

**MAHWI GRAIN MILLERS PLC  
FORMERLY MAHWI GRAIN MILLERS LTD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2024**

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**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**GENERAL INFORMATION**

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Country of incorporation and domicile	Rwanda	
Nature of business and principal activities	Manufacture of grain mill products and post-harvest crop activities	
Directors	Chantal HABİYAKARE Jean Claude UWIZEYEMUNGU Noel UJENEZA Lambart DANIEL PHILIP	Chair Person Managing Director Member Member
Registered office	Gashora, Bugesera Eastern province, Rwanda P.O. Box 921 info@mahwimillers.rw Kigali, Rwanda	
Bankers	Development Bank of Rwanda (BRD) KN 3 Ave, Kigali, Rwanda  Bank of Kigali Plc Avenue du commerce P.O Box 175 Kigali, Rwanda  Equity Bank Rwanda Plc Grand Pension Plaza, 1st Floor KN 4 Ave Kigali, Rwanda  BPR BANK RWANDA Plc KN 67 St, Kigali, Rwanda	
Auditors	BDO East Africa (Rwanda) Ltd Certified Public Accountants Career Center Building ,8th Floor KG541 Street - P.O Box 6593 Kigali-Rwand	



**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Mahwi Grain Millers Plc for the year ended 31 December 2024.

#### 1. Incorporation

The company was incorporated on November 2018 and obtained its certificate to commence business on the same day.

#### 2. Nature of business

Mahwi Grain Millers Plc formerly Mahwi Grain Millers Ltd was incorporated in Rwanda with interests in Manufacture of grain mill products and Post-harvest crop activities . The company operates in Rwanda.

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

#### 3. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Law No 007/2021 of 05/02/2021 as modified and complimented to date by the Law No 019/2023 of 30/03/2023 governing companies. The accounting policies have been applied consistently compared to the prior period.

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

#### 4. Share capital

Authorised Ordinary shares	2024		2023	
	Number of shares		Number of shares	
	250		250	
Issued	2024	2023	2024	2023
	Frw	Frw	Number of shares	Number of shares
GUIRONG ZHAO	-	525,000,000	-	75
Marie Mercé NDAYISHIMIYE	350,000,000	175,000,000	50	25
Jean Claude UWIZEYEMUNGU	1,050,000,000	875,000,000	150	125
LAMBART DANIEL PHILIPP	350,000,000	175,000,000	50	25
	<b>1,750,000,000</b>	<b>1,750,000,000</b>	<b>250</b>	<b>250</b>

There have been no changes to the authorised or issued share capital during the year under review.

#### 5. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

#### 6. Directors

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

#### 7. Going concern

The directors believe that the company 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 have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. 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 company.

# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

## DIRECTORS' REPORT

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### 8. Auditors

BDO East Africa (Rwanda) Ltd has expressed the willingness to continue in the office in accordance with the Rwandan company Law.

#### Approval of financial statements

  
Chantal HABIYAKARE



  
Jean Claude UWIZEYEMUNGU



**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors are required in terms of the Law No 007/2021 of 05/02/2021 as modified and complimented to date by the Law No 019/2023 of 30/03/2023 governing companies to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards.

The financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

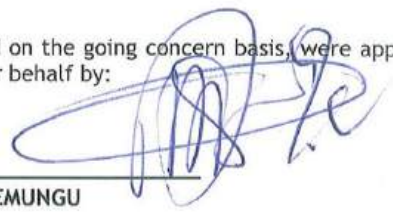
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on pages 9 to 29, which have been prepared on the going concern basis, were approved by the board of directors on 29/03/2025 and were signed on their behalf by:

  
Chantal HABIYAKARE



  
Jean Claude UWIZEYEMUNGU

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mahwi Grain Millers Plc formerly Mahwi Grain Millers Ltd

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Mahwi Grain Millers Plc formerly Mahwi Grain Millers Ltd "the Company" set out on pages 9 to 29, which comprise:

- the statement of financial position as at December 31, 2024,
- the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and (of) its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Law No 007/2021 of 05/02/2021 as modified and complemented to date by the Law No 019/2023 of 30/03/2023 governing companies in Rwanda.

