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the periods of the revision and future periods if the revision affects both current and future periods."

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

Deferred tax asset and liability

A deferred tax asset is recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. A deferred tax liability is recognised on timing differences between the carrying amount of assets and the tax written down values. The deferred tax asset is netted off with the deferred tax liability.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as are follows:

Property and equipment

Property and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed at the reporting date and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of assets

Property and equipment are assessed for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

5 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under policies approved by the Directors. The board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The Company has exposure to the following risks as a result of its financial instruments:

a) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is managed by the Board. The credit risk for each new client is analyzed before standard payment and service terms are offered. Credit risk arises from cash at bank and short-term deposits with banks, as well as trade and other receivables. The Company does not have any significant concentrations of credit risk.

For trade receivables, customers are assessed for credit quality, taking into account the financial position, nature of their business, past experience and other factors. The Company does not grade the credit quality of receivables. The carrying amount of financial assets recorded in the financial statements representing the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

	Neither past due nor impaired	Past due not impaired	Impaired	Total
	Rwf	Over 60 days Rwf	Over 365 days Rwf	Rwf
At 30 June 2021				
Trade receivables	22,824,828,128	4,921,718,794	40,165,914,894	67,912,461,817
Other receivables	9,638,550,559	-	-	9,638,550,559
Bank balances	24,353,155,174	-	-	24,353,155,174
Amounts due from related parties	13,464,331,845	-	-	13,464,331,845
	70,280,865,706	4,921,718,794	40,165,914,894	115,368,499,394
	Neither past due nor impaired	Past due not impaired	Impaired	Total
	Rwf	Over 60 days Rwf	Over 365 days Rwf	Rwf
At 30 June 2020				
Trade receivables	17,815,566,901	7,267,412,686	22,757,301,089	47,840,280,676
Other receivables	11,380,914,306	-	-	11,380,914,306
Bank balances	28,501,212,006	-	-	28,501,212,006
Amounts due from related parties	16,397,035,836	-	-	16,397,035,836
	74,094,729,049	7,267,412,686	22,757,301,089	104,119,442,824

b) Market risk

Market risk is the risk that the fair value or future cash flow of financial instruments will fluctuate because of changes in foreign exchange rates, commodity prices and interest rates.

The objective of market risk management policy is to protect and enhance the balance sheet and income statement by managing and controlling market risk exposures within acceptable parameters and to optimise the funding of business operations and facilitate capital expansion. The Company is exposed to the following risks:

b) Market risk (continued)

(i) Currency risk

Currency risk arises primarily from purchasing imported goods and services directly from overseas or indirectly via local suppliers. The Company is exposed to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities that are denominated in a currency other than the functional currency of the Company.

(ii) Commodity risk

The Company is exposed to price risk on the fuel that is used for the generation of electricity.

c) 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. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

The Board performs cash flow forecasting and monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs. 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 carrying amount of financial assets recorded in the financial statements representing the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

	Less than 1 year Rwf	Between 1 and 2 years Rwf	Between 2 and 5 years Rwf	Over 5 years Rwf	Total Rwf
At 30 June 2021					
Trade payables	54,656,328,595	-	-	-	54,656,328,595
Other payables and provisions	29,039,907,216	-	-	-	29,039,907,216
Borrowings	-	-	-	144,286,679,060	144,286,679,060
Amount due to related parties	3,848,986,804	5,079,408,626	5,745,604,545	1,142,279,519	15,816,279,493
	87,545,222,614	5,079,408,626	5,745,604,545	145,428,958,579	243,799,194,365
At 30 June 2020					
Trade payables	50,192,975,409	-	-	-	50,192,975,409
Other payables and provisions	15,423,888,024	-	-	-	15,423,888,024
Borrowings	-	-	-	105,932,974,095	105,932,974,095
Amount due to related parties	5,079,408,626	4,685,948,324	4,598,425,171	2,029,742,449	16,393,524,570
	70,696,272,059	4,685,948,324	4,598,425,171	107,962,716,544	187,943,362,098

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

NOTES

For year ended 30 June	2021 Rwf	2020 Rwf
6 Revenue		
Sales of electricity - external	127,948,878,814	113,281,837,720
Sale of electricity - internal	-	-
	<u>127,948,878,814</u>	<u>113,281,837,720</u>
7 Cost of sales		
Purchase of electricity	83,018,687,919	77,525,442,785
Fuel and lubricating oils	12,554,933,875	16,927,319,228
Exchange loss on Power purchase	-	-
Repairs and maintenance - generation	896,427,014	2,319,580,732
	<u>96,470,048,808</u>	<u>96,772,342,745</u>
8 Grants and subsidies		
Subsidies received GoR & EUCL	49,210,297,764	46,631,014,103
Subsidies received Donors	15,891,910,955	12,042,653,346
Inter-entity transfer (Budget agencies)	-	-
Contribution to private power projects	(38,372,984,241)	(38,563,552,919)
Realised grants	16,016,659,899	15,924,974,554
	<u>42,745,884,377</u>	<u>36,035,089,084</u>
9 Other income		
Management fee	(0)	-
Revenue from works	3,549,752,918	1,806,944,038
Rental income	8,230,000	2,550,000
Other income	562,172,740	702,313,431
Dark fibre revenue	632,594,935	725,352,243
Connections and other non-energy sales	2,283,361,648	2,805,877,201
	<u>7,036,112,241</u>	<u>6,043,036,913</u>
10 Distribution costs		
Electricity and connection works - internal	4,574,979,607	5,143,413,132
Commissions	1,723,808,797	1,562,862,220
Repairs and maintenance	3,895,236,653	5,275,296,774
Impairment of property plant and equipment	-	-
Motor vehicle running expenses	936,476,863	888,048,310
Consumables - distribution	-	-
Temporal manpower	-	-
Provision for bad and doubtful debts and inventory	3,551,047,706	640,571,989
	<u>14,681,549,627</u>	<u>13,510,192,426</u>
11 Administrative expenses		
Salaries and other related costs	15,698,560,432	14,838,232,116
Consultancy and professional fees	6,689,926,347	4,245,083,830
Insurance	642,967,147	957,012,595
Office Supplies	1,133,467,637	396,574,213
Telephone charges	633,235,359	634,469,690
Mission and travelling	2,054,238,535	2,690,626,321
Licence and other taxes	676,192,955	919,431,720
Security expenses	359,435,572	484,507,454
Support to EDCL	-	-
Advertising and promotions	145,586,661	236,347,770
Refreshment and reception expenses	272,758,325	377,565,480

