

REPUBLIC OF RWANDA



Special Guarantee Fund

ANNUAL ACTIVITY REPORT 2020-2021

SEPTEMBER 2021

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FOREWORD

Special Guarantee Fund (SGF), a Government of Rwanda insurance agency mandated to compensate victims of accidents and damages caused by uninsured & non-identified automobiles and wild animals. During 2020-2021 SGF settled claims both related to road accident and wild animal's damages as its core mission, this document includes the overview of insurance sector in Rwanda, the structure of SGF's staff, the list of SGF's Board member, compensation details and other support services performed throughout the whole year as detailed in the report hereinafter. At the end of this report a copy of audited financial statement of 2020-2021 is attached.



Dr. Joseph NZABONIKUZA

Director General

1. EXECUTIVE SUMMARY

During the year under review, a total number of 4,979 new claims have been received from which 4,642 were related to wild animals' damages and 337 claims related to road traffic accidents. Compared to the year 2019-2020, the total number of new claims received increased by 42% attributed mainly to claims for wild animals' damages which increased by 43% and an increase of 36 % increase of claims related to road traffic accidents. On the settlement side FRW 1.3 Billion were compensated to 4,286 claims where FRW 989.7 Million went to 347 claims related to road accident damages and FRW 344.9 Million paid to 3,939 claims related to wild animals' damages.

95 claims that don't fulfill all requirement were rejected from which 50 claims were caused by road accident and 44 claims were caused by wild animals' damages; at the end of the period under review 1,935 claims are pending where (1,739 are claims related to wild animals' damages and 196 claims related to road accident damages) some claims have been settled and waiting for payment while other are waiting for waiting for settlement.

SGF recovered amount worth FRW 100.3 Million from its debtors responsible for road accident across the country. Other activities including prevention of road accident, corporate social responsibility and support services to compensation of victims were well performed as it is shown in the implementation matrix attached at the end of this report, there is an appendix of audited Financial statement for the year 2020-2021.



SGF Vision:

To set road users and wildlife neighbors mind at rest and become a leading institution in this field in Africa.

a. SGF Principles and Core value:

PRINCIPLES	VALUES
Transparency and being accountable	<ul style="list-style-type: none">• Openness: to communicate, consult and provide information timely;
Managing for performance	<ul style="list-style-type: none">• Excellence and timely service: to deliver high quality of service,• Leadership: to set the direction,• Expertise: to develop necessary skills and apply them in a professional manner;• Effectiveness: to achieve objectives,• Efficiency: to achieve value for money,• Propriety: to ensure proper use of public funds,• Teamwork and innovation,• Trust and care• Encouragement
Developing our culture of service	<ul style="list-style-type: none">• Commitment: To give our best• Integrity: To be impartial and ethical• Courtesy: To treat others decently• Responsiveness : To react to problems or claims and changing circumstances,
Living within our means	<ul style="list-style-type: none">• Foresight: To forecast and plan ahead within available resources;• Partnership: To complement other government entities and private sector;

b. Overall Goals of SGF

- 1) To compensate effectively and efficiently victims of accidents and damages as defined by the law
 - ✓ Improve claims management;
 - ✓ Manage litigations and matters in disputes;
 - ✓ Improve the investigation of claims;
 - ✓ Implement MSGH;
 - ✓ Build synergy with different stakeholders.
- 2) To develop a capable, efficient and responsive institution
 - ✓ Enhance transparency, efficiency and good service delivery;
 - ✓ Design an inclusive human resource management and development strategies;



- ✓ Design mechanisms to facilitate management decision-making (Design results-based management and evidence-based decision making mechanisms);
 - ✓ Strengthen ICT;
 - ✓ Promote cooperation with national and international institutions operating in insurance sector.
- 3) To become a proactive institution
- ✓ Set up a proactive insurance verification system;
 - ✓ Build road accidents prevention strategy;
 - ✓ Develop a fraud prevention strategy;
 - ✓ Educate and sensitize the public on SGF mission.
- 4) To ensure its financial sustainability
- ✓ Optimize insurance premiums and audit regularly insurance premiums in insurance companies;
 - ✓ Productively invest reserves;
 - ✓ Recover SGF's money spent on accidents caused by 3rd party motor vehicles not covered by compulsory civil liability insurances;
 - ✓ Reinsure the Special Guarantee Fund.

Organization:

a. The source of funds:

The property of SGF comes from the following sources:

1. Ten per cent (10%) of insurance premiums for automobiles.
2. Five percent (5%) of gross annual income that the organ in charge of tourism gains from tourism activities.
3. Income generating activities, deposits in banks or in capital markets, and any other sources following a decision of the Board of Directors upon proposal by the head of the General Directorate;
4. Donations and bequests;
5. Loans granted to SGF upon approval by the Minister in charge of finance;
6. The state budget allocations, when deemed necessary.

b. Powers:

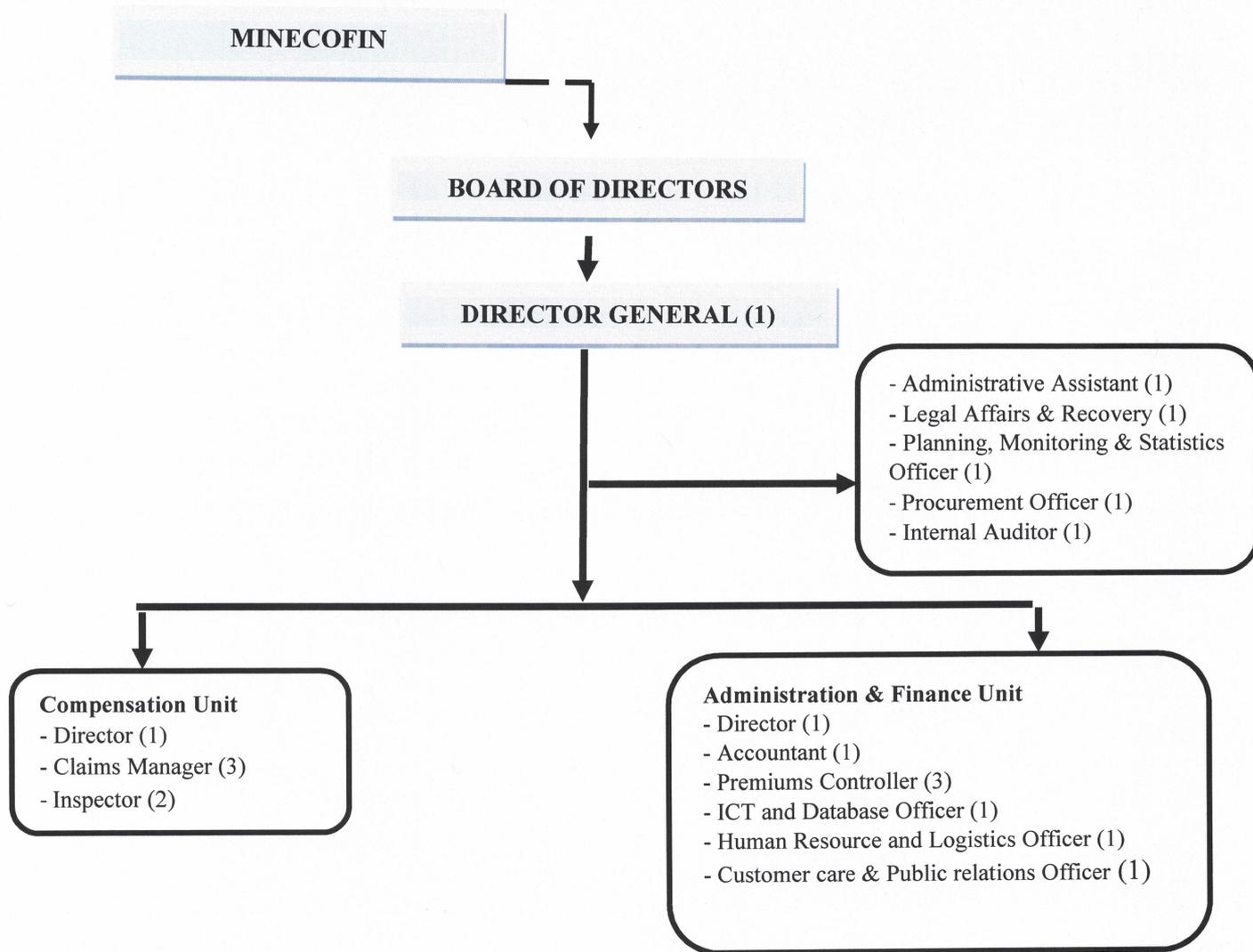
SGF has the power to:

1. Exercise control over insurance companies in relation to payment of insurance premiums for civil liability for motor vehicles;
2. Sell by public auction automobile which caused the accident if, after three months of notification, the owner fails to reimburse the money paid out by SGF. When the money from such a public auction is less than the amount to be recovered, SGF shall have the right to file the case in courts of law in order to obtain the remaining amount of money;
3. Sell by public auction the wreckage of an automobile for which compensation has been paid;



4. Request the insurance company of the automobile which caused the accident to reimburse medical expenses;
5. File a case in courts of law against any person responsible for damage or injury caused by an animal where after a month from the time of notification, he/she failed to reimburse the amount of compensation paid by SGF.

c. Current Organizational Structure



Composition of SGF Board OF DIRECTORS as of 30th June, 2021

#	Names of members	Responsibility
1	KAMPAYANA Augustin	Chairperson
2	MUKAKIMENYI Veneranda	V/Chairperson
3	NKURUNZIZA Mark	Member
4	CP RUMANZI George	Member
5	GAHONGAYIRE KARAKE Doreen	Member
6	DUSABE Théophile	Member
7	KAREMERA UWIMANA Claire	Member



3. CLAIMS MANAGEMENT

Claims management constitutes the SGF core mandate which is to compensate victims of road traffic accidents and damages caused by wild animals. Claims management process includes claims reception and registration, eligibility analysis, investigation, provisioning, computation of compensation fees, transaction with claimants and payment. Hereinafter there are graph showing the evolution of claims reported to SGF in 5 years from July 2016 to June 2021.