#### Basis for Opinion

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

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Report of the Directors and Statement of Directors' Responsibilities, but 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 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.

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Kigali, Rwanda

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Kigali, Rwanda

#### Auditor's Responsibilities for the Audit of the Financial Statements

We communicate with Those Charged With Governance 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 Rwanda Companies Act we report to you, based on our audit, that:

- We have no relationship, interest or debt with Company. As indicated in our report on the audit of the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which includes comprehensive independence and other requirements.
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- We have communicated with those charged with governance our significant audit findings, and significant deficiencies in internal control that we identified during our audit.
- According to the best of the information and the explanations given to us as auditors, as shown by the accounting and other documents of the company, the financial statements comply with Article 125 of Rwanda Companies Act.

BDO East Africa (Rwanda) Ltd  
Certified Public Accountants  
Career Center Building, 8<sup>th</sup> Floor  
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Kigali, Rwanda

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CPA Roy Kinoti Nkandau  
PC/CPA 0647/0134  
Engagement Partner

Date: 27 March 2025

**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note(s)	2024 Frw	2023 Frw
Revenue	2	3,638,350,386	7,572,930,746
Cost of sales	3	(3,237,542,485)	(6,925,044,274)
Gross profit		400,807,901	647,886,472
Other operating income	4	55,500,000	-
Other operating expenses	5	(962,713,770)	(432,944,549)
Operating (loss) profit		(506,405,869)	214,941,923
Finance costs	6	(270,599,243)	(132,020,152)
(Loss) profit before taxation		(777,005,112)	82,921,771
Taxation	7	208,475,574	(14,512,888)
(Loss) profit for the year		(568,529,538)	68,408,883
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(568,529,538)	68,408,883

**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024**

	Note(s)	2024 Frw	2023 Frw
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	2,764,755,726	2,537,792,291
Intangible assets	9	33,420,000	33,420,000
Deferred tax	10	193,962,686	-
		<u>2,992,138,412</u>	<u>2,571,212,291</u>
<b>Current Assets</b>			
Inventories	11	385,040,713	516,964,996
Trade and other receivables	12	3,168,511,686	640,868,011
Current tax receivable	13	80,151,378	112,194,099
Cash and cash equivalents	14	63,795,870	379,301,820
		<u>3,697,499,647</u>	<u>1,649,328,926</u>
<b>Total Assets</b>		<u>6,689,638,059</u>	<u>4,220,541,217</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	15	1,750,000,000	1,750,000,000
Reserves		518,145,042	518,145,042
Accumulated loss		(705,193,561)	(136,664,023)
		<u>1,562,951,481</u>	<u>2,131,481,019</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans from shareholders	16	211,010,068	211,010,068
Borrowings	17	3,753,068,511	705,978,242
Deferred tax	10	-	14,512,888
		<u>3,964,078,579</u>	<u>931,501,198</u>
<b>Current Liabilities</b>			
Trade and other payables	18	714,382,636	1,010,394,789
Borrowings	17	448,225,363	147,164,211
		<u>1,162,607,999</u>	<u>1,157,559,000</u>
<b>Total Liabilities</b>		<u>5,126,686,578</u>	<u>2,089,060,198</u>
<b>Total Equity and Liabilities</b>		<u>6,689,638,059</u>	<u>4,220,541,217</u>

The financial statements and the notes on pages 9 to 29, which have been prepared on the going concern basis, were approved by the board of directors on the 26/12/2025 and were signed on its behalf by:

Director



Director



**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Revaluation reserve	Other NDR	Total reserves	Accumulated loss	Total equity
	Frw	Frw	Frw	Frw	Frw	Frw
Balance at 01 January 2023	1,750,000,000	-	-	-	(205,072,906)	1,544,927,094
Profit for the year	-	-	-	-	68,408,883	68,408,883
Other comprehensive income	-	513,127,963	-	513,127,963	-	513,127,963
<b>Total comprehensive income for the year</b>	-	513,127,963	-	513,127,963	68,408,883	581,536,846
Transfer between reserves	-	-	5,017,079	5,017,079	-	5,017,079
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	-	5,017,079	5,017,079	-	5,017,079
Balance at 01 January 2024	1,750,000,000	513,127,963	5,017,079	518,145,042	(136,664,023)	2,131,481,019
Loss for the year	-	-	-	-	(568,529,538)	(568,529,538)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive Loss for the year</b>	-	-	-	-	(568,529,538)	(568,529,538)
Balance at 31 December 2024	1,750,000,000	513,127,963	5,017,079	518,145,042	(705,193,561)	1,562,951,481