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

For year ended 30 June	2021 Rwf	2020 Rwf
Audit fees	10,400,000	-
Legal fees and damages	28,911,324	438,704,083
Rents and rates	833,746,012	722,066,466
Newspapers, subscriptions and periodicals	-	-
Repairs and maintenance of buildings	575,038,029	496,417,284
Participations and contributions	145,335,578	32,012,575
Loss/(Gain) on disposal of assets	(127,730,295)	790,102,531
Cleaning expenses	82,425,058	153,545,733
Board and ITC meeting fees	5,497,144	6,258,146
Bank Charges and commissions	89,126,297	100,449,764
Donations and charity	361,298,273	56,888,800
REG Facilitation		
Postage & Courier	501,330	559,177
Public Relations & Awareness	424,793,831	428,977,256
Fuel & Lubricants	351,108,915	167,528,250
Utilities - Water & Electricity	56,329,594	41,812,778
Training and related costs	4,583,120	72,889,102
Other use of goods & services	1,375,434,449	1,116,651,856
Solar water heaters	245,664,648	492,001,692
Staff welfare	9,991,000	55,948,300
	<u>32,778,823,275</u>	<u>30,952,664,982</u>
12 Depreciation and amortisation		
Depreciation of assets	22,596,470,550	22,390,299,123
Amortisation of intangible assets	238,593,119	397,275,105
	<u>22,835,063,668</u>	<u>22,787,574,227</u>
13 Interest income and finance costs		
(a) Interest income		
Bank interest income	14,946,588	11,124,958
(b) Finance costs		
Interest on loans	4,756,140,950	4,909,261,756
Exchange losses	5,530,287,472	905,571,971
	<u>10,286,428,422</u>	<u>5,814,833,727</u>
14 Income tax expense		
Current income tax	-	-
Deferred income tax	-	-
- charge for the year	(1,241,668,057)	(224,109,601)
- over provision in respect of prior years	-	-
	<u>(1,241,668,057)</u>	<u>(224,109,601)</u>

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

15. Property, plant and equipment Movement schedule

Cost/Valuation	Land Rwf	Buildings Rwf	Generation assets Rwf	Transmission assets Rwf	Distribution assets Rwf	Motor vehicles Rwf	Furniture and fittings Rwf	Computer equipment Rwf	Laboratory equipment Rwf	Assets under construction Rwf	Total Rwf
At 1 July 2020	6,303,383,698	13,484,537,273	41,829,836,599	258,270,192,379	177,452,519,391	9,458,172,469	1,839,046,841	2,733,883,920	784,465,203	179,119,255,643	691,275,293,417
Additions	-	-	-	6,733,656,385	5,555,559,570	923,623,251	125,989,584	458,064,428	-	100,339,239,159	114,136,132,377
Disposal	(330,425,800)	(95,172,555)	-	-	(533,002,814)	(1,035,327,158)	(19,623,592)	(28,827,750)	(532,570,662)	-	(2,574,950,332)
Adjustments	2,402,189,298	911,896,819	-	260,461,667	31,236,963	-	2,639,750	(23,566,512)	-	(260,461,667)	3,324,396,318
Capitalisation of WIP	-	-	-	20,234,361,974	-	-	-	-	-	(29,065,214,952)	(8,830,852,978)
At 30 June 2021	8,375,147,196	14,301,261,537	41,829,836,599	285,498,672,405	182,506,313,110	9,346,468,562	1,948,052,583	3,139,554,086	251,894,541	250,132,818,182	797,330,018,802
Depreciation											
At 1 July 2020	-	1,890,979,867	5,965,984,968	42,866,335,800	34,290,337,277	6,208,360,720	746,889,601	1,941,950,920	384,685,747	-	94,295,524,899
Charge for the year	-	578,898,824	1,793,194,016	11,500,197,008	7,334,095,457	812,801,760	145,990,104	334,715,220	96,578,160	-	22,596,470,550
Disposals	-	(26,635,844)	-	-	(142,392,543)	(609,337,420)	(12,558,780)	(34,829,356)	(500,402,841)	-	(1,326,156,784)
Adjustments	-	-	-	(332,364,322)	588,810,734	-	3,708	-	-	-	256,450,120
At 30 June 2021	-	2,443,242,847	7,759,178,985	54,034,168,486	42,070,850,925	6,411,825,061	880,324,633	2,241,836,784	(19,138,934)	-	115,822,288,785
Net Book Value											
At 30 June 2020	6,303,383,698	11,593,557,406	35,863,851,691	215,403,856,580	143,162,182,115	3,249,811,749	1,092,157,240	791,933,000	399,779,456	179,119,255,643	596,979,768,518
At 30 June 2021	8,375,147,196	11,858,018,690	34,070,657,614	231,464,503,920	140,435,462,186	2,934,643,502	1,067,727,950	897,717,302	271,033,475	250,132,818,182	681,507,730,018

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

15. Property, plant and equipment Movement schedule (continued)

	Land Rwf	Buildings Rwf	Generation assets Rwf	Transmission assets Rwf	Distribution assets Rwf	Motor vehicles Rwf	Furniture and fittings Rwf	Computer equipment Rwf	Laboratory equipment Rwf	Assets under construction Rwf	Total Rwf
Cost/Valuation											
At 1 July 2019	6,938,994,607	12,761,903,304	41,829,836,599	247,838,012,077	162,027,970,177	9,524,949,524	1,798,225,759	2,596,869,235	784,465,203	120,015,785,807	606,117,012,292
Additions	-	-	-	8,486,522,415	4,614,546,620	143,878,395	45,095,046	276,248,075	-	69,974,959,125	83,541,249,676
Disposal	(666,771,390)	(290,906,012)	-	-	(117,513,215)	(210,655,450)	(4,273,964)	(139,233,389)	-	-	(1,429,353,420)
Adjustments	-	-	-	1,502,254,659	1,544,130,209	-	-	-	-	-	3,046,384,868
Capitalisation of WIP	31,160,481	1,013,539,981	-	443,403,228	9,383,385,599	-	-	-	-	(10,871,489,290)	-
At 30 June 2020	6,303,383,698	13,484,537,273	41,829,836,599	258,270,192,379	177,452,519,391	9,458,172,469	1,839,046,841	2,733,883,920	784,465,203	179,119,255,643	691,275,293,417
Depreciation											
At 1 July 2019	-	1,338,104,581	4,078,409,076	31,005,005,849	27,529,111,248	5,295,097,814	596,012,587	1,684,296,754	251,425,931	-	71,777,463,840
Charge for the year	-	614,291,427	1,887,572,724	11,155,254,994	7,944,099,961	1,067,248,761	129,721,934	358,849,584	133,259,816	-	22,390,299,201
Disposals	-	(61,416,141)	-	-	(25,409,646)	(156,498,443)	(2,249,465)	(115,939,235)	-	-	(361,512,929)
Adjustments	-	-	3,168	706,074,957	(257,464,287)	2,512,589	23,404,545	14,743,817	-	-	489,274,788
At 30 June 2020	-	1,890,979,867	5,965,984,968	42,866,335,800	34,290,337,277	6,208,360,720	746,889,601	1,941,950,920	384,685,747	-	94,295,524,899
Net Book Value											
At 30 June 2019	6,938,994,607	11,423,798,723	37,751,427,523	216,833,006,228	134,498,858,929	4,229,851,710	1,202,213,173	912,572,481	533,039,272	120,015,785,807	534,339,548,453
At 30 June 2020	6,303,383,698	11,593,557,406	35,863,851,691	215,403,856,580	143,162,182,115	3,249,811,749	1,092,157,240	791,933,000	399,779,456	179,119,255,643	596,979,768,518