Figure 1. Comparative evolution of claims reported to SGF in five years



As it is shown on the graph above, Claims continue to increase every year. An increase of 42% in total claims received from 2019-2020 from which claims related to road accident claims increased by 36% and 43% in claims related to wild animals' damage.



3.1 CLAIMS RELATED TO ROAD ACCIDENT DAMAGES

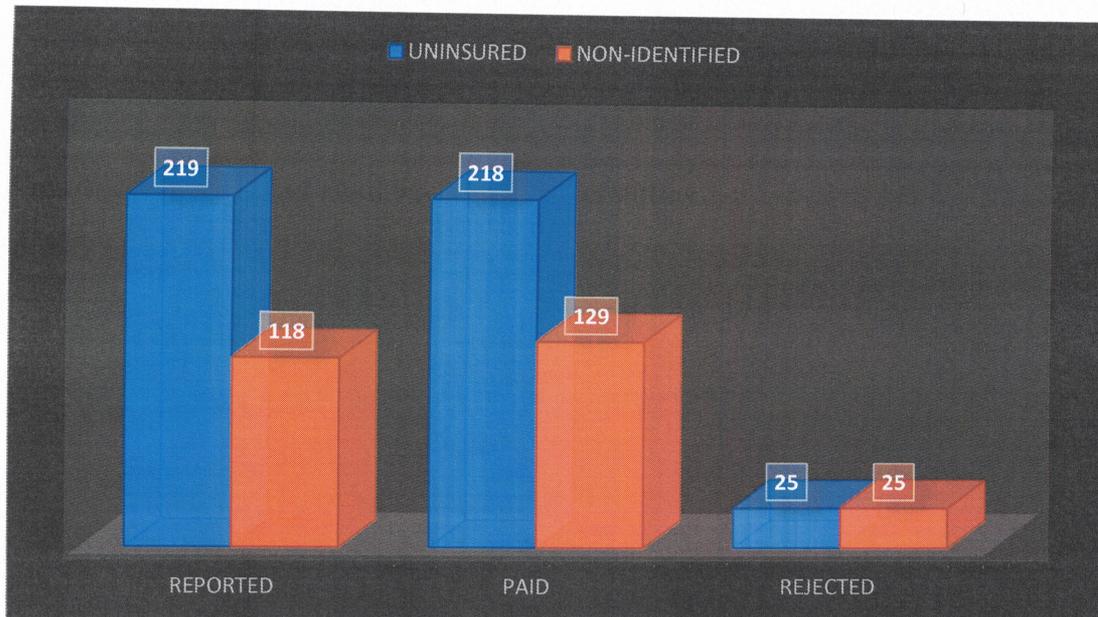
During 2020-2021; 337 claims were received (118 were non-identified and 249 non-insured) by SGF, settlement was done and 347 were paid (129 non-identified and 218 non-insured) while 50 claims were rejected (25 non-identified and 25 non-insured). At the end of June 2021, 196 claims were waiting for settlement of which 62 related to accident caused by non-identified vehicles and 134 by uninsured vehicles.

Table 1. summary of Road accident claims settlement

Types	Damage		Non identified	Non insured	Total	Percentage %
Claims reported	Body injury	number	97	185	282	84
	In Million	provision	510.3	829.2	1,339.6	92
	Property	number	21	34	55	16
		provision	33.4	89.4	122.9	8
	Total	number	118	219	337	100
	provision	543.8	918.7	1,462.5	100	
Claims paid	Body injury	number	113	193	306	88
	In Million	provision	535	958.5	1,493.5	94
	In Million	amount paid	373	567.4	940.4	95
	Property	number	16	25	41	12
	In Million	provision	22.8	77.2	100	6
	In Million	amount paid	12.3	36.9	49.3	5
	Total	number	129	218	347	100
	In Million	provision	557.8	1,035.7	1,593.6	100
In Million	amount paid	385.3	604.4	989.7	100	
Claims rejected	Body injury	number	21	17	38	76
	In Million	provision	71	75	146.1	89
	Property	number	4	8	12	24
	In Million	provision	5.2	12.9	18.1	11
	Total	number	25	25	50	100
	provision	76.2	87.9	164.2	100	
Pending	Body injury	number	51	115	166	85
		provision	259.8	475.3	735.2	95
	Property	number	11	19	30	15
		provision	14.5	28	42.2	5
	Total	number	62	134	196	100
	provision	274.3	503.3	777.7	100	



Figure 2. Summary of road accident claims settlement



In 2020-2021, 247 cases related to road accident were reported at SGF, 219 cases represented by 65% of total claims were caused by non-insured automobiles and 118 representing 35% cases were caused by non-identified automobiles. Compared to the previous year of 2019-2020 number of road accident claims increased by 36% from 247 claims to 337 claims in this year.

Table 2. Summary of road accident claim settlement by type of damage and responsibility

TYPE OF RESPONSIBILITY/ DAMAGE	AUTO	MOTO	NON-IDENTIFIED	Grand Total
NON-IDENTIFIED			119	119
CORPORAL			97	97
MATERIAL/PROPERTY			21	21
UNINSURED	58	160		218
CORPORAL	45	137		182
MATERIAL/PROPERTY	13	23		36
GRAND TOTAL	57	160	119	337

During the period under review, 337 claims were reported at SGF one was caused by a bicycle, 118 caused by non-identified vehicles and 218 caused by vehicles that don't have insurance. 280m accidents caused corporal damages while 57 caused property damages.