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**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**STATEMENT OF CASH FLOWS**

	Note(s)	2024 Frw	2023 Frw
<b>Cash flows from operating activities</b>			
Loss before taxation		(777,005,112)	82,921,771
<b>Adjustments for non-cash items:</b>			
Depreciation, amortisation, impairments and reversals of impairments		181,135,252	121,136,869
Finance costs		270,599,243	132,020,152
<b>Changes in working capital:</b>			
Movement in inventories		131,924,283	(401,236,891)
Movement in trade and other receivables		(2,527,643,675)	611,484,205
Movement in trade and other payables		(296,012,153)	618,079,669
Movement in tax recoverable		-	(45,330,948)
<b>Cash used in operations</b>		<b>(3,017,002,162)</b>	<b>1,119,074,827</b>
Finance costs	6	(270,599,243)	(132,020,152)
Tax received		32,042,721	-
<b>Net cash from operating activities</b>		<b>(3,255,558,684)</b>	<b>987,054,675</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(409,040,770)	(628,654,773)
Proceeds from sale of property, plant and equipment	8	942,083	-
Purchases of intangible assets	9	-	(8,420,000)
<b>Net cash from investing activities</b>		<b>(408,098,687)</b>	<b>(637,074,773)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings	17	3,348,151,421	(98,577,343)
<b>Total cash movement for the year</b>		<b>(315,505,950)</b>	<b>251,402,559</b>
Cash and cash equivalents at the beginning of the year		379,301,820	127,899,261
<b>Cash and cash equivalents at the end of the year</b>	14	<b>63,795,870</b>	<b>379,301,820</b>

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# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ACCOUNTING POLICIES

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#### Corporate information

Mahwi Grain Millers Plc is a public limited company incorporated and domiciled in Rwanda. MAHWI GRAIN MILLERS PLC is a legally registered company established in respect of the Rwandan company laws. The company was created in 2018 with the aim to implement an industrial integrated agro-processing project including a Maize grains aggregation plant, a maize grains processing plant into food for human consumption in different forms of maize flour (sifted, fortified, whole meal), animal feed processing plant, edible grains oil processing plant and a by-products treatment plant to extract useful ingredients.

#### 1. Material accounting policy information

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, IFRS International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Law No 007/2021 of 05/02/2021 as modified and complimented to date by the Law No 019/2023 of 30/03/2023 governing companies as amended.

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

##### Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

##### Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available.

##### Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

##### 1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period

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

Property, plant and 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.



# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ACCOUNTING POLICIES

#### 1.3 Property, plant and equipment (continued)

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company 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 company. 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 property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	5%
Category Equipment ( Machinery)	Straight line	10%
Furniture and fixtures	Straight line	20%
Motor vehicles	Straight line	20%
Other equipment	Straight line	20%
Computer equipment	Straight line	50%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity;
- and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ACCOUNTING POLICIES

#### 1.4 Intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Trademarks	Indefinite	-
Software License in Progress	Straight line	0%

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting period. No material changes were made.

#### 1.5 Financial instruments

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

Broadly, the classification possibilities, which are adopted by the company, 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

Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The material accounting policies for each type of financial instrument held by the company are presented below:

#### Trade and other receivables

##### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.





# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ACCOUNTING POLICIES

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#### 1.5 Financial instruments (continued)

##### Recognition and measurement

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

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

##### Borrowings and loans from related parties

Loans from group companies (note ), loans from shareholders (note ) and borrowings (note 16) are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans 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.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 6.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

##### Trade and other payables

##### Classification

Trade and other payables , excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the company 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.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

##### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.



# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ACCOUNTING POLICIES

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#### 1.6 Tax

##### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

##### Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

#### 1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### 1.8 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ACCOUNTING POLICIES

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#### 1.8 Impairment of assets (continued)

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

#### 1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

#### 1.10 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity: has a detailed formal plan for the restructuring, identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.



# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ACCOUNTING POLICIES

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#### 1.11 Translation of foreign currencies

##### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rwanda Francs, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The foreign exchange component is treated as part of the valuation adjustment.

Cash flows arising from transactions in a foreign currency are recorded in Rwanda Francs by applying to the foreign currency amount the exchange rate between the Rwanda Franc and the foreign currency at the date of the cash flow.

#### 1.12 Application of new and revised IFRS Accounting Standards

##### 1. New and updated for December 2024 year ends

For annual reporting periods beginning on or after 1 January 2024, the following are newly effective requirements:

(a) IFRS 16 lease liability accounting for sale and leaseback transactions, IASB effective from 1 January 2024.

The Company has ensured compliance with these amendments starting from the effective date, reflecting the appropriate lease liabilities and right-of-use assets in the financial statements as per the revised IFRS 16 guidance.

(b) Classification of Liabilities as Current or Non-Current (including Classification of Liabilities as Current or Non-Current Deferral of Effective Date) (Amendments to IAS 1 Presentation of Financial Statements). The Company applies the amendments to IAS 1 Presentation of Financial Statements related to the Classification of Liabilities as Current or Non-Current, IASB effective from 1 January 2024.

(c) Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements). The Company applies the amendments to IAS 1 Presentation of Financial Statements regarding the classification of non-current liabilities with covenants, IASB effective from 1 January 2024.

(d) Supplier Finance Arrangements we have assessed the impact in the current reporting period and no significant impact noted (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures) The Company applies the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures regarding Supplier Finance Arrangements, IASB effective from 1 January 2024.

##### 2. Early adoption of Standards and Amendments.

Below lists all pronouncements with a mandatory no significant impact on current reporting period, effective date in future accounting periods.

(a) Mandatorily effective for annual reporting periods beginning on or after 1 January 2025:

Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).

(b) Mandatorily effective for annual reporting periods beginning on or after 1 January 2026:

- amendments to the Classification and Measurement of Financial Instrument (Amendments No significant expected to IFRS 9 Financial Instruments).

- Contracts Referencing Nature-dependent electricity (Amendments to IFRS 9 and IFRS 7).

(C) Mandatorily effective for annual reporting periods beginning on or after 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements.

- IFRS 19 Subsidiaries without Public Accountability Disclosure.



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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
<b>2. Revenue</b>		
Super Maize Flour Sales	3,477,751,420	7,365,793,392
Premium Maize Flour Sales	79,939,400	70,057,414
Animal Feed Sales	65,915,820	137,079,940
Milling services	943,746	-
Whole Grain Maize Flour	13,800,000	-
	<b>3,638,350,386</b>	<b>7,572,930,746</b>
<b>3. Cost of sales</b>		
Cost of maize grains	2,722,044,024	6,248,367,768
Cost of packaging materials	33,289,432	115,206,193
Transport services	89,172,127	98,548,348
Factory Running Expenses:Fuel	43,671,318	99,509,197
Factory Electricity	66,023,048	92,606,600
Loading & Offloading services	2,943,769	35,770,367
Spare parts & maintenance	37,524,315	24,331,288
Depreciation COS	133,710,403	109,195,350
Employees costs COS	109,164,049	101,509,163
	<b>3,237,542,485</b>	<b>6,925,044,274</b>
<b>4. Other operating income</b>		
Grant income	55,500,000	-
<p>Mahwi Grain Millers Ltd is financed by the United States Agency for International Development (USAID) with a grant of Frw 55,500,000. This Fixed Amount Award aims to support Mahwi Grain Millers Ltd in producing and increasing the availability and accessibility of fortified wholegrain maize flour in Bugesera, Kayonza, and Ngoma Districts, contributing to Hinga Wunguke's overall objective of improving market access for producers and enhancing nutrition outcomes.</p>		
<b>5. Other operating expenses</b>		
Meeting cost	47,101,629	12,004,066
Insurance	26,261,249	23,082,750
Vehicle and motorcycles Repairs	18,043,970	28,926,794
Consultancy Fees	265,243,860	90,395,245
Other expenses	329,872,361	139,244,012
Staff costs expense	214,011,561	127,350,163
Depreciation	47,424,849	11,941,519
Bad debts	14,705,654	-
	<b>962,665,133</b>	<b>432,944,549</b>
<b>6. Finance costs</b>		
Interest expense	270,599,243	125,649,652
Exchange rate Gain/Loss	-	6,370,500
<b>Total finance costs</b>	<b>270,599,243</b>	<b>132,020,152</b>