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

NOTES

	At 30 June	2021 Rwf	2020 Rwf
16 Concession intangible assets			
At beginning of year		55,962,949,016	87,693,536,846
Amortisation/Adjustment		2,570,928,086	(31,730,587,830)
At end of year		58,533,877,102	55,962,949,016
Maturity analysis of the concession intangible asset			
Current		-	-
Non-current		58,533,877,102	55,962,949,016
Non-current portion of financial asset			
The financial asset is recoverable as analysed below:			
Between one and two years		-	-
Between two and three years		-	-
Between three and four years		-	-
Between four and five years		-	-
After five years		58,533,877,102	55,962,949,016
		58,533,877,102	55,962,949,016
17 Intangible assets			
Cost			
At beginning of year		4,105,065,810	4,105,065,810
Addition		651,420,196	
Additions WIP		4,659,677,317	3,989,008,804
At the end of year		9,416,163,323	8,764,743,132
Amortisation		-	-
At beginning of year		2,957,311,800	2,567,711,349
Adjustment		-	(7,674,654)
Charge for the year		238,593,118	397,275,105
At the end of year		3,195,904,918	2,957,311,800
Carrying amount at end of year		6,220,258,405	5,807,431,332
18 Inventory			
Inventories comprise the following items:			
Generation and other network materials		27,142,682,123	25,739,256,723
Fuel and lubricating oils		758,987,741	1,308,218,268
Other stock items		743,347,303	685,238,087
		28,645,017,167	27,732,713,078
Less : Provision for obsolete stock		(195,596,208)	(598,788,374)
		28,449,420,960	27,133,924,704
19 Trade and other receivables			
Trade receivables		73,788,864,431	41,963,878,062
Less: Provision for bad and doubtful debts		(43,696,623,617)	(19,226,592,366)
Net trade receivables		30,092,240,814	22,737,285,696
Other receivables		7,614,597,577	13,404,867,288
Prepayments/Letter of credit		288,988,410	7,627,119
		37,995,826,801	36,149,780,103
20 Bank and cash balances			
Cash at bank		31,364,437,301	21,475,951,720

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

	At 30 June	2021 Rwf	2020 Rwf
	Cash in hand	16,429,745	6,522,552
		<u>31,380,867,047</u>	<u>21,482,474,272</u>
21	Share capital		
	Share capital	<u>3,000,000</u>	<u>3,000,000</u>
	During separation of EWSA into REG and WASAC, the PMO (Official Gazette No 33 bis of 18/09/2014) in article 8 and 9, indicated the assets and liabilities allocated to each company. It further indicated that any liabilities not listed in the PMO to be taken by the new companies, then the relevant ministries of Finance, Energy and Water were to take the liabilities to make sure the new companies are in sound financial base. On separation, the net assets of Frw 63 billion excluded the liabilities thereby making the initial capital be more by the amount determined and agreed by shareholder GoR in shareholder resolution of July 2018 as FRW 185 billion. There was reallocation from reorganization reserve into share capital on registration of the company of RWF 3 million. The reorganization reserve has subsequently been changed to reflect adjustments on other assets that existed at separation but had not been recognised. The total authorized and issued number of ordinary shares is 3,000,000 with a par value of Rwf 1 per share. All issued shares are fully paid.		
22	Concession obligation		
	At beginning of year	55,962,949,016	87,693,536,846
	Adjustment	<u>2,570,928,086</u>	<u>(31,730,587,830)</u>
	At the end of year	<u>58,533,877,102</u>	<u>55,962,949,016</u>
	Maturity analysis of the financial liability		
	Outstanding financial liability	58,533,877,102	55,962,949,016
	Concession financial liability:		
(a)	Current portion	<u>-</u>	<u>-</u>
		<u>58,533,877,102</u>	<u>55,962,949,016</u>
(b)	Non-current portion of the obligation		
	Maturity of concession obligation:		
	Between one and two years	-	-
	Between two and three years	-	-
	Between three and four years	-	-
	Between four and five years	-	-
	After five years	<u>58,533,877,102</u>	<u>55,962,949,016</u>
		<u>58,533,877,102</u>	<u>55,962,949,016</u>
22	Deferred income tax liability		
	At beginning of year	21,114,465,336	21,338,574,937
	De-recognised deferred tax		
	Credit /charge to income statement	<u>(1,258,066,481)</u>	<u>(224,109,601)</u>
	At end of year	<u>19,856,398,855</u>	<u>21,114,465,336</u>
23	Grants		
	Source of funds		
	EDCL Internal Projects	108,350,508,990	74,575,119,005
	Interconnection Project	43,541,170,223	35,230,434,683
	Electricity Access scale-up and sector wide approach development project (EASSDP)	5,763,607,115	2,769,262,160
	Lake Kivu Monitoring Project (LKMP)	-	3,357,908,052

