

SACCO MUYIRA DUSHYIGIKIRANE

Sector: Muyira

District: Nyanza

Province: Southern Province

Email: sacco.muyira@yahoo.com

AUDIT ENGAGEMENT LETTER

You have requested that we audit your financial statements which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 (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.

The responsibilities of the auditor

We will conduct our audit in accordance with ISAs. Those standards require that we comply with ethical requirements. As part of an audit in accordance with ISAs, 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with ISAs.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

Responsibility of directors

Our audit will be conducted on the basis that the directors and those charged with governance acknowledge and understand that they have responsibility:

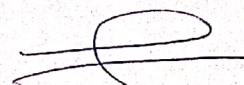
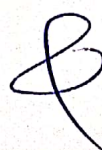
- For the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs).
- For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- To provide us with:
 - Access to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that we may request from you for the purpose of the audit; and
 - Unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence.

The directors are responsible for safeguarding the company's assets and for the prevention and detection of fraud, error and non-compliance with regulatory requirements.

Our audit procedures are designed to provide reasonable assurance that there are no undetected errors or irregularities, including fraud and other illegal acts, material to the financial report. There is an unavoidable risk that audits planned and executed in accordance with ISAs may not detect a material error or irregularity, particularly where there has been concealment through collusion, forgery and other illegal acts. As audit testing is based on samples it may not result in errors and irregularities being detected. Our audit can only provide reasonable, not absolute, assurance that the financial report is free of material misstatement.

As part of our audit process, we will request from the directors and, where appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.



Requirements regarding other information

The ISAs define "other information" as "financial or non-financial information (other than financial statements and the auditor's report thereon) included in an entity's annual report". We are required by the ISAs to obtain the other information, to read and consider it, to respond when a material inconsistency appears to exist or other information appears to be materially misstated and to report on the other information. Our audit opinion, however, does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibilities relating to other information apply regardless of whether the other information is obtained by us prior to, or after, the date of our auditor's report. In order to assist us in completing the procedures required by the ISAs, we expect to obtain the final version of the annual report in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and in any case prior to your issuance of such information.

Subsequent events

Except for our responsibilities regarding other information which are set out in the "Requirements regarding other information" section of the engagement letter, we have no obligation to perform any audit procedures regarding the financial statements after the financial statements have been issued. However, we expect that you will inform us of any facts that may affect the financial statements of which you may become aware during the period from the date of our report to the date the financial statements are issued.

Quality Control

The conduct of our audit in accordance with International Standards on Auditing means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our audit files may, however, be subject to review as part of the quality control review program of the Institute of Certified Public Accountants of Rwanda (ICPAR) which monitors compliance with professional standards by its members.

We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to the audit will be made available under the review programs outlined above. The same strict confidentiality requirements apply under these programs as those that apply to us as your auditor.

Internet communication

During the engagement, we may from time to time communicate with the company electronically. We will take all necessary procedures to ensure integrity of such information shared with us. However, the electronic transmission of information cannot be guaranteed to be secure, error free or virus free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe for use. We shall not have any liability of whatsoever nature to the company arising from or in connection with electronic transfer of communication and information to the company.

Regulatory Requirements

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers. The regulatory bodies include, ICPAR, BNR, RRA, FIC, etc.

Audit Period

The audit will cover two weeks from the date on which all parties sign this engagement letter.

JDD & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

AUDIT • ACCOUNTING • TAX • CONSULTANCY

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Website: www.jddauditors.com

Fees

Our fees for this engagement are 1,200,000 frw VAT inclusive.

Our Invoice will be billed in two tranches namely: 50% on commencement; and 50% percent on completion.

Payment shall be made on Account No: 00040-00699436-02 of JDD & ASSOCIATES Ltd, opened in Bank of Kigali (BK)

Dispute settlement

Any dispute arising from the interpretation or execution of this engagement letter shall be in the first instance settled amicably. In case of failure to settle the matter amicably, the matter shall be referred to relevant courts of law.

Agreement of Terms

This letter will be effective for future periods unless it is terminated, amended, or superseded. Once agreed, this letter will remain effective from the date of signature of all parties until it is replaced. You or we may vary or terminate the relationship without penalty. Notice of variation or termination must be given in writing.

Yours faithfully,



DUSENGIMANA Jean Damascene
Engagement Partner
JDD & ASSOCIATES Ltd
Date: 06/02/2024



Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements.

We acknowledge receipt of the letter which fully records the agreement between us relating to your appointment to carry out the work described in it.

NSENGIYUMVA NOHERI
PRESIDENT
SACCO MUYIRA DUSHYIGIKIRANE
Date: 06/02/2024