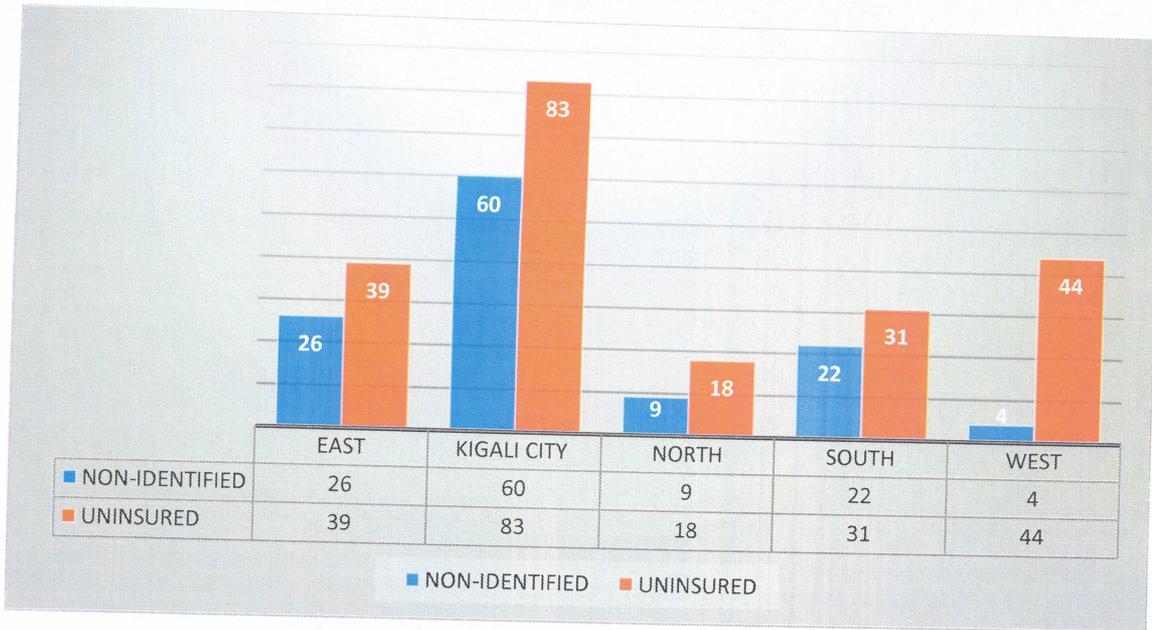
3.1.1 NEW CLAIMS RECEIVED RELATED TO ROAD ACCIDENT DAMAGES

Table 3. New claims received related to road accident damages

PLACE OF ACCIDENT	BICYCLE	NON-IDENTIFIED			UNINSURED			GRAND TOTAL
	CORPORAL	CORPORAL	MATERIAL/PROPERTY	TOTAL	CORPORAL	MATERIAL/PROPERTY	TOTAL	
EAST	1	24	2	26	33	6	39	66
BUGESERA		2		2	1	3	4	6
GATSIBO		1		1	9		9	10
KAYONZA		7	2	9	4	1	5	14
KIREHE		1		1	2	1	3	4
NGOMA	1	2		2	2		2	5
NYAGATARE		8		8	9		9	17
RWAMAGANA		3		3	6	1	7	10
KIGALI CITY		45	15	60	64	19	83	143
GASABO		19	7	26	31	12	43	69
KICUKIRO		12	6	18	14	4	18	36
NYARUGENGE		14	2	16	19	3	22	38
NORTH		9		9	17	1	18	27
BURERA					2		2	2
GAKENKE		1		1				1
GICUMBI		1		1	4	1	5	6
MUSANZE		6		6	5		5	11
RULINDO		1		1	6		6	7
SOUTH		18	4	22	29	2	31	53
GISAGARA		2		2	5	1	6	8
HUYE		3	1	4	2		2	6
KAMONYI		5		5	6		6	11
MUHANGA		1		1	7		7	8
NYAMAGABE			2	2	1	1	2	4
NYANZA		1		1	5		5	6
NYARUGURU					1		1	1
RUHANGO		6	1	7	2		2	9
WEST		4		4	38	6	44	48
KARONGI		1		1	7	1	8	9
NGORORERO					1		1	1
NYABIHU		2		2	1		1	3
NYAMASHEKE					2	1	3	3
RUBAVU		1		1	15	3	18	19
RUSIZI					11	1	12	12
RUTSIRO					1		1	1
GRAND TOTAL	1	100	21	121	181	34	215	337



Figure 3. Summary of road accident claims received by region



As it is shown on the graph above Kigali has 42%, Eastern province with 19%, Southern province with 16%, Western province on the fourth place with 14% and Northern province with only 8% of total claims. Most of road accident claims caused body injury or death as 83% of all reported cases led to corporal damages and only 16% caused property damages.

Road accident both non-insured and non-identified cases in Kayonza and Gasabo districts



3.1.2 PAID CLAIMS RELATED ROAD ACCIDENT CLAIMS

Table 4. Paid claims related to road accident damages

PLACE OF ACCIDENT	NON-IDENTIFIED				UNINSURED				GRAND TOTAL	
	CORPORAL		MATERIAL/PROPERTY		CORPORAL		MATERIAL/PROPERTY		Number of claims	Amount Paid (in Million)
	Number of claims	Amount Paid (in Million)	Number of claims	Amount Paid (in Million)	Number of claims	Amount Paid (in Million)	Number of claims	Amount Paid (in Million)		
EAST	38	117.8	2	1.7	45	166.6	4	3.2	89	289.5
BUGESERA	8	26.8	1	200,790	9	46.5	2	1.5	20	75.1
GATSIBO	4	17.2			9	27.2			13	44.5
KAYONZA	11	28.7	1	1.5	6	19.2			18	49.5
KIREHE					1	3.3	2	1.7	3	50.1
NGOMA	3	7.3			3	6.1			6	13.3
NYAGATARE	6	21.3			8	34.3			14	55.7
RWAMAGANA	6	16.2			9	29.9			15	46.2
KIGALI CITY	33	119.6	12	9.8	69	177.1	19	33.2	133	339.9
GASABO	14	35.3	3	1.3	28	57.3	10	17.1	55	111.2
KICUKIRO	8	60.1	6	3.9	13	43.1	4	5.1	31	112.2
NYARUGENGE	11	24.1	3	4.5	28	76.6	5	11.1	47	116.4
NORTH	13	42.6			16	39.1			29	81.7
BURERA					1	1.6			1	1.6
GAKENKE	1	3.2							1	3.2
GICUMBI	1	1.1			5	15.7			6	16.8
MUSANZE	7	19.9			6	16.5			13	36.4
RULINDO	4	18.2			4	5.2			8	23.4
SOUTH	21	72.7	2	685,997	21	50.4			44	123.8
GISAGARA	1	2.3			2	6.7			3	9.1



HUYE	5	19.7	1	291,697	3	8.6			9	28.7
KAMONYI	5	17.5			6	6.4			11	24.1
MUHANGA	1	390,000			6	12.2			7	12.6
NYAMAGABE					1	2.3			1	2.3
NYANZA	2	2.3			3	14			5	16.3
NYARUGURU	1	15.6							1	15.6
RUHANGO	6	14.7	1	394,300					7	15.1
WEST	8	20.1			42	134.1	2	444,000	52	154.7
KARONGI	4	11.6			2	5.6	1	108,000	7	17.3
NYABIHU	1	2.6			2	8.6			3	11.2
NYAMASHEKE	2	5.3			2	11.5			4	16.9
RUBAVU	1	465,894			27	83.2	1	336,000	29	84.1
RUSIZI					9	25.1			9	25.1
GRAND TOTAL	113	373	16	12.3	193	567.4	25	36.9	347	989.7



During 2020-2021 SGF paid FRW 989 Million to 347 victims of road accident claims, FRW 385 M were paid to 129 victims of non-identified claims and FRW 218 M paid 604 claims of non-insured claims. In Kigali 133 victims were paid FRW 339 Million equivalent to 34% of the total paid amount, the Eastern province had 89 victims paid amount worth FRW 289 Million, in Southern province FRW 154 Million were paid to 52 victims, FRW 123 Million were paid to 44 victims in Southern province while FRW 81 Million were paid in Northern to 29 victims of road accident damages.

On the other side of settlement 50 claim files were rejected due to different reasons including delay in declaration, delay in fulfilling required documents and some vehicles had third party insurance covers. 76% of rejected claims led to corporal damages while 24% caused property damages.

3.1.3 REJECTED CLAIMS RELATED TO ROAD ACCIDENT

Table 5. Rejected claims related to road accident

TYPE OF RESPONSIBILITY	CORPORAL	MATERIAL/ PROPERTY	GRAND TOTAL
BICYCLE	1		1
NON-IDENTIFIED	20	4	24
UNINSURED	17	8	25
GRAND TOTAL	38	12	50

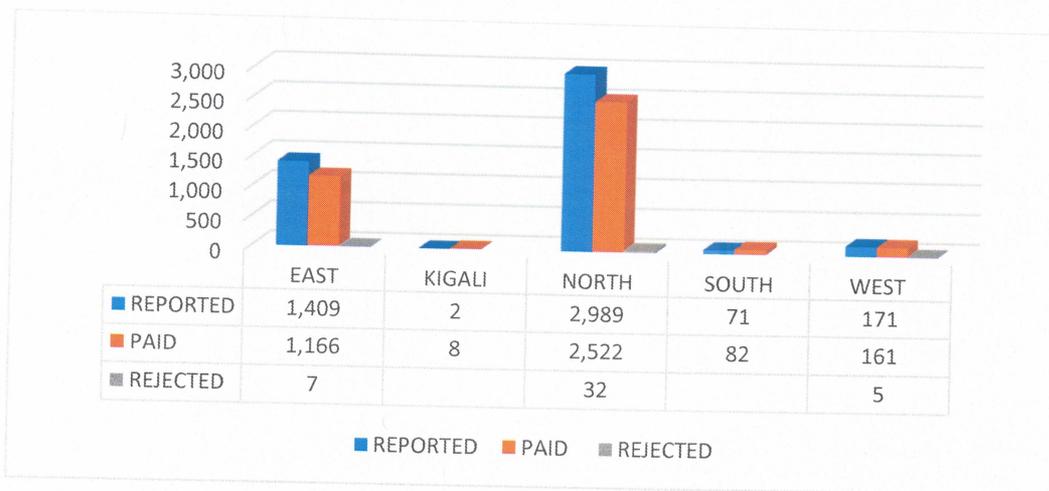


3.2 CLAIMS RELATED TO WILD ANIMALS DAMAGES

During the period under review 4,642 claims were reported at SGF (2,989 claims from Northern province, 1,409 from East, 71 claims from South, 171 claims from Western province and 2 claims were from Kigali city). 64% of total claims were from Northern province, 30% of total claims were from Eastern province, Western province is the third with 171 claims representing 2%, the fourth is Southern province with 71 claims and the last is Kigali city with 2 claims from Kicukiro district Gahanga sector.

Settlement were made 44 claims were rejected and FRW 344 Million were compensated to 3,939 claims (North FRW 150 M paid to 2,522 claims, FRW 173 M paid to 1,166 claims in East, FRW 13 M paid to 162 claims in West, FRW 8 M paid to 82 claims in South and FRW 153,980 paid to 8 claims in Kigali city) while 1,739 claims are still by end June 2021.