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

	At 30 June	2021 Rwf	2020 Rwf
	Three Hydroelectric Power Plants Rehabilitation Project Mukungwa, Gihira and Gisenyi (R3CHE)	-	-
	Increase Rural Energy Access through Public Private Partnership (IREAPPP)	-	-
	National Domestic Biogas Program (NDBP)	97,866,700	109,423,989
	Scaling-Up Energy Access Project(SEAP)	15,851,226,096	10,904,347,076
	Sustainable Energy Development Project (SEDP)	1,273,648,497	339,973,734
	Dutch Fund (DF)	-	-
	BE1-EARP Project	2,332,800,914	2,332,955,676
	BE2-EARP Project	6,334,063,027	1,405,628,868
	BE3-EARP Project	5,009,196,037	2,426,608,282
	Agence Francaise de Development (AFD)	122,732,299	122,732,299
	Saudi Fund for Development(SFD)	-	-
	Regional Rusumo Falls Hydropower Project-Rwanda Component	-	-
	Other Grants & Grants Connection fees	21,117,385,038	13,073,931,468
	Grants-RBF 3- Grid Densification	1,121,399,363	-
	Grants awarded to former EWSA	-	-
	Electricity Access Rollout Program (EARP)	-	-
	GoR Grant through EDCL	308,168,501,686	311,436,618,414
		<u>519,084,105,985</u>	<u>458,084,943,706</u>
24	Borrowings		
	Bank of Kigali - Peat to Power Project	16,039,619,638	16,018,443,357
	Bank of Kigali - Commercial loan	7,424,106,770	8,537,564,378
	Equity Bank - Commercial loan	4,220,207,550	4,626,088,196
	Cogebanque - Commercial loan	4,515,161,693	-
	Borrowings from development partners	112,087,583,409	71,949,216,897
		<u>144,286,679,060</u>	<u>101,131,312,828</u>
i	Current portion	2,302,571,990	1,805,837,819
ii	Long term portion	141,984,107,070	104,127,136,276
	Amounts due to/from related parties		
25	Amounts due from related parties		
(a)	Energy Utility Corporation Ltd (EUCL)	697	698
	Other L-T receivables from EUCL	-	-
	Amounts advanced to EDCL	-	-
	Amounts advanced to REG	-	-
		<u>697</u>	<u>698</u>
i	Current portion	697	697
ii	Long term portion	-	1
(b)	Amounts due to related parties		
	Amounts advanced from EUCL	(o)	2
	Amounts collected on behalf of REG	-	-
	Amounts collected on behalf of EDCL	-	-
	Short term borrowing from EDCL	-	-

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

At 30 June		2021	2020
		Rwf	Rwf
		(0)	2
i	Current portion	-	-
ii	Long term portion	-	-
26	Trade and other payables		
	Trade payables	53,499,785,252	51,349,518,752
	Other payables	18,343,787,251	26,120,007,990
	General provisions	4	-
	Accruals	-	-
		<u>71,843,572,507</u>	<u>77,469,526,741</u>
27	Re-organisation reserve		
	Balance at year end	<u>66,423,495,945</u>	<u>63,104,763,008</u>

28 Events after reporting

a) Concession and implementation agreement concession fee

In the Concession and implementation agreement between the Government of Rwanda (GoR) represented by the Ministry of Infrastructure and Rwanda Energy Group Ltd (REG) signed on 28 September 2018, it was agreed that the Company would make monthly payments of Rwf. 678 million per month. The Company was further granted a grace period of 5 years under which payments would commence in August 2019. Considering the financial situation of the company and strategic expansion to provide electricity to 100% of the population, there are negotiations that have been started as from September 2019 with the GoR for further grace period. From the shareholders meeting held in November 2020, the concession fee was deferred to 2030. The concession agreement is in the process of being revised to show these effects.

b) Gatsata Thermal Power plant impaired

Gatsata Thermal Power plant which is part of the Concession and implementation agreement between the Government of Rwanda represented by the Ministry of Infrastructure and Rwanda Energy Group Ltd (REG) signed on 28 September 2018 and implemented by assignee EUCL the subsidiary company. This power plant was impaired after assessment of obsolescence was done by EUCL the assignee to the agreement, in July 2019. The above power plant included in the agreement at a value of Frw531,778,800 has been inoperative since 2008. The matter has been presented to the shareholders in November 2020 together with detailed plan on how to retire most of the thermal power plants. There is a process of revision of the Concession and implementation agreement. Once completed the Gatsata plant will be excluded from the concession agreement.

c) Legal claims

REG Ltd had several cases against it due to former EWSA employees. There was a provision of Frw 262,479,237 in the 2016/2017 financial statements relating to compensation on 26 cases that had already been decided in courts of law against REG for former EWSA employees. In subsequent period management followed up this and got guidance from the Ministry of Justice on where the liability falls. It has been established that the liability is not for REG Ltd as much as it was REG Ltd that was taken to court. As such payment of the decided cases was requested to be paid from the GoR. At the time of payment, the amount had increased to more than Frw700 million and decided cases beneficiaries to 58. Payment of the claims for the above cases was made in March 2020. After assessment of the situation and cases that had been provided now paid by another party, the provision of Frw 262,479,237 was derecognized.

In November 2020 GoR further availed Frw 2 billion through EDCL for the payment of any pending cases and a portion of the claim by staff who were no longer in employment in REG Ltd or its subsidiaries. Payments were immediately made REG Ltd/EDCL acting as agents of the GoR. At the moment (April 2020) there are no pending claims in court against REG Ltd. As such the contingent liability crystalized. A further amount of Frw 4 billion was availed in November 2021 for part settlement of remaining of former EWSA staff. This is expected to remove the possible obligation on REG Ltd once completed since the GoR has settled most of the claim.

d) Land registration status

The recognized land in REG assets register are the ones to which REG Ltd has full control and their related costs were properly measured in accordance with IAS 16 Property, Plant and Equipment, subsequent recognition shall be based on the completed and transferred project from subsidiaries to REG Ltd or any other form of acquisition to which related cost can reliably be measured.

Valuation was completed for land and buildings that were identified with values of Frw 3,690,300,000 for 98 plots and Frw 922,654,000 for 90 cabins and civil works included as adjustment to Property, plant and equipment. In the exercise some plots and buildings were also derecognised. The exercise of obtaining land titles under names of REG Ltd is ongoing towards completion.

There are other plots with REG Ltd Infrastructure which were assessed by the consultants to be so small located in big ones owned by individuals and other institutions of which collaboration agreements/MoUs were entered into for infrastructure access rather than formal land legal ownership. This gives REG Ltd full control over the assets on the plots. The exercise to enter into MoUs is still ongoing to finalize.