**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
<b>7. Taxation</b>		
<b>Major components of the tax income</b>		
<b>Current</b>		
Local income tax - current period	-	14,512,888
<b>Deferred</b>		
Originating and reversing temporary differences	(208,475,574)	-
	<u>(208,475,574)</u>	<u>14,512,888</u>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(777,005,112)	82,921,771
Tax at the applicable tax rate of 28% (2023: 28%)	(217,561,431)	23,218,096
<b>Tax effect of adjustments on taxable income</b>		
Disallowable Expenses	9,085,857	9,296,696
Movement in un-recognised deferred tax	-	(18,001,904)
	<u>(208,475,574)</u>	<u>14,512,888</u>

**8. Property, plant and equipment**

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	396,000,000	-	396,000,000	396,000,000	-	396,000,000
Warehouse and annex buildings	609,371,388	(47,116,933)	562,254,455	553,043,961	(20,124,787)	532,919,174
Industrial Property	739,409,800	(89,242,431)	650,167,369	721,853,250	(55,690,542)	666,162,708
Furniture and fixtures	7,473,076	(2,761,379)	4,711,697	5,722,076	(1,476,014)	4,246,062
Motor vehicles	184,124,778	(69,976,070)	114,148,708	173,624,778	(33,151,107)	140,473,671
Office equipment	62,212,228	(7,603,497)	54,608,731	19,822,858	(2,677,102)	17,145,756
IT equipment	13,157,917	(6,981,458)	6,176,459	5,845,000	(2,593,333)	3,251,667
Factory Equipments	865,718,416	(143,208,465)	722,509,951	618,883,885	(74,415,459)	544,468,426
Other equipment	21,941,808	(12,885,343)	9,056,465	21,761,808	(8,511,981)	13,249,827
Capital - Work in progress	245,121,891	-	245,121,891	219,875,000	-	219,875,000
<b>Total</b>	<b>3,144,531,302</b>	<b>(379,775,576)</b>	<b>2,764,755,726</b>	<b>2,736,432,616</b>	<b>(198,640,325)</b>	<b>2,537,792,291</b>

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**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
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**8. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2024**

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	396,000,000	-	-	-	-	396,000,000
Warehouse and annex buildings	532,919,174	56,327,427	-	-	(26,992,146)	562,254,455
Industrial Property	666,162,708	4,856,551	-	12,700,000	(33,551,890)	650,167,369
Furniture and fixtures	4,246,062	1,751,000	-	-	(1,285,365)	4,711,697
Motor vehicles	140,473,671	10,500,000	-	-	(36,824,963)	114,148,708
Office equipment	17,145,756	42,389,370	-	-	(4,926,395)	54,608,731
IT equipment	3,251,667	8,255,000	(942,083)	-	(4,388,125)	6,176,459
Factory Equipments	544,468,426	117,068,231	-	129,766,300	(68,793,006)	722,509,951
Other equipment	13,249,827	180,000	-	-	(4,373,362)	9,056,465
Construction in progress	219,875,000	167,713,191	-	(142,466,300)	-	245,121,891
	<b>2,537,792,291</b>	<b>409,040,770</b>	<b>(942,083)</b>	<b>-</b>	<b>(181,135,252)</b>	<b>2,764,755,726</b>

**Reconciliation of property, plant and equipment - 2023**

	Opening balance	Additions	Transfers	Revaluations	Depreciation	Total
Land	237,600,000	-	-	158,400,000	-	396,000,000
Warehouse and annex buildings	357,900,000	42,448,961	110,758,680	41,936,320	(20,124,787)	532,919,174
Industrial Property	406,807,750	-	-	284,033,250	(24,678,292)	666,162,708
Furniture and fixtures	1,423,729	3,942,415	-	-	(1,120,082)	4,246,062
Motor vehicles	58,621,189	113,355,911	-	-	(31,503,429)	140,473,671
Office equipment	-	19,822,858	-	-	(2,677,102)	17,145,756
IT equipment	1,566,250	3,525,000	-	-	(1,839,583)	3,251,667
Factory Equipments	284,249,773	295,059,885	-	-	(34,841,232)	544,468,426
Other equipment	17,602,189	-	-	-	(4,352,362)	13,249,827
Construction in progress	146,358,465	150,499,743	(110,758,680)	33,775,472	-	219,875,000
	<b>1,512,129,345</b>	<b>628,654,773</b>	<b>-</b>	<b>518,145,042</b>	<b>(121,136,869)</b>	<b>2,537,792,291</b>