Figure 4. Summary of wild animal's damages claims



Transaction with claimants of Wild animals' damages in Musanze district



3.2.1 WILD ANIMALS CLAIMS SETTLEMENT

Table 6. Wild animals' claims settlement

REGION	Reported	Paid Claims	Amount paid	Rejected
<i>EAST</i>	<i>1,409</i>	<i>1,166</i>	<i>172,669,141</i>	<i>7</i>
BUGESERA	34	78	2,437,660	-
GASHORA	10	22	521,260	
JURU	12	26	832,217	
MWOGO	3			
RILIMA	3	1	332,467	
RWERU	6	29	751,716	
GATSIBO	135	109	11,277,383	-
GASANGE		1	11,872	
KIRAMURUZI	3	3	1,502,668	
RWIMBOGO	132	105	9,762,843	
KAYONZA	278	340	85,809,435	1
GAHINI	37	37	14,766,118	
KABARE	27	37	1,295,070	
KATABAGEMU		1	143,200	
MURUNDI	129	175	46,170,617	
MWIRI	53	53	16,381,860	
NDEGO	27	33	5,090,870	1
RWINKWAVU	5	4	1,961,700	
KIREHE	708	445	42,129,365	4
GAHARA	2			
JARAMA	2			
MAHAMA	185	119	7,139,723	
MPANGA	434	260	20,335,510	3
NASHO	54	46	11,954,388	1



REGION	Reported	Paid Claims	Amount paid	Rejected
NYAMUGALI	30	20	2,699,744	
RUGARAMA	1			
NGOMA	141	104	6,908,227	2
GASHANDA	3	1	29,125	1
JARAMA	136	88	3,062,681	1
KAZO	1	1	3,212,992	
RUKUMBERI	1		603,429	
RULENGE		14	201,550	
NYAGATARE	113	90	24,107,071	-
GATUNDA	24			
KARANGAZI	59	68	18,508,285	
KATABAGEMU	1	1	39,340	
NYAGATARE	4	1	100,000	
RWEMPESHA	11	8	1,830,000	
RWIMIYAGA	13	11	3,319,446	
TABAGWE	1	1	310,000	
KIGALI CITY	2	8	153,980	-
KICUKIRO	2	8	153,980	-
GAHANGA	1	8	153,980	
GATENGA	1			
NORTH	2,989	2522	150,375,579	32
BURERA	439	351	27,821,230	1
BUNGWE	33	8	443,605	1
CYANIKA	22	65	1,882,103	
GAHUNGA	198	153	18,784,404	
RUGARAMA	186	125	6,711,118	
MUSANZE	2,550	2,169	122,554,349	31



REGION	Reported	Paid Claims	Amount paid	Rejected
BUSOGO	45	42	5,224,117	3
GAHUNGA	1			
GATARAGA	813	720	27,314,220	3
KINIGI	1,320	990	55,813,545	15
MUHOZA	1			
NYANGE	96	97	9,762,868	
SHINGIRO	274	320	24,439,599	10
SOUTH	71	82	8,195,125	
KAMONYI	1	1	975,000	-
RUNDA	1	1	975,000	
NYAMAGABE	6	22	2,252,319	-
BURUHUKIRO	2	6	146,980	
GATARE	3	4	716,875	
KITABI	1	12	1,388,464	
NYARUGURU	64	63	4,967,806	-
KIVU	33	21	1,325,806	
MUGANZA	9	7	752,000	
NYABIMATA	5	11	865,000	
RUHERU	17	24	2,025,000	
WEST	171	161	13,517,329	5
KARONGI	5	2	1,142,000	
BWISHYURA	1			
TWUMBA	4	2	1,142,000	
NGORORERO	1			
BWIRA	1			
NYABIHU	40	50	6,006,975	
BIGOGWE	5	5	838,722	



REGION	Reported	Paid Claims	Amount paid	Rejected
CYANZARWE		1	420,000	
JENDA	20	30	1,934,555	
KABATWA	3	4	1,763,848	
MUKAMIRA	12	10	1,049,850	
NYAMASHEKE	42	45	3,317,006	
BUSHEKERI	9	8	842,624	
CYATO		6	668,488	
KARAMBI	1			
MAHEMBE		2	182,758	
RANGIRO	31	29	1,623,136	
RUHARAMBUGA	1			
RUBAVU	34	31	1,749,690	2
BUGESHI	9	7	280,500	1
BUSASAMANA	25	24	1,469,190	1
RUSIZI	15	14	523,960	
BUGARAMA	7	10	450,808	
NKUNGU	8	4	73,152	
RUTSIRO	34	19	777,698	3
BONEZA	13	8	188,554	
KIGEYO	3	3	75,100	
MUKURA	7	4	59,783	3
MUSHONYI	1			
NYABIRASI	3			
RUHANGO	7	4	454,261	
GRAND TOTAL	4,642	3,939	344,911,154	44



4. RECOVERY FROM SGF DEBTORS

At the beginning of July 2019 SGF has receivables worth FRW 2,513,752,902 including written and non-written off where non-written receivables equal to FRW 596,639.707. Throughout the whole year the identification and localization of debtors, distribution of recovery letters, negotiation with debtors, participating in auctions were done in order to recover SGF amount that have been compensated to victims of non-insured automobiles.

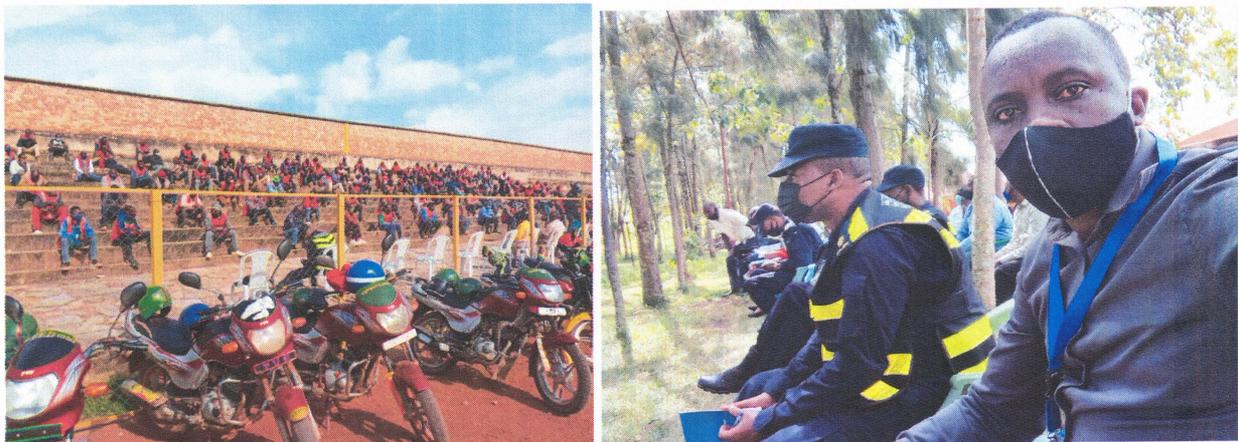
Recovery office managed to recover FRW 100,300,000 out of FRW 185,400,000 that was planned to be recovered in the period under review despite of number of challenges such as covid-19 pandemic that resulted into lockdowns and the challenge of getting information and tracing real debtors and increasing number of non-insured cases reported to SGF that lead to the increase of receivables worth FRW 1,029,793,679 not written at the end of June 2021.

5. CORPORATE AND SOCIAL RESPONSIBILITY AND AWARENESS

5.1 Prevention activities

As it is part of its mission to take part in accidents prevention activities, SGF participated One prevention activity in Northern province Musanze district to prevent wild animals and one campaign on third part insurance and Gerayo Amahoro were done in collaboration with Rwanda National Police.

Gerayo Amahoro campaign in collaboration with RNP





5.2 Kwibuka

SGF staff pay tribute to victims of Genocide at Kiziguro memorial in Gatsibo District and provided a financial support of FRW 5 Million to a cooperative of young Genocide survivors.



6. IMPLEMENTATION OF 2020/2021 SGF ACTION PLAN

Hereinafter is a table showing some of key activities that were performed during the period under review with the rate of their implementation status.

The scoring approach used for action plan evaluation- (*MINECOFIN guidelines*)

GREEN COLOR: **ACHIEVED** – *at least 90%* of the target has been achieved. This indicates that the activity has been completed at an excellent level.

YELLOW COLOR: **PARTIALLY ACHIEVED** – When the result is *between 50% and 89%* of the target. This indicates that the target is not achieved, but the achievement level has been in the range of good and very good.

RED COLOR: **NOT ACHIEVED** – When the achievement is *less than 50%* of the target. This indicates that the objective is not achieved due to internal or exogenous factors.



Table 7. SGF, 2020-2021 ACTION PLAN IMPLEMENTATION STATUS

No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
OUTCOME 1: ENHANCED CLAIMS SETTLEMENT AND CUSTOMER							
	Claims properly and timely settled	% of claims settlement	91% of claims settlement 3,496 claims RA:247 WA: 3,268 were reported at SGF, 3,804 claims were paid, 95 claims were rejected and 1,342 claims were pending (570 claims for payment and 772 for settlement and fulfillment of requirements by end June 2020)	100% of received claims to be settled within the required timeframe	Manage claims, conduct field investigation for accidents, speed up the claims settlement within 30 days, Giving feedback to claimants timely, pay eligible claims fulfilled requirement within 15 days	COMPENSATION UNIT	Achieved at 95% 3,962 new claims in to 662 pending claims total to be settled 4,624 4,286 claims paid 85 claims rejected
2	Customer complaints addressed	% of customer complaints addressed out of total complaints received	100% complaints received addressed in FY 2019/20	100% of all received customer complaints to be addressed	Record properly and timely customer complaints and address	COMPENSATION UNIT and Administration & Finance	Achieved at 70%: 11 complaints received but not addressed timely.