29 Contingent Assets

In REG

a) There was a case in court of REG vs Access Bank Rwanda Ltd whereby REG Ltd is the plaintiff and won Frw 47,910,165 related to interest on bank deposits not paid on time, fees for legal representative and court fees. The case was appealed by Access Bank Rwanda Ltd and REG Ltd won again. Access Bank Rwanda Ltd appealed the case in the Court of Appeal. The Court of Appeal gave recommendation to settle the matter amicably. After meetings between the two parties in 2021, there was settlement agreement that Access bank will pay REG Ltd RWF 42,080,000 plus RWF 810,000 being of interest and legal fees. The amount was to be paid in 3 instalments within three (3) months, at least one (1) instalment at the end of each month, from the date of signature of this agreement. As at issue of financial statements, first instalment had been received. The amount receivable is certain for the subsequent year 2021/2022

b) REG Ltd had buildings and land in the Former industrial park (at Gikondo) that all businesses/factories were expropriated in February 2020. REG Ltd has not been compensated by relevant Ministry of Trade and Industry (Minicom) for the expropriated land and buildings. The carrying amount of the land and buildings derecognised is Frw 610,405,230 for land and Frw 199,746,105 for buildings. A valuation was done just before demolition that amounted to Frw 1,075,044,962 which negotiations are ongoing for its recovery.

In EUCL

a) Electricity theft cases

Every financial year, the company carries out various campaigns to prevent and fight against electricity theft, identified cases of offenders are sent to prosecution and other relevant authorities, the company has been advised by its revenue protection unit that it is only possible but not probable that cases amounting to Rwf 1.1 billion could be decided in favour of the company. The company continues to follow-up these files, and it is not practical to reasonably determine the timing of the realisation of these cases.

b) Case against Kibuye power limited

Kibuye power (independent power producer) failed and was put under liquidation when it was still owing EUCL an amount totalling to Rwf. 1.7 Billion. Initially EUCL's claim had not been included on the creditors list to be settled during the liquidation. In court pronouncement of 12 January 2017, the liquidator was ordered to add EUCL on the list of creditors. Government of Rwanda through the ministry of finance and

economic planning committed to pay Rwf. 1.2 Billion on behalf of the liquidated company, However the amount to be recovered from the claim is dependent on the proceeds from the purchaser (symbion) and it is probable that EUCL may not receive the amount and not practical to determine the timing of this cashflow, accordingly a provision of the full amount KP1 owed EUCL was done, and appropriate adjustments will done once there is a recovered amount and un recoverable amount.

30 Contingent Liabilities

In EUCL

Legal claims

"EUCL is a defendant in various legal actions arising in the normal course of business. EUCL has been advised by its Legal unit that it is only possible but not probable that cases with claims amounting to Rwf 0.791 billion (2020: Rwf 1.52 Billion) could be decided against EUCL. Accordingly, no provision for liabilities relating to these cases has been made in these financial statements. The Company continues to defend itself against these actions and therefore it is not practical to reasonably determine the timing of the contingent liabilities.

In EDCL

"The review of the Interconnection of Electric Grids of Nile Equatorial Lakes countries Project financial statements (note 17.3 – summary of a contingent liability of the disclosure note) is a contingent liability arising from a claim of price adjustment and interest totaling USD 27,715,751.65 and Frw 40,466,717.

On 19th November 2013, former Energy, Water & Sanitation Authority (EWSA), REG-EDCL's predecessor, signed a contract with KALPATARU Power Transmission Ltd India (KPTL) for the construction of transmission line of 220 KV, Karongi – Rubavu – Kigali - Goma. The project's cost was USD 26,386,234.89 and Frw 5,292,307,425 VAT inclusive. The operational acceptance certificate of works was issued to the contractor on 4 May 2017.

On 3rd April 2017, referring to price adjustment contract clause, KPTL claimed a price adjustment amounting to USD 24,019,967 and Frw 35,070,642 due to additional costs related to the change in price of supplied construction material, installation works and labour.

Both REG-EDCL and KALPATARU having failed on amicable settlement, the case was taken to the Dispute Adjudication Board (DAB). On 31 December 2019, the Board resolved that KALPATARU was entitled to price adjustment and interest totaling USD 27,715,751.65 and Frw 40,466,717.

Unsatisfied with the decision of the DAB, on 4 November 2019 through its lawyers REG/EDCL submitted the case in Arbitration. As per the procedural timetable, the award was expected by the end of April 2021. On 20 September 2021, the Arbitral Tribunal declares, orders and directs that:

- REG must pay KPTL the Price Adjustment in the principal sums of USD 24,019,967 and FRW 35,070,642 within 28 days
- REG must pay KPTL pre-award interest on the Price Adjustment sums at the rate of 6% per annum, compounded annually, calculated on the basis set out in Exhibit R-175, from 18 May 2017 until the date of this Award.

Unsatisfied with the decision of the arbitration, on 15 October 2021 through its lawyers REG petitioned the Commercial High Court of Rwanda to set aside the arbitral award. The case is pending trial.

31 Concession Agreement

In EDCL

On 11 May 2017, the Government of Rwanda represented by EDCL signed a concession agreement with Societe Petroliere Ltd (SP) for design, build, finance, operate and maintain the storage facility for storage of the petroleum products for a concession period of twenty (20) years starting from the first availability date of 13 July 2017. The storage facility capacity was 60 million litres subsequently amended to 66 million litres. The amended total rental fee was USD 227,593,513 that would be paid in different annual instalments (rental payments) within the concession period. As at 30 June 2021, EDCL had paid instalments amounting to USD 49,331,102.42 and the remaining unpaid balance was USD 178,262,410.58. At the end of the concession period, the storage facility will be handed over to EDCL at a valuation cost.

32 Prior year adjustments on Retained Earning

In EUCL

The company adopted International Financial Reporting Standards (IFRS) to improve the quality of information shared with stakeholders. A detailed review of the financial statements necessitated effecting additional adjustments to fully comply with IFRS reporting. Some of these adjustments required effecting prior year. These adjustments are detailed below:

Sales of power

An amount of Rwf 123 million related to refund of FDI (Rwf 59 million) of token not reached to end user (customer) and bill regularisation of electricity consumed by So Energy (Rwf 182.3 million) were done in current year. But, to reflect the true picture of financial statements adjustment has been done through retained earnings.

Cost of power

In 2020-2021 FY an independent power producer operating Janja HPP has invoiced the power supplied in 2016 and 2017 and million fuel taxes for the years of 2015, 2016 and 2017 were paid by EUCL in FY 2020-2021. Therefore, to reflect the true picture of financial statements adjustment totalling 763 million has been done through retained earnings,

Inventory

In financial year 2020-2021 an amount of Rwf 388.4 million of obsolete inventory items related to prior year were not appropriately recorded into inventory. Then, correcting entries have been done through retained earnings.

Trade and other payables

In financial year 2020-2021 EUCL has received invoices from suppliers related to the services and supplies done in prior year. This has brought in an adjustment to retained earnings amounting to Rwf 84 million.

Other sales

An amount of Rwf 109 million related to Pole lease and other sales related to prior year were invoices in Financial Year 2020-2021. And this has been captured through retained earnings to reflect the true picture of financial statement.