**9. Intangible assets**

	2024			2023		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Trademarks	25,000,000	-	25,000,000	25,000,000	-	25,000,000
Computer software, other	8,420,000	-	8,420,000	8,420,000	-	8,420,000
<b>Total</b>	<b>33,420,000</b>	<b>-</b>	<b>33,420,000</b>	<b>33,420,000</b>	<b>-</b>	<b>33,420,000</b>

**Reconciliation of intangible assets - 2024**

	Opening balance	Total
Trademarks	25,000,000	25,000,000
Computer software, other	8,420,000	8,420,000
	<b>33,420,000</b>	<b>33,420,000</b>

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
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**9. Intangible assets (continued)**

**Reconciliation of intangible assets - 2023**

	Opening balance	Additions	Total
Trademarks	25,000,000	-	25,000,000
Computer software, other	-	8,420,000	8,420,000
	<b>25,000,000</b>	<b>8,420,000</b>	<b>33,420,000</b>

The trademark relates to the value of MAHWI trademark registered with RDB. The trademark has an indefinite useful life and is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The impairment test revealed that MAHWI trademark is not impaired, but however is being appreciated. No impairment loss was recognised, as its carrying amount is lower than its fair value.

**10. Deferred tax**

**Deferred tax asset(liability)**

Movement for the period	(14,512,888)	(16,993,104)
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**Deferred tax asset**

Tax losses avail for set off against future tax in	208,475,574	2,480,216
<b>Total deferred tax asset</b>	<b>208,475,574</b>	<b>2,480,216</b>

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(14,512,888)	(16,993,104)
Deferred tax asset	208,475,574	2,480,216
<b>Total net deferred tax asset</b>	<b>193,962,686</b>	<b>(14,512,888)</b>

**Reconciliation of deferred tax asset / (liability)**

At beginning of year	(14,512,888)	-
Increase in provision	3,349,130	2,480,216
Taxable temporary difference movemnet on PPE	9,840,045	(16,993,104)
Movement temporary difference on unrealized loss	431,675	-
Taxable temporary difference movement on Tax losses carried forward	194,854,724	-
	<b>193,962,686</b>	<b>(14,512,888)</b>

**11. Inventories**

Packaging materials	76,911,326	36,666,913
Work in progress	131,519,018	-
Finished goods	82,408,225	144,033,633
Dry maize grains	94,202,144	336,264,450
	<b>385,040,713</b>	<b>516,964,996</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
<b>12. Trade and other receivables</b>		
Financial instruments:		
Trade receivables	720,740,794	70,551,029
Other receivables	750,494,210	354,211,077
Advance payment to suppliers	1,550,754,481	115,650,000
Other Prepayments	54,579,612	12,171,176
Non-financial instruments:		
VAT	14,458,257	45,141,391
Credit note**	77,152,111	42,811,117
CIT Prepayment	332,221	332,221
<b>Total trade and other receivables</b>	<b>3,168,511,686</b>	<b>640,868,011</b>

This year, we received a credit note from the Rwanda Revenue Authority for FRW 123,723,459, which was used to pay tax liabilities. At the end of the year, the remaining balance was FRW 77,152,111.