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
3	SGF participation in road traffic accidents and wild animals damages prevention activities strengthened	Number of road traffic accidents and wild animals prevention activities conducted	SGF financial contribution in road accident prevention in Gerayo Amahoro campaign	Having actively participated at least in 1 road accident prevention campaign and 1 campaign in wild animals damages prevention by end June 2021	Participation and financial contribution in "Gerayo Amahoro" road safety campaign, Organize a SGF week to sensitize third party insurance cover of motor vehicles in the whole country, Organize and participate at least one prevention activity in one area neighboring national park to prevent wild animals damages	COMPENSATION UNIT	<p>Done</p> <p>One prevention activity in Northern province Musanze district to prevent wild animals and one campaign on third part insurance and Gerayo Amahoro were done in collaboration with Rwanda National Police.</p>



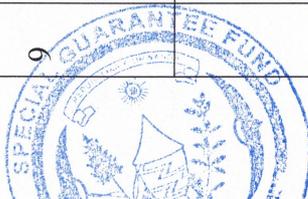
No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
4	Ministry of health and Public hospitals engagement in re-examining and certifying the level of disability suffered by victims of accident whenever deemed necessary	Number of public hospital in collaboration with SGF	Collaboration with a private hospital (L-a medical) to certify the level of disability	Having MoU with at least one public hospital to collaborate with SGF	Writing letters requesting for the public hospitals for collaboration, make follow up	COMPENSATION UNIT	Done Official request were sent to 3 public hospitals CHUK, KMH & Kacyiru hospital), CHUK accepted the request, MH rejected .
OUTCOME 2: SUSTAINED SGF FINANCIAL HEALTH							
5	Investment revenues increased	% change in investment revenues	10% to be increased by end June 2020 (From FRW 167.1 million in 2018/19 to FRW 235.4 Million in 2019/20)	12% increase in revenues from investment in Government securities, term deposits in banks, RNIT Iterambere Fund and HORIZON Group commercial paper to reach FRW 263.3 million by end June 2021.	Invest available funds in Government securities, term deposits, commercial banks and RNIT	Finance & Administration	Achieved 28.6% increase: Investment revenues amount estimated to reach FRW 302.8 Million by end June 2021
6	Debts due to SGF recovered	Amount recovered	FRW 123.6 million so far	50% increase in money recovered from	Identify and locate, register responsible of		Achieved at 53%: 27% increase, FRW 100.3 Million



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
			recovered in 2019/2020	owners of uninsured vehicles that caused accidents compensated by SGF to reach FRW185.4 million by end June 2021.	road accidents caused by non-insured automobiles, conclude recovery contracts and appeal to courts of law.		recovered from SGF debtors by June 2021
	SGF budget & revised budget prepared, approved and executed	Availability of 2021/22 approved budget	2020/21 approved budget available	Approved 2021/22 budget to be availed by end June 2021	Prepare SGF budget 2021/22		Done The 2021/2022 SGF budget has been prepared waiting for approval
		Availability of 2020/21 revised budget approved	2019/20 approved revised budget available	Revised 2020/21 budget to be availed by end December 2020	Revise the budget 2020/21		Achieved The 2020-2021 budget revision has been prepared and approved



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
8	Financial reports prepared and submitted	Number of financial reports prepared and submitted	Quarterly financial reports for Financial 2020/2021 prepared and submitted	Quarterly financial reports 2020/21 prepared and submitted not later than one month following the reporting period	Prepare periodic financial reports		Done All financial statements Q4 of 2019-2020 and 3 Quarters of 2020-2021 were submitted within the timeframe
9	Availability of approved annual premiums verification plan	2019/2020 premiums verification plan availed and approved	2020/2021 premiums verification plan availed and approved by end July 2020	Prepare 2020/2021 premium verification plan	Prepare the annual premium verification plan and execute it		Achieved The 2020-2021 annual premium verification plan and is under its execution
10	Premiums declarations verified and confirmed	Number of premiums declarations verified and confirmed	17 premium verification conducted in 9 insurance companies and Akagera Management Group	18 premium verifications conducted in 9 insurance companies and Akagera Management Group	Conduct premium verification in all insurance companies, prepare related verification reports, make a follow up on each verified insurance companies		Done 18 premiums verifications planned in 2020/2021 were completed on 9 insurance companies



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
OUTCOME 3: SUSTAINED PERFORMANCE, ACCOUNTABILITY AND COMPLIANCE WITH LAWS AND REGULATIONS							
11	Staff capacity improved through training	Availability of an approved HR capacity building plan	2019/2020 approved capacity building plan available	2020/2021 approved capacity building plan to be availed by end July 2020, To prepare internal capacity building plan and train SGF's staff	Conduct capacity need assessment and prepare 2020/2021 annual capacity building plans		Done 2020-2021 capacity building plan was prepared
12	Human resources management support functions adequately provided	Number of staff meetings occurred	2 staff meetings occurred in 2019/2020	At least one meeting per quarter to occur during 2020/2021	Make a calendar for staff meeting		Achieved at 75%: 3 staff meeting conducted in 2020/2021
13	SGF assets, materials/stationeries management improved	Availability of periodic stock inventory reports	12 monthly stock inventory reports available	Monthly stock inventory reports prepared and submitted	Prepare quarterly stock inventory reports not later than 15 days following the reporting period		Achieved all 11 monthly stock inventory reports were prepared and submitted timely
14	SGF assets register availed and updated	Availability of an updated fixed assets register	Fixed assets register available	An updated fixed assets register availed every quarter	Prepare quarterly inventory of fixed assets register	HR & Logistics Officer	On track Q1, Q2 and Q3 fixed assets register were prepared within the required timeframe



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
15	Logistics support services provided timely and adequately	Logistics support services provided	100% of needed logistics support provided	100% of needed logistics support provided	Prepare missions, purchase orders, and other logistics arrangements		On track all logistics support were provided timely
16	Automation of AIMSOFI and	Number of available operational portals to access SGF online services	Some portal to access SGF online service available and functional.	All online portals to remain accessible and maintained in 2020/2021	To make a daily follow up on functions of AIMSOFI and work, Create a recovery portal and make it functional, Upgrade all portals to enable all required information	ICT Officer	In progress: The revamp of AIMSOFI to start on 29 th June 2021 by QT Software Ltd
17	ICT services provided satisfactory	Availability of functional internal and external backup	A functional internal and external data backup available	Internal and external backup to be functional and available in 2020/2021	Monitor and ensure accessible and maintenance of SGF online services and ICT infrastructure in place		Done Regular internal and external backup have been done timely



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
18	SGF plans developed and timely carried out to sustain the achievements of expected results	Approved annual action plan	SGF 2019/20 approved annual action plan available	SGF 2021/2022 approved action plan available by end June 2021	Prepare SGF single annual action plan and detailed action plan		Done The 2021/2022 action has been prepared waiting for Board's approval
19	Statistics on SGF data collected and disseminated to relevant stakeholders	Statistical reports availed and shared to relevant stakeholders	2019/2020 Quarterly statistic reports available	Quarterly and annual Statistics reports availed to stakeholders not later than one month following the reporting period	Collect, analyze data and consolidate data to make a statistical report and share to SGF's stakeholders	Planning, M&S Officer	Done 2019-2020 annual statistics report and Q1, Q2 & Q3 statistics report have been shared to relevant stakeholders
20	Periodic activity reports produced	Activity reports prepared and submitted	2019/2020 periodic activity reports available	2020/2021 Annual, quarterly and monthly activity report availed not later than one month following the reporting period	Prepare all monthly, quarterly and annual activity reports		Done 2019-2020 annual report and 2020-2021 periodic reports have been prepared timely



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
21	Monitoring and Evaluation timely and adequately provided	availability of Monitoring and Evaluation reports	2019/20 Monitoring and evaluation reports available	Monitoring and evaluation conducted adequately and timely	Conduct regular monitoring & evaluation of action plans and recommendations and prepare reports		On track Monitoring of action plan implementation status and RBM submission has been done regularly
22	Procurement plan prepared and executed	Availability of 2020/2021 procurement plan approved	Approved 2019/2020 procurement plan available	Approved 2021/22 procurement plan to be availed by end June 2021	Conduct needs assessment and prepare procurement plan, Publish and execute tenders		Done The procurement plan has been prepared waiting for Board's approval
23	All planned tenders to be fully executed at 100% within the required timeframe	% of planned tenders executed	91% of planned tenders have been fully executed	28 planned to be fully executed of planned tenders for 2020/21 to be executed by end June 2021	Execute the annual procurement plan, Prepare tender documents, publish tenders, conduct evaluation for tenders and award tender to successful bidders	Procurement Officer	Achieved at 86%: Out of 28 tenders that were planned 24 of them have fully completed, 4 were not published