Administrative cost

An amount of Rwf 49 million related to previous year of administration expenditure were adjusted through retained earnings.

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Staff Bonus

In Financial year 2020-2021 an amount of Rwf 150 million related to 2019-2020 staff performance bonus was paid to EUCL staff and this has been adjusted through retained earnings to reflect the true picture of financial statement.

Assets

In Financial Year 2020-2021, EUCL has received assets transferred from EDCL. in this asset transfer there were assets completed in previous year which brought in an adjustment of Rwf (809) million of related adjustments.

	Frw
Power Sales	(123,302,348)
Cost of Power	763,179,897
Inventory	(388,406,764)
Administrative expenses	49,308,683
Other Sales	109,144,150
Staff Bonus	150,071,936
Assets	(809,702,197)
Trade payables	84,734,341
Total Adjustment (B)	(289,444,807)

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

ANNEXES TO ANNUAL REPORT

Annex 1: Implementation progress of REG Imihigo FY2020/21

#	Project name	Project scope	Annual target	Implementation Status as of End June 2021
1	Construction of Nyabarongo II (43.5 MW) HPP	Property valuation for Phase I of Nyabarongo II	90%	Asset valuation completed at 92%. Payment of Frw 631.9 million for 433 PAPs In addition, the contract for supervision firm (Owner's engineer) was signed on 18 th January 2021
2	Construction of Hakan Peat to Power (80 MW)	Construction and commissioning of Peat Power Plant of 80MW at Mamba sector-Gisagara District	100%	The power plant construction is completed at 100%. Testing and commissioning ongoing.
3	Construction of Rusumo HPP (80 MW)	Construction of Hydropower Plant at Rusumo	75%	Overall project progress is at 78% with civil works component recorded at 82% and electro-mechanical works at 74%.
4	Construction of 220kV Mamba-Rwabusoro-Bugesera/110kV Bugesera-Gahanga Transmission Line and associated SS	Construction of: - 220kV TL from Mamba to Bugesera; - 110kV TL from Bugesera to Gahanga; - Underground cable from Bugesera Substation to Bugesera Airport - 110kV from Bugesera substation to Bugesera Industrial Park; - Substations of Mamba, Rwabusoro and Bugesera	100%	The project was completed at 100% and commissioned.

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

#	Project name	Project scope	Annual target	Implementation Status as of End June 2021
5	Construction of 23.3 km of 110kV single circuit Mukungwa-Nyabihu Transmission line and associated substations	<ol style="list-style-type: none"> 23.3 km of 110kV single circuit Transmission line, Five substations at Mukungwa (Line Bay), Nyabihu, Camp belge (upgrade), Musha and Rubavu (Temporally). 	55%	<p>Six key components of the project are at different stage as follow:</p> <ol style="list-style-type: none"> Nyabihu substation: 92.93% Rubavu substation: 100% Camp-belge substation: 100% Mukungwa substation: 98% Musha Substation: 50% Transmission line: 78% <p>The overall project progress is recorded at 83%</p>
6	Improvement of Substations and Distribution network (JICA-III), Upgrade of Gasogi substation	<ol style="list-style-type: none"> Construction of 15kV transmission line from Gasogi Substttion to Nyagasambu and 15kV Gasogi-Masaka Extension of Gasogi Substation 	10%	<p>The first phase of land acquisition for tower location and Gasogi substation extension completed at 84%. Contract for construction works was signed on 1st December 2020. Site mobilization completed and levelling at Gasogi Substation started. Detailed designs ongoing.</p> <p>The overall project progress was recorded at 14%</p>
7	Construction of 63.5km of 220kV Rwanda-Burundi Transmission Line and associated SS	<ol style="list-style-type: none"> Construction of 63.5 Km of 220kV Kigoma- Gisagara; Extension of Kigoma substation and Construction of a new substation of Gisagara 	90%	<p>- Construction works progress on transmission line is 93%</p> <p>- Overall substations progress at 84%</p> <p>Overall project progress at 90.03%</p>
8	Construction of 119km of 220kV Single circuit Rusumo-Bugesera-Shango Transmission Line and associated SS	<ol style="list-style-type: none"> Construction of 117.8 Km of 220kV TL; Extension of Bugesera and Shango Substations 	90%	<p>- Transmission Line at 72%</p> <p>- Bugesera substation at 98.2%</p> <p>- Shango substation: 99.92%</p> <p>- Overall Substations progress at 99%</p> <p>- Overall project progress at 90.06%</p>

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

#	Project name	Project scope	Annual target	Implementation Status as of End June 2021
9	Construction of five 220 kV Substations (Birembo, Shango Rubavu, Bwishyura and Kibuye).	Complete the remaining works from ISOLUX contract related to: <ul style="list-style-type: none"> - Completion of extension works at Birembo, Shango and Kibuye - Construction of Rubavu and Bwishyura substations 	50%	Civil works and electromechanical installation completed at Birembo and Shango substations, All material and equipment supplied New contract for construction of remaining substations under advanced procurement stage. Overall project progress is at 60%
10	Construction of 75km Bwishyura - Kigoma-Rwabusoro 220KV Transmission Line and Shema (Symbion) substation	<ol style="list-style-type: none"> 1. Construction of 75km of 220kV transmission lines Bwishyura-Rwabusoro via Kigoma as well as 4 Km TL connecting Shema Plant to the national grid, 2. Extension of of Bwishyura, Kigoma, and Rwabusoro substations 	20%	<p>TL: (4 Km Azouri Section): 29%</p> <ul style="list-style-type: none"> - Excavation of all 19-tower location completed. - Construction materials for civil works supplied. <p>Main line : 0.9%</p> <ul style="list-style-type: none"> - Line route completed - Topographic survey completed <p>Shema 11/110kV SS: 53%</p> <ul style="list-style-type: none"> - Foundation for transformer installation completed. - Foundation for equipment is ongoing - Transformer and its accessories available on site. <p>Kigoma 220/110kV SS: 0.24%</p> <ul style="list-style-type: none"> -Topographic survey completed, <p>Overall project progress is at 21%</p>
11	Construction of 631.85km of streetlights along the National roads	<ol style="list-style-type: none"> 1. Construction of 241.4 Km of LV 2. Service connection to enlighten 724.687 Km along old and new roads countrywide 	30%	<ul style="list-style-type: none"> - Overall project designs: 80% - Procurement of materials: 40% - 31.8 Km of Maranyundo-Mayange- Gako Nemba section has been completed. - 5.8 Km Nyarutarama golf club perimeter completed. - Poles erection at 34 Km Kigali -Kayonza section completed.