**13. Current tax receivable**

5% withheld in custom & 3% WHT on Gov't Tenders	80,151,378	112,194,099
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**Net current tax receivable (payable)**

Current assets	80,151,378	112,194,099
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**14. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	1,498,014	5,808
Bank balances	62,297,856	379,296,012
	<b>63,795,870</b>	<b>379,301,820</b>

**15. Share capital**

**Authorised**

250 Ordinary shares of Frw 7,000,000 each	1,750,000,000	1,750,000,000
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**Issued**

Ordinary	1,750,000,000	1,750,000,000
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**16. Loans from shareholders**

Shareholders' s loans	211,010,068	211,010,068
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The Board has approved an interest-free loan of Frw 211,010,068 from Mr. Jean Claude Uwizeyemungu, the Majority Shareholder and Managing Director of Mahwi Grain Millers Plc, to fund necessary construction for securing an investment loan from BRD. Repayment is subject to Board approval and contingent upon the company's financial stability.

# MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES TO THE FINANCIAL STATEMENTS

	2024 Frw	2023 Frw
<b>17. Borrowings</b>		
<b>Held at amortised cost</b>		
Medium Term Corporate Bond	3,011,000,000	-
Intelcap Advisory Loan	152,142,100	-
Shareholder Loan	348,856,734	2,939,438
BRD Term Loan	689,295,040	850,203,015
	<b>4,201,293,874</b>	<b>853,142,453</b>

During the year, Mahwi Grain Millers issued their first corporate bond. The bond was listed on the Rwanda Stock Exchange on September 2, 2024. The first tranche of the bond was worth Frw 3.11 billions with a 5-year tenor and a coupon rate of 15% per annum. The proceeds from the bond are intended to help the company expand its operations and contribute to Rwanda's vision of self-reliance in the agriculture sector.

Intelcap is financing MGM in its journey to introducing Fortified Whole Grain Maize Flour. The finance comprise an interest free loan to the tune of \$158k reimbursable after 3 years and a non reimbursable grant to the tune of \$40,000. The initiative is aimed at supporting business who are involved increasing access to affordable nutritious food in AFRICA.

The Intelcap finance will support Mahwi Grain Millers establish a processing plant dedicated to FWG flour, expected to increase revenues and improve its financial performance in General.

The company secured two separate loans from Development Bank of Rwanda.

On 7th September 2020, Mahwi Grain Millers Ltd secured a loan from BRD amounting to Frw 620,031,180 with an annual interest rate of 15.5% (6.5% of EGF and 9% interest to client). This loan was split into two parts: a long-term loan of Frw 403,914,180 designated for the purchase of maize drying and milling machines, and a short-term loan of Frw 216,117,000 allocated for working capital, specifically for the initial purchase of fresh maize stock and packaging materials during the first three months. Repayment was slated to commence after a one-year grace period from the signature date, with a loan period of 6 years.

Collateral and security for a loan agreement, include:

First rank on residential house belonging to Mrs Ndayishimiye Marie Merci located on Plot with UPI 1/03/09/01/975 in Kamahoro, Gatere, Niboye, Kicukiro;

First rank on the project site (factory building) to be located in Bugesera Industrial Park of the size of 15,040 m2 on plot No P1 M13;

First rank on Security interests in movable assets/Plant Machinery with transfer of interests to the Bank;

Loan guarantee cover by African Guarantee and Economic Cooperation Fund (FAGACE);

Fire and Allied Perils insurance for the Pledged residential house, Plant building and Machines with Transfer of interests to BRD;

Joint and several security contract of the shareholders of MAHWI Grain millers Plc;

Promissory note.

On 24th February 2022, Mahwi Grain Millers Plc secured a second loan from BRD totaling Frw 329,000,000 with an interest rate of 15.2%(8.7% interest to client and 6.5% EGF). This loan was earmarked as working capital. Repayment terms stipulated that the loan was to be paid within twelve months from the date of the first disbursement.

Collateral and security for a loan agreement, include:

1. First rank mortgage on a residential house on Plot with UPI 1/03/09/01/975 in Kamahoro, Gatere, Niboye, Kicukiro belonging to Ndayishimiye Marie Merci.

2. First rank mortgage on factory building the size of 15,040 m2 on a plot with UPI 5/07/01/05/3427 located in Bugesera Industrial Park.