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
24	Progress report prepared and submitted to RPPA within the required timeframe	Proportion of monthly procurement progress reports to RPPA submitted within timeframe	100% of monthly progress reports to RPPA have been submitted within the timeframe	Prepare and submit all monthly progress report to RPPA within the timeframe	Prepare monthly progress report and submit to RPPA		On track All monthly reports are produced with the E-procurement system
25	Improved SGF processes regarding internal control, risk and governance reviewed for SGF performance	Number of financial reviews conducted Availability of internal control assessment document	4 quarterly financial reviews conducted and completed in 2018/2019 Assessed internal controls in 2019/2020	4 quarterly financial review to be completed by end June 2020 Assessment of effectiveness of internal controls conducted	Conduct periodic financial review Conduct an assessment on the effectiveness of the internal controls	Internal auditor	On track The field work has been Completed but is waiting for the review of the Office of Chief Internal Auditor. Q3 Postponed to July due to effect of SGF Office relocation on Financial records On track, Field work has been Completed but is waiting for the review of the Office of Chief Internal Auditor



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
		Availability of an internal audit plan	Available audit plan for FY 2020/2021	Risk based internal audit plan for 2021-2022 conducted	Prepare an audit plan for 2021/2022		Fully completed
		Availability of an audit report for the audited function	Performance audit conducted in compensation in 2019/2020 by OAG	Compensation of automobiles damages and corresponding MSGH cases completed Compensation of animal damages and corresponding MSGH cases completed	Notify concerned unit and staff about the audit, Organize an opening and closing meetings collect and examine all necessary files, produce a report with recommendations		Postponed to next year due to effect of COVID 19 on implementation of audit plan 2020-2021
			Legal audit conducted in 2019/2020	Legal issues handling and debt recovery completed			Field work has been Completed but is waiting for the review of the Office of Chief Internal Auditor
		Availability of monthly and quarterly status reports	Available monthly status reports on incoming and	Management administrative assistance services to be	Maintain proper recording and filing system;		On track, This audit in Legal will be completed by end June 2021
26	Management administrative assistance services					Administrative assistance	On progress Management administrative assistance services were provided and their



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
	adequately and timely provided		outgoing mails in 2019/2020	adequately and timely delivered in 2020/2021	Perform other clerical services to related meetings; Prepare and submit monthly and quarterly status reports not later than 10 days following the reporting period		periodic reports were prepared
27	Legal and advisory services on all legal matters involving SGF provided	Proportion of legal opinions provided in total legal matters involving SGF	All 22 matters that required legal opinions have been provided timely.	100% of legal matters involving SGF to receive legal and advisory opinions within the required timeframe	Provide all legal opinions on legal matters requested		Completed 2 legal matters requesting for legal opinions were provided timely
28	All court's decision fully executed	Number of court decision fully executed	Available reports on court decision execution in FY 2019/20	Represent SGF before the courts in different juridical cases that have been taken to court	Record all SGF courts judgements execution, Prepare juridical provisions and prepare periodic reports on legal matters involving SGF	Legal affairs	Done SGF were represented before the court in 26 cases among which 3 cases were won and 21 dismissed



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
29	SGF contracts and MoU drafted effectively and timely	Number of contracts and MoU drafted	Available contracts drafted in 2019/2020	Draft all contracts and MoU involving SGF	Draft contracts, MoUs and other legal documents between SGF and the third party		Done 16 contracts have been drafted timely among which 1 of them was executed with delay
30	SGF ministerial order drafted	Available draft of ministerial order	Availability of ministerial order drafted in 2017/18	Revise the SGF ministerial order	Revise the ministerial order		Done SGF legal instruments including ministerial order establishing SGF have been drafted waiting for validation of Law reform commission
OUTCOME 4: IMPROVED PUBLIC AWARENESS ON SGF MISSION AND ACTIVITIES							
31	Public awareness activities conducted	Number of articles published on SGF website	4 articles, news and events published on SGF website	At least one article per month to be published	Draft news on organized events to be published on SGF's website, Working with media on road safety campaign, Produce promotional materials, awareness	Finance & Administration and Compensation	Achieved at 100% 4 articles have been published on SGF's website.



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
		Active partnership with stakeholders	Training of drivers of motorcycles in Kigali City	MOU signed with FERWACOTAM O on monitoring third part insurance cover amidst their members across the country.	Putting in place insurance monitoring mechanism for motorcycles operating as taxi.		Completed MOU between SGF and FERWACOTAM has been signed



No	Output	Indicators	Baseline	Targets/Milestones	Activities to Deliver output	Responsible unit/post	Implementation status
32	Corporate social responsibility programs implemented	Number of corporate social responsibility implemented	2 events sponsorship of Rwanda volleyball federation and financial support given to Genocide survivors in Nyabihu district occurred in the FY 2018/2019	Support identified needy victims of the Genocide against Tutsi	Identify the needy victims of the Genocide against the Tutsi, Provide financial support in sport activities especially involved in sectors neighboring national parks		<p>Done SGF gave a financial support to cooperatives of youth who are Genocide survivors and supported the Kiziguro Genocide memorial site</p>



**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
GENERAL INFORMATION**

Country of incorporation and domicile	Rwanda																
Nature of business and principal activities	Special Guarantee Fund is Public financial institution affiliated to the Ministry of Finance and Economic planning (MINECOFIN) and supervised by the National Bank of Rwanda (BNR). Its mission is to compensate victims of damages caused by non insured and non identified automobiles and by specified wild animals.																
Board of Directors	<table border="0"> <tr> <td>Mr. KAMPAYANA Augustin</td> <td>Chairperson</td> </tr> <tr> <td>Mrs. MUKAKIMENYI Veneranda</td> <td>Vice Chairperson</td> </tr> <tr> <td>Mr. NKURUNZIZA Mark</td> <td>Member</td> </tr> <tr> <td>Mrs. KAREMERA UWIMANA Claire</td> <td>Member</td> </tr> <tr> <td>Mrs. GAHONGAYIRE KARAKE Doreen</td> <td>Member</td> </tr> <tr> <td>Mr. DUSABE Theophile</td> <td>Member</td> </tr> <tr> <td>CP. RUMANZI George</td> <td>Member</td> </tr> <tr> <td>Dr NZABONIKUZA Joseph</td> <td>Director General</td> </tr> </table>	Mr. KAMPAYANA Augustin	Chairperson	Mrs. MUKAKIMENYI Veneranda	Vice Chairperson	Mr. NKURUNZIZA Mark	Member	Mrs. KAREMERA UWIMANA Claire	Member	Mrs. GAHONGAYIRE KARAKE Doreen	Member	Mr. DUSABE Theophile	Member	CP. RUMANZI George	Member	Dr NZABONIKUZA Joseph	Director General
Mr. KAMPAYANA Augustin	Chairperson																
Mrs. MUKAKIMENYI Veneranda	Vice Chairperson																
Mr. NKURUNZIZA Mark	Member																
Mrs. KAREMERA UWIMANA Claire	Member																
Mrs. GAHONGAYIRE KARAKE Doreen	Member																
Mr. DUSABE Theophile	Member																
CP. RUMANZI George	Member																
Dr NZABONIKUZA Joseph	Director General																
Registered office	Special Guarantee Fund P.O Box 7359 Kigali-Rwanda																
Bankers	<p>National Bank of Rwanda Avenue paul IV PO Box 531 Kigali, Rwanda</p> <p>Bank of Kigali Plc P.O Box 175 Kigali-Rwanda</p> <p>Guarantee Trust Bank Rwanda Plc P.O Box 331 Kigali, Rwanda</p> <p>Bank Populaire du Rwanda (Part of Atlas Mala) 32 avenue de l'armee PO Box 1348 Kigali, Rwanda</p>																
Auditors	BDO EA Rwanda Ltd Certified Public Accountants Career Center Building 8th Floor KG 541 ST, P.O Box 6593 Kigali, Rwanda																

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
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**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their report on the financial statements of Special Guarantee Fund for the year ended June 30, 2021.

1. Nature of business

Special Guarantee Fund is Public financial institution affiliated to the ministry of finance and economic planning and supervised by the national bank of Rwanda (BNR).

The principal activities of the institution is:

1. To compensate victims of road accident caused by an automobile when:

(a) Automobile is not identified.

(b) The civil liability is not covered by compulsory civil liability Insurance for Motor Vehicles.

(c) The Automobile was stolen or taken away from it's owner or driver or from any other person that has right over the automobile.

2. To compensate victims of damage caused by wild animals,

3. To help in covering medical expenses for people injured or incapacitated by accident caused by automobiles or animals while waiting for the person responsible for civil liability to be identified,

4. To collect comprehensive data on insurance for automobiles through insurance companies, Rwanda revenue authority and other institutions in order to know which automobiles are not insured so that in collaboration with police organs they can be removed from road traffic,

5. To participate in accident prevention activities,

6. To take part in activities meant to assist and advise the victims of the accidents mentioned and when they claim compensation and thereafter.