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

#	Project name	Project scope	Annual target	Implementation Status as of End June 2021
				<ul style="list-style-type: none"> - 65 Km Kigali-Gatuna on going. - 13.6 Km Musanze-Kinigi ongoing. Overall project is at 32%
12	Construction of 48.06 km of 30kV line from Gabiro SS to Gabiro Commercial Farm	Construction of 30kV distribution line connecting Gabiro Substation to Gabiro Agrobusiness Hub (AGH) in Gatsibo district.	50%	Poles erection completed and stringing ongoing. Overall project progress is at 86%
13	Grid strengthening in Rwamagana, Kayanza & Ngoma districts (8.4km of MV and 42km of LV)	Upgrade the MV line network, installation of new transformers and reconnecting households in targeted Districts	100%	Project was completed at 100% in Q2
14	Upgrade Rubavu distribution network from 6.6 to 30kv	Upgrade the MV line network, installation of new transformers as well as new cabins in Rubavu city	100%	Project was completed at 100% in Q2
15	Upgrade of the Eastern Province network from single phase to three phase	Upgrade the MV line network from single phase to three phase, installation of new transformers and new cabins in targeted Districts	50%	<ul style="list-style-type: none"> - About 46Kms have been upgraded from single phase to three phase by both contractor and in house teams. - Material supply is at 34.5% - Installation is also at 9.34% - Design approvals currently at 13.51% Overall progress is at 57.37%

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

#	Project name	Project scope	Annual target	Implementation Status as of End June 2021
16	Grid service connection of 118, 657 New households	<ul style="list-style-type: none"> - Monitor the implementation of EPC contracts - Supply Material and Monitor the implementation of Line Construction Contracts - Supply Material and deploy inhouse teams in specific sites - Implements Districts contract - Manage Fill in connection of new customers 	118 657HHs connected	178,884 households were connected
17	Grid connection of 260 new productive use areas	Idem as above	260	1,110 PUAs were connected
18	Ensure 26,002 New households are connected to off-grid	<ul style="list-style-type: none"> - Outreach campaign on use of off grid systems - Partnership with private companies in installation of off grid systems 	26,002 households connected to off-grid electricity	72,202 households were connected
19	Reinforcement of Kigali distribution network (8 cabins)	- Construction of 8 cabins	Overall Progress: 40%	Overall Progress: 64.86% <ul style="list-style-type: none"> • Manufacturing & materials supply: 83.29% • FAT Done for all electrical equipments • Cabins Construction, Civil works: .79.69% * Installation of Electrical equipment: 7%
20	Construction of MV distribution lines (Agg. 37Km) associated with the Reinforcement of Kigali distribution network (8 cabins)	- Construction of MV line	Overall Progress: 55%	Overall Progress: 57.76% <ul style="list-style-type: none"> • Mobilization to site: 80% • FAT: 60% •Manufacturing & Material supply: 44%

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Annex2: Details of all the corrections made in the stock of transmission lines

Transmission Lines Reported in 2019/2020				Transmission Lines Reported in 2020/2021			
Transmission Line	Kilovoltage (kV)	Length (Km)		Kilovoltage (kV)	Length (Km)	Negative Changes	Positive Changes
Birembo-Gasogi	110	8.6		110	8.67		0.07
Birembo-Shango	110	9.5		110	9.59		0.09
Bugarama-Gishoma	110	12.2		110	12.27		0.07
Gasogi-Musha	110	17.4		110	17.48		0.08
		0		110	2.14		2.14
Mukungwa-Ntaruka via Gifurwe	110	26.9		110	18.46		0.07
				110	8.51		
Ntaruka-Gifurwe	110	8.5			0	-8.50	
Gifurwe-Ntaruka	110	18.4			0	-18.40	
Gikondo-Jabana I	110	8.3		110	8.36		0.06
Jabana I-Birembo	110	6.9		110	6.97		0.07
Jabana II-Jabana I	110	1.3		110	1.29	-0.01	

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Transmission Lines Reported in 2019/2020			Transmission Lines Reported in 2020/2021				
Transmission Line	Kilovoltage (kV)	Length (Km)		Kilovoltage (kV)	Length (Km)	Negative Changes	Positive Changes
Jabana I-Rulindo	110	25.7		110	25.73		0.03
Jabana-Mt.Kigali-Gahanga	110	27		110	9.64	-0.11	
				110	17.25		
Kabarondo-Rwinkwavu	110	7.2		110	7.25		0.05
Karongi-Kilinda	110	25.1		110	25.11		0.01
Karongi-Ruganda	110	12.4		110	12.41		0.01
Kibogora-Karongi	110	39.2		110	39.20		
Kigoma-Mont Kigali	110	40.3		110	40.33		0.03
Kilinda-Kigoma	110	27.45		110	27.45		
Mamba-Rwabusoro-Bugesera-Gahanga	220	119		220	21.54	-39.51	
				220	40.64		
				110	17.31		
				110	23.10		23.10

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Transmission Lines Reported in 2019/2020				Transmission Lines Reported in 2020/2021			
Transmission Line	Kilovoltage (kV)	Length (Km)		Kilovoltage (kV)	Length (Km)	Negative Changes	Positive Changes
Mirama-Shango	220	92		220	92.01		0.01
Mont Kigali-Gikondo	110	5.2		110	5.22		0.02
Mururu II-Burundi border	110	26.8			0.00	-26.80	
Mururu II-DRC Border	110	3.2			0.00	-3.20	
Mururu I-Kibogora	110	39.3		110	18.46		0.05
				110	20.89		
				110	1.21		1.21
Mururu I-Mururu II	110	0.37		110	0.37		
Musha-Kabarondo	110	23.3		110	23.35		0.05
Ntendezi-Bugarama	110	17.6		110	17.62		0.02
Nyabarongo-Kilinda	110	27.8		110	27.85		0.05
Rubavu-DRC Border	220	5.9		220	7.01		1.11
Rukarara-Kilinda	110	31.2		110	31.29		0.09
Rulindo-Gifurwe	110	24.9		110	24.93		0.03

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Transmission Lines Reported in 2019/2020				Transmission Lines Reported in 2020/2021			
Transmission Line	Kilovoltage (kV)	Length (Km)		Kilovoltage (kV)	Length (Km)	Negative Changes	Positive Changes
Gabiro-Musha	110	45.9		110	45.96		0.06
Rulindo-Gabiro	110	63.8		110	63.86		0.06
Rulindo-Musha via Gabiro	110	109.8				-109.80	
Rubavu-Kibuye/ Kivu Watt	220	57.5		220	57.54		0.04
Shango-Rubavu	220	106.1		220	106.11		0.01
Shango-Kivu WATT-Rubavu & Kibuye	220	163.6				-163.60	
Total Km		1,285.62			944.38	-369.93	28.69