3. First rank security interest over the factory equipment both maize and cassava equipment.

#### Split between non-current and current portions

Non-current liabilities	3,753,068,511	705,978,242
Current liabilities	448,225,363	147,164,211
	<b>4,201,293,874</b>	<b>853,142,453</b>



**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
<b>18. Trade and other payables</b>		
Financial instruments:		
Trade payables	531,765,148	955,012,151
PAYE Payable	5,459,248	3,997,744
Other Payables	174,863,390	49,762,087
Pension (8%) Payable	2,045,154	1,409,518
Maternity Contribution Payable	153,380	215,218
CBHI Contribution Payable	96,316	(1,929)
	<b>714,382,636</b>	<b>1,010,394,789</b>

**19. Financial instruments and risk management**

**Categories of financial instruments**

**Categories of financial assets**

**2024**

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	12	3,076,569,097	3,076,569,097	3,076,569,097
Cash and cash equivalents	14	63,795,870	63,795,870	63,795,870
		<b>3,140,364,967</b>	<b>3,140,364,967</b>	<b>3,140,364,967</b>

**2023**

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	12	552,583,282	552,583,282	552,583,282
Cash and cash equivalents	14	379,301,820	379,301,820	-
		<b>931,885,102</b>	<b>931,885,102</b>	<b>552,583,282</b>

**Categories of financial liabilities**

**2024**

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	714,382,636	714,382,636	-
Loans from shareholders	16	211,010,068	211,010,068	-
Borrowings	17	4,201,293,874	4,201,293,874	-
		<b>5,126,686,578</b>	<b>5,126,686,578</b>	<b>-</b>

**2023**

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	1,010,394,789	1,010,394,789	-
Loans from shareholders	16	211,010,068	211,010,068	-
Borrowings	17	853,142,453	853,142,453	-
		<b>2,074,547,310</b>	<b>2,074,547,310</b>	<b>-</b>

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**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

		2024 Frw	2023 Frw
<b>19. Financial instruments and risk management (continued)</b>			
<b>Capital risk management</b>			
<p>The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.</p> <p>The capital structure of the company consists of debt, which includes the borrowings disclosed in note and cash and cash equivalents disclosed in note 14 and equity as disclosed in the statement of financial position. The company's current gearing ratio is 76% and 44%.</p> <p>This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.</p>			
Loans from shareholders	16	211,010,068	211,010,068
Borrowings	17	4,201,293,874	853,142,453
Trade and other payables	18	714,382,636	1,010,394,789
<b>Total borrowings</b>		<b>5,126,686,578</b>	<b>2,074,547,310</b>
Cash and cash equivalents	14	(63,795,870)	(379,301,820)
<b>Net borrowings</b>		<b>5,062,890,708</b>	<b>1,695,245,490</b>
Equity		1,562,951,481	2,131,481,019
<b>Gearing ratio</b>		<b>76 %</b>	<b>44 %</b>



**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
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**19. Financial instruments and risk management (continued)**

**Financial risk management**

**Overview**

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

**Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	12	3,168,511,686	-	3,168,511,686	640,868,011	-	640,868,011
Cash and cash equivalents	14	63,795,870	-	63,795,870	379,301,820	-	379,301,820
		<b>3,232,307,556</b>	<b>-</b>	<b>3,232,307,556</b>	<b>1,020,169,831</b>	<b>-</b>	<b>1,020,169,831</b>

**Liquidity risk**

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

**2024**

		Carrying amount
<b>Non-current liabilities</b>		
Loans from shareholders	16	211,010,068
Borrowings	17	3,753,068,511
<b>Current liabilities</b>		
Trade and other payables		714,382,636
Borrowings	17	448,225,363
		<b>5,126,686,578</b>

**2023**

		Carrying amount
<b>Non-current liabilities</b>		
Loans from shareholders	16	211,010,068
Borrowings	17	705,978,242

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**MAHWI GRAIN MILLERS PLC FORMERLY MAHWI GRAIN MILLERS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE FINANCIAL STATEMENTS**

	2024 Frw	2023 Frw
<b>19. Financial instruments and risk management (continued)</b>		
Current liabilities		
Trade and other payables	18	1,010,394,789
Borrowings	17	147,164,211
		<u>2,074,547,310</u>

**20. Commitments and contingencies**

There were no commitments for capital expenditure not provided for in these financial statements and no contingent liabilities to disclose.

**21. Going concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company 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 have satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**22. Events after the reporting period**

The Directors are not aware of any events after the reporting date that require disclosure in or adjustments to the financial statements as at the date of this report.