There have been no material changes to the nature of the organisation's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Law no 052/2011 of 14/12/2011 governing public institutions. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these financial statements.

3. Directors

The directors in office at the date of this report are listed on page 1.

4. Going concern

The directors believe that the Institution has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors are not aware of any new material changes that may adversely impact the institution. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Institution.

5. Litigation statement

The Institution becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Institution is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
REPORT OF THE DIRECTORS**

6. Auditors

BDO EA Rwanda Ltd has been appointed by Directors as external auditor for the current year and expressed their willingness to continue in the office in accordance with Rwandan Public Procurement law and companies Act.

By Order of the Board

SGF (DIRECTOR
GENERAL)

Digitally signed by SGF
(DIRECTOR GENERAL)
Date: 2021.09.30
17:53:05 +02'00'

Director General

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The law no 52/12/2011 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the end of financial year and of the operating results of that year. It also requires the directors to ensure the organization keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the organization. They are also responsible for safeguarding the assets of the society.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with international financial reporting standards and in the manner required by the law. 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 society and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the organisation's cash flow forecast for the year to June 30, 2022 and, in light of this review and the current financial position, they are satisfied that the organisation has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 20, which have been prepared on the going concern basis, were approved by the board of directors on _____, 2021 and were signed on their behalf by:



Digitally signed by SPECIAL
GUARANTEE FUND (CHAIRMAN OF
BOARD)
Date: 2021.09.30 18:18:44 +01'00'

Chairman of Board

SGF (DIRECTOR
GENERAL)

Digitally signed by SGF
(DIRECTOR GENERAL)
Date: 2021.09.30 17:53:38
+02'00'

Director General



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REPORT OF THE INDEPENDENT AUDITORS

To the Board of Directors of Special Guarantee Fund (SGF)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Special Guarantee Fund (SGF) (the Institution) set out on pages 8 to 20, which comprise the statement of financial position as at 30 June 2021, the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Special Guarantee Fund (SGF) as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Organic Law No. 52/2011 of 14/12/2011 and the requirements of the Article 113 of the Ministerial Order No 001/16/10/TC.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Institution in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Rwanda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Rwanda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Organic Law No. 52/2011 of 14/12/2011, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Organic Law No. 52/2011 of 14/12/2011 and the requirements of the Article 113 of the Ministerial Order No 001/16/10/TC, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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Kigali, Rwanda

REPORT OF THE INDEPENDENT AUDITORS

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

As required by the Article 166 of the Constitution of the Republic of Rwanda of 2003 as revised in 2015 we report to you, based on our audit, that:

- Expenditure incurred was necessary and in conformity with the laws and regulations in force and sound management;
- Controls to safeguard the receipt, custody and proper use of public funds were put in place and that the laws and rregulations in force were duly observed to prevent misappropriation of public funds; and
- Special Guarantee Fund acquired and utilized human, material and financial resources economically, efficiently and effectively to prevent squandering of public funds.]

BDO EA Rwanda Ltd
Certified Public Accountants
Career Center Building, 8th Floor
KG 541st, P.O Box 6593
Kigali, Rwanda



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Tel: +250 788309225
+250 738304070
P.O Box 6593 Kigali, Rwanda

Emmanuel Habineza, FCCA, CPA(R)
(PC/CPA0007/0014)
Managing Partner

30/09/ 2021

**SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
 STATEMENT OF INCOME AND EXPENDITURE**

	Note(s)	2021 frw	2020 frw
Revenue			
Cost of sales	2	1,434,645,368	1,906,944,167
Gross (loss) surplus	3	(1,626,569,174)	(1,317,987,225)
Interest income		(191,923,806)	588,956,942
Other operating expenses	4	404,337,544	361,939,840
(Loss) surplus for the year	5	(637,269,224)	(627,487,940)
Other comprehensive income		(424,855,486)	323,408,842
Total comprehensive (loss) income for the year		(424,855,486)	323,408,842

**SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
 STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021**

	Note(s)	2021 frw	2020 frw
Assets			
Non-Current Assets			
Office & IT equipment			
Financial assets	6	149,996,669	166,587,754
	7	2,297,073,144	1,585,865,208
		2,447,069,813	1,752,452,962
Current Assets			
Receivables			
Cash and cash equivalents	8	343,353,425	1,235,160,542
	9	1,098,290,059	1,164,713,764
		<u>1,441,643,484</u>	<u>2,399,874,306</u>
Total Assets		<u>3,888,713,297</u>	<u>4,152,327,268</u>
Equity and Liabilities			
Equity			
Government contribution			
Accumulated surplus	10	43,266,248	43,266,248
		2,593,036,668	2,863,024,639
		2,636,302,916	2,906,290,887
Liabilities			
Current Liabilities			
Payables			
Technical Provisions	11	40,576,501	21,231,676
	12	1,211,833,880	1,224,804,705
		<u>1,252,410,381</u>	<u>1,246,036,381</u>
Total Equity and Liabilities		<u>3,888,713,297</u>	<u>4,152,327,268</u>

The financial statements and the notes on pages 8 to 20, were approved by the board of directors on the _____, 2021 and were signed on its behalf by:



Board Chairman

Digitally signed by SPECIAL GUARANTEE
 FUND (CHAIRMAN OF BOARD)
 Date: 2021.09.30 18:20:03 +01'00'

**SGF (DIRECTOR
 GENERAL)**

Director General

Digitally signed by SGF
 (DIRECTOR GENERAL)
 Date: 2021.09.30
 17:54:25 +02'00'

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
STATEMENT OF CHANGES IN EQUITY**

	Share capital frw	Accumulated surplus frw	Total equity frw
Balance at July 1, 2019	43,266,248	2,505,240,205	2,548,506,453
Profit for the year	-	323,408,842	323,408,842
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	323,408,842	323,408,842
Proir year adjustment (Provisions)	-	34,375,592	34,375,592
Total contributions by and distributions to owners of company recognised directly in equity	-	34,375,592	34,375,592
Balance at July 1, 2020	43,266,248	2,863,024,639	2,906,290,887
Loss for the year	-	(424,855,486)	(424,855,486)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(424,855,486)	(424,855,486)
Proir year adjustments (provisions)	-	154,867,515	154,867,515
Total contributions by and distributions to owners of company recognised directly in equity	-	154,867,515	154,867,515
Balance at June 30, 2021	43,266,248	2,593,036,668	2,636,302,916
Note(s)	10		

**SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
 STATEMENT OF CASH FLOWS**

	Note(s)	2021 frw	2020 frw
Cash flows from operating activities			
Cash generated from operations	13	655,984,231	543,522,001
Cash flows from investing activities			
Purchase of office & IT equipment		(11,200,000)	(39,067,332)
Purchase of financial assets	6	(711,207,936)	(429,639,228)
Net cash from investing activities		<u>(722,407,936)</u>	<u>(468,706,560)</u>
Cash flows from financing activities			
Total cash movement for the year		(66,423,705)	74,815,441
Cash at the beginning of the year		1,164,713,764	1,089,898,323
Total cash at end of the year	9	<u>1,098,290,059</u>	<u>1,164,713,764</u>

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
ACCOUNTING POLICIES**

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Article 113 of the Ministerial Order No 001/16/10/TC of 26/1/2016.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rwanda Francs, which is the organisation's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 and in any future periods affected.

1.3 Office & IT equipment

Office & IT equipment are tangible assets which the Special Guarantee Fund holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of office & it equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the organisation, and the cost of the item can be measured reliably.

Office & IT equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of office & it equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Special Guarantee Fund and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Special Guarantee Fund. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of office & it equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office equipment	Straight line	25%
ICT equipment	Straight line	33%
Server	Straight line	10%
IAM Software	Straight line	5%
Curtnains	Straight line	10%

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
ACCOUNTING POLICIES**

1.4 Financial instruments

Financial instruments held by the Special Guarantee Fund are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Special Guarantee Fund, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Payables

Recognition and measurement

They are recognised when the organisation becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 3 months, net of recognised immediately in profit or loss.

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
ACCOUNTING POLICIES**

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Special Guarantee's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.6 Income Recognition

Revenue is recognized when earned. Revenues include payments from insurance companies for 10% of their premium, 5% of tourism income, interest from fixed deposit accounts, interest from treasury Bills and Bonds, engagement from accident caused by non-insured cars and paid by Special Guarantee Fund and revenue from documents related to different open tenders published by Special Guarantee Fund.

1.7 Provisions

Provisions are recognized when: the organization 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. The provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

1.8 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

1.9 Taxation

The Special Guarantee Fund as a government entity established through an organic law is not subject to corporation tax on any surplus earned during the period.