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Annex 3: Generation installed Capacity by end of FY2020/21

N°	Name	On/Off Grid	Installed capacity (MW)
1	Nyabarongo	Grid	28
2	Kivuwatt (Kibuye Gaz methane)	Grid	26.19
3	Jabana 2	Grid	21
4	Gishoma	Grid	15
5	Mukungwa 1	Grid	12
6	Mururu II (Rusizi II)	Grid	12
7	Ntaruka	Grid	11.25
8	SO Energy Birembo	Grid	10
9	SoEnergy Masoro	Grid	10
10	SoEnergy Mukungwa	Grid	10
11	Rukarara 1	Grid	9
12	Gigawatt	Grid	8.5
13	Jabana 1	Grid	7.8
14	Mururu I (Rusizi I)	Grid	4.1
15	Giciye 1	Grid	4
16	Giciye 2	Grid	4
17	KP1 (Methane gaz)	Grid	3.6
18	Mukungwa 2	Grid	3.6
19	Nasho Solar	Grid	3.3
20	Rugezi	Grid	2.6
21	Rwaza	Grid	2.6
22	Rukarara V- Mushishito	Grid	2.3
23	Keya	Grid	2.2
24	Rukarara 2	Grid	2.2
25	Gatuna	Grid	2
26	Nyirantaruko Hpp	Grid	1.84
27	Gihira	Grid	1.8
28	Gisenyi	Grid	1.7
29	Nkora	Grid	0.68
30	Gaseke	Grid	0.5
31	Mazimeru	Grid	0.5
32	Nyirabuhombohombo	Off-grid	0.65
33	Rubagabaga	Grid	0.45
34	Musarara	Grid	0.4
35	Nshili 1	Grid	0.4
36	Agatobwe	Grid	0.39

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

N°	Name	On/Off Grid	Installed capacity (MW)
37	Cyimbili	Grid	0.3
38	Gashashi	Grid	0.28
39	Kigasa MHPP	Grid	0.272
40	Jali Solar	Grid	0.25
41	Janja	Grid	0.2
42	Mutobo	Grid	0.2
43	Nyabahanga	Grid	0.2
44	Murunda	Grid	0.1
45	Nyamyotsi 1 (Nyamisi I)	Off-grid	0.1
46	Nyamyotsi 2	Off-grid	0.1
47	Mukungu PHPP	Off-grid	0.016
48	Giciye III	Grid	9.8
Total			238.368

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Annex 4: Stock of Power transmission lines as of June 2021

No	Line voltage rating (kV)	Description	Length (km)
1	110	Birembo-Gasogi	8.67
2	110	Birembo-Shango	9.59
3	110	Bugarama-Gishoma	12.27
4	110	Bugesera-Bugesera IP	23.10
5	110	Gabiro-Musha	45.96
6	110	Gahanga-Bugesera	17.31
7	110	Gasogi-Musha	17.48
8	110	Gifurwe-Mukungwa (Double Circuit)	18.46
9	110	Gikondo-MountKigali	5.22
10	110	Gikondo - Jabana I	8.36
11	110	Jabana I-Birembo	6.97
12	110	Jabana I-Jabana II	1.29
13	110	JabanaI-Rulindo	25.73
14	110	Kabarondo-Rwinkwavu	7.25
15	110	Karongi-Kibuye	12.41
16	110	Karongi -Kibogora	39.20
17	110	Kibogora-Ntendezi	18.46
18	110	Kibuye-KivuWatt	1.21
19	110	Kigoma-Kilinda	27.45
20	110	Kilinda-Karongi	25.11
21	110	Kilinda-Nyabarongo	27.85
22	110	Kilinda-Rukarara	31.29
23	220	Mamba-Rwabusoro	21.54
24	110	MontKigai-Kigoma	40.33

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

No	Line voltage rating (kV)	Description	Length (km)
25	110	MontKigali-Gahanga	9.64
26	110	MontKigali-Jabana	17.25
27	110	Mururu II-Mururu I	0.37
28	110	Musha-Kabarondo	23.35
29	110	Ndera cut-In cut-out	2.14
30	110	Ntaruka-Gifurwe	8.51
31	110	Ntendezi-Bugarama	17.62
32	110	Ntendezi-Mururu II	20.89
33	220	Rubavu-Goma Border	7.01
34	220	Rubavu - Bwishyura/Kibuye	57.54
35	110	Rulindo-Gabiro	63.86
36	110	Rulindo-Gifurwe	24.93
37	220	Rwabusoro-Bugesera SS	40.64
38	220	Shango - Rubavu	106.11
39	220	Shango -Mirama(Up to Uganda Border)	92.01
TOTAL			944.39

Source: EDCL annual report 2020/2021

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

Annex 5: A list of Substations as of June 2021

S/N	Substation	Location
1	Birembo	Gasabo District
2	Bugarama	Rusizi District
3	Bugesera	Bugesera District
4	Gabiro	Gatsibo District
5	Gahanga	Kicukiro District
6	Gasogi	Gasabo District
7	Gifurwe	Burera District
8	Gikondo	Kicukiro District
9	Gishoma	Rusizi District
10	Jabana	Gasabo District
11	Jabana II	Gasabo District
12	Kabarondo	Kayonza District
13	Karongi	Karongi District
14	Kibogora	Nyamasheke District
15	Kigoma	Ruhango District
16	Kilinda	Karongi District
17	Mamba	Gisagara District
18	Mashyuza	Rusizi District
19	Mont Kigali	Nyarugenge District
20	Mukungwa	Musanze District
21	Mururu I	Rusizi District

Rwanda Energy Group Ltd
Consolidated Annual Report and Audited Financial Statements
For the year ended 30th June 2021

S/N	Substation	Location
22	Musha	Rwamagana District
23	Ndera	Gasabo District
24	Ntaruka	Burera District
25	Ntendezi	Rusizi District
26	Nyabarongo	Muhanga District
27	Nzove	Nyarugenge District
28	Rubavu temporary	Rubavu District
29	Kibuye	Kibuye District
30	Rukarara	Nyamagabe District
31	Rulindo	Rulindo District
32	Rwabusoro	Gisagara District
33	Rwinkwavu	Kayonza District
34	Shango	Gasabo District
35	Poids Lourd	Rubavu District
36	Camp Belge	Musanze District
37	Gatuna	Gicumbi District

Source: EUCL Transmission Department