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
NOTES TO THE FINANCIAL STATEMENTS**

	2021 frw	2020 frw
2. Income		
Revenue from Insurance	1,254,316,445	1,149,355,406
Revenue tourism activities	180,328,923	757,588,761
	1,434,645,368	1,906,944,167
3. Direct expenditure		
Compensation costs		
Accident claims	1,190,308,206	998,816,796
Wild animals	436,260,968	319,092,927
MSGH expenses	-	77,502
	1,626,569,174	1,317,987,225
4. Other operating income		
Interest Income	300,103,908	230,549,444
Other income	104,233,636	131,390,396
	404,337,544	361,939,840
5. Operating expense		
Operating (loss) surplus for the year is stated after charging (crediting) the following, amongst others:		
Rent	70,575,484	99,072,000
Employee costs	290,566,039	296,609,144
Audit fees	10,673,100	-
Internet costs	10,642,326	8,978,498
Travel and transport fees	119,180,133	85,366,089
Depreciation	27,791,085	17,910,845
Consultancy fees	14,718,762	8,415,295
Printing and stationery	23,843,728	16,425,600
Other expenses	69,278,567	94,710,469
	637,269,224	627,487,940

6. Office & IT equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Office equipment	74,187,636	(50,976,072)	23,211,564	73,587,636	(39,630,310)	33,957,326
IT equipment	215,220,119	(88,435,014)	126,785,105	204,620,119	(71,989,691)	132,630,428
Total	289,407,755	(139,411,086)	149,996,669	278,207,755	(111,620,001)	166,587,754

Reconciliation of office & it equipment - 2021

	Opening balance	Additions	Depreciation	Total
Office equipment	33,957,326	600,000	(11,345,762)	23,211,564
IT equipment	132,630,428	10,600,000	(16,445,323)	126,785,105
	166,587,754	11,200,000	(27,791,085)	149,996,669

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
NOTES TO THE FINANCIAL STATEMENTS**

					2021 frw	2020 frw
6. Office & IT equipment (continued)						
Reconciliation of office & it equipment - 2020						
	Opening balance	Additions	Reversed amount at cost	Depreciation	Accumulated depreciation reversed	Total
Office equipment	17,448,448	23,635,000	(12,032,840)	(7,126,122)	12,032,840	33,957,326
IT equipment	127,982,819	15,432,332	(18,980,170)	(10,784,723)	18,980,170	132,630,428
	<u>145,431,267</u>	<u>39,067,332</u>	<u>(31,013,010)</u>	<u>(17,910,845)</u>	<u>31,013,010</u>	<u>166,587,754</u>
7. Financial assets						
Investment in Horizon					300,000,000	300,000,000
Investment in Rwanda National Investment Trust**					76,300,004	68,704,568
Bonds***					1,920,773,140	1,217,160,640
					<u>2,297,073,144</u>	<u>1,585,865,208</u>
***Bonds						
20 Years Government T-Bonds					300,000,000	300,000,000
Maturity of 20 years end 29/07/2039						
5 Years Government T-Bond					199,072,000	199,072,000
Maturity of 5 years end 18/02/2022						
7 Years Government T-Bond					99,877,000	99,877,000
Maturity of 7 years end 19/11/2021						
10 Years Government T-Bond					418,211,640	418,211,640
Maturity of 10 years end 16/05/2025						
15 Years Government T-Bond					519,815,000	200,000,000
Maturity of 15 years end 02/02/2035						
10 Years Government T-Bonds					383,797,500	-
Maturity of 10 Years end 10/05/2030						
					<u>1,920,773,140</u>	<u>1,217,160,640</u>
Total other financial assets					<u>4,217,846,284</u>	<u>2,803,025,848</u>
Non-current assets						
Held to maturity					<u>2,297,073,144</u>	<u>1,585,865,208</u>

SGF has purchased the investment (Units) in RNIT by Investing Frw 50,000,000 into two section:The first was invested on 09/09/2016 by purchasing 300,000 units @ 100 totaling Frw 30,000,000 and the second was invested on 20/03/2018 by purchasing 174,367.92 units @ 114.70 totaling Frw 20,000,000. At the end of the period the changes in investemt due to market value is recognised through profit or loss and capitalised on investment cost. During the period Frw 6,893,228 has been capitalised compared to last year interest of Frw 6,893,228 and no impairment was noted during the period.

**SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
 NOTES TO THE FINANCIAL STATEMENTS**

2021
frw

2020
frw

8. Receivables

Financial instruments:

Receivables		
Receivable from Non-insured vehicle	306,613,245	1,196,972,225
Accrued interest income	795,123,008	928,038,879
Provision for non-insured vehicle	31,698,687	35,530,062
Trade receivables at amortised cost	(795,123,008)	(928,038,879)
Advanced prepayments	338,311,932	1,232,502,287
Receivables	5,041,493	2,658,255
	<u>343,353,425</u>	<u>1,235,160,542</u>

Non-insured vehicle Aging

To reflect the reality over hardly recovery of fund paid to a claimant for non-insured vehicle, the organization recognizes both receivable and a provision for doubtful receivables at a time of payment. The provision has been reclassified in the current year previously it was reported under technical provisions note number 12. The total receivables from non-insured vehicle aging is listed below:

Current year aging

Receivables in repayment process		
Less than 1 year	-	51,004,421
1-2 years	-	315,020,081
2-5 Years	795,123,000	419,693,932
5-10 Years	68,241,419	135,518,087
More than 10 years	3,646,788	5,268,191
	-	1,534,167
	<u>867,011,207</u>	<u>928,038,879</u>

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand		
Bank balances	52,645	11,170
Short-term deposits	305,237,414	285,096,595
Treasury Bills	200,000,000	334,505,999
	593,000,000	545,100,000
	<u>1,098,290,059</u>	<u>1,164,713,764</u>

10. Government contribution

Government contribution	43,266,248	43,266,248
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11. Payables

Financial instruments:

Trade payables	29,903,401	21,231,676
Accrued audit fees	10,673,100	-
	<u>40,576,501</u>	<u>21,231,676</u>

**SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
NOTES TO THE FINANCIAL STATEMENTS**

	2021 frw	2020 frw		
12. Technical Provisions				
Reconciliation of technical provisions - 2020				
	Opening balance	Additions	Utilised during the year	Total
Provision for road accident compensations	476,043,382	1,462,558,235	(1,359,409,862)	579,191,755
Provision for damages caused by animals	112,448,602	469,601,992	(421,675,203)	160,375,391
Provision for MSGH	11,965,786	-	(4,693,161)	7,272,625
Provision for litigations	299,796,174	308,331,641	(130,162,881)	477,964,934
	900,253,944	2,240,491,868	(1,915,941,107)	1,224,804,705

13. Cash generated from operations

Profit (loss) before taxation		
Adjustments for:		(424,855,486)
Depreciation and amortisation		27,791,085
prior year adjustments (Provisions)		154,867,515
Movements in provisions		(12,970,825)
Changes in working capital:		
Receivables		891,807,117
Payables		19,344,825
		655,984,231
		543,522,001

14. Comparative figures

Certain comparative figures have been adjusted. The opening retained earning has been restated by Frw 154,867,515 due to recognition of expenses provided for in the prior year and settled in the current year.

Prior year adjustments (Provision)

Reverse BNR supervision fees 2018-2019	-	5,000,000
Over and under provision reconciliation	(156,915,474)	-
Penalties Charged on Insurance for 2019-2020 audit	(1,009,907)	-
RDB understated income for June 2019	-	58,255,997
Invoice recorded twice	-	142,606
Other adjustments during the period	2,869,622	1,534,522
Akagera confirmation variance adjustments	-	(30,557,533)
Prior year adjustments	(154,867,515)	34,375,592

15. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Amortised cost	Total	Fair value
Financial assets		2,297,073,144	2,297,073,144	-
Trade and other receivables	8	343,353,425	343,353,425	343,353,425
Cash and cash equivalents	9	1,098,290,059	1,098,290,059	1,098,290,059
		3,738,716,628	3,738,716,628	1,441,643,484

**SPECIAL GUARANTEE FUND
 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
 NOTES TO THE FINANCIAL STATEMENTS**

2021
frw

2020
frw

15. Financial instruments and risk management (continued)

2020

Financial assets	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables		1,585,865,208	1,585,865,208	-
Cash and cash equivalents	8	1,235,160,542	1,235,160,542	1,235,160,542
	9	1,164,713,764	1,164,713,764	-
		<u>3,985,739,514</u>	<u>3,985,739,514</u>	<u>1,235,160,542</u>

SPECIAL GUARANTEE FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
NOTES TO THE FINANCIAL STATEMENTS

2021
frw

2020
frw

15. Financial instruments and risk management (continued)

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	40,576,501	40,576,501	-

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	21,231,676	21,231,676	-

Capital risk management

The organisation's objectives when managing capital are to safeguard the organisation's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the organisation consists of debt, which includes the trade payable/other payables disclosed in notes 11 and 12 cash and cash equivalents disclosed in note 9, and equity as disclosed in the statement of financial position.

Trade and other payables	11	40,576,501	21,231,676
Cash and cash equivalents	9	(1,098,290,059)	(1,164,713,764)
Net borrowings		(1,057,713,558)	(1,143,482,088)
Equity		2,636,302,916	2,906,290,887
Gearing ratio		71 %	65 %