The Emerging Africa Infrastructure Fund Limited
Financial Statements
For the year ended 31 December 2019

The Emerging Africa Infrastructure Fund Limited

Contents

The Emerging Africa Infrastructure Fund Limited

Corporate Data
For the year ended 31 December 2019

Directors	Position and Committee	Appointment	Position held until
Resident			
Patrice Maveyraud	Board Director	4-Sep-17	Ongoing
Tchang Fa Wong Sun Thiong	Board Director	2-Feb-15	Ongoing
Kamal Taposeea	Board Director	1-May-18	Ongoing
Non Resident			
Jeremy Patrick Stewart Crawford	Chair of Board	23-Mar-15	Ongoing
Layth Al-Falaki	Board Director	1-May-18	Ongoing

Corporate Data
For the year ended 31 December 2019

Fund Manager
Investec Asset Management Guernsey Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey GY1 1WR

Corporate Secretary
Intercontinental Trust Limited
Level 3, Alexander House
35 Cybercity
Ebène
Mauritius

Auditors
KPMG
KPMG Centre
31 Cybercity
Ebène
Mauritius

Legal Representatives
MDY Legal
Temple Chambers
3-7 Temple Avenue
London

Uteem Chambers
4th floor, les Jamalacs Building
Vieux Conseil Street
Port Louis
Mauritius

Directors' report

For the year ended 31 December 2019

The directors present their report together with the financial statements of The Emerging Africa Infrastructure Fund Limited (the "Company") for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is that of providing long-term financing to private sector infrastructure projects in Africa.

Results and dividends

The results for the year are shown on page 9.

The Board of directors has not declared a dividend for the year under review (2018: Nil).

Statement of directors' responsibilities in respect of the financial statements

Mauritius Companies Act 2001 requires the directors to prepare financial statements for each financial year which fairly present the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

The global outbreak of COVID-19 in early 2020 has ultimately resulted in the World Health Organization declaring the coronavirus outbreak a pandemic as of 11 March 2020. COVID-19 has caused major disruptions to both social and economic activities and will likely have a significant impact on all sectors across the world, including the countries and markets in which the Company operates. In addition to a general macro-economic downturn in its markets, some projects in the current loan portfolio may incur construction delays, cost increases and potentially financial stress resulting in possible loan restructurings and eventual defaults. The directors will continue to work with management to assesses the potential impact of this pandemic on the current loan portfolio as well as the operations and funding obligations of the Company.

Auditors

The auditors, KPMG, have indicated their willingness to continue in office.

By order of the Board

J.P.S. Gansford

Authorised director

Authorised director

Date: 5 May 2020

The Emerging Africa Infrastructure Fund Limited

Secretary's report
For the year ended 31 December 2019

Under Section 166 (d) of the Companies Act 2001

We certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies, for the year ended 31 December 2019, all such returns as are required of the Company under the Companies Act 2001.

CORPORATE SECRETARY
Intercontinental Trust Limited
Level 3, Alexander House
35 Cybercity
Ebene
Mauritius

Date: 5 May 2020

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KPMG Centre
31, Cybercity
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE EMERGING AFRICA INFRASTRUCTURE FUND LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Emerging Africa Infrastructure Fund Limited (the "Company"), which comprise the statement of financial position as at 31 December 2019 and the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 40.

In our opinion, these financial statements give a true and fair view of the financial position of The Emerging Africa Infrastructure Fund Limited as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE EMERGING AFRICA INFRASTRUCTURE FUND LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Data, Directors' Report and Secretary's Report, but does not include the financial statements and our auditors' 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.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, 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 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE EMERGING AFRICA INFRASTRUCTURE FUND LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement 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 directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE EMERGING AFRICA INFRASTRUCTURE FUND LIMITED

Report on the Audit of the Financial Statements (continued)

Other Matter

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's members, as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

KPMG

KPMG
Ebène, Mauritius

Mervyn Lam Hung
Licensed by FRC

Date: **05 May 2020**

The Emerging Africa Infrastructure Fund Limited

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Notes	Year Ended 31-Dec-19 USD	Year Ended 31-Dec-18 USD
Interest income on debt instruments at amortised cost	6	**36,848,098**	32,041,909
Interest income on debt instruments at fair value through other comprehensive income ("FVOCI")		**6,138,351**	7,497,352
Interest expense		**(2,734,787)**	(1,781,609)
Net interest income		**40,251,662**	37,757,652
Income from debt instruments at amortised cost - Shari'ah		**260,825**	251,806
Income from equity instruments		**66,654**	-
Total investment income		**40,579,141**	38,009,458
Other income			
Interest income on deposits	7	**661,412**	269,108
Loan fee income	8	**1,736,884**	1,123,542
Grant income	23	**5,724,657**	6,523,362
Grant income - PIDG Trust administrative		**1,313,845**	601,590
Amortisation of deferred income	23	**2,316,419**	1,729,015
Foreign exchange gain	9	**1,111,701**	2,018,713
Total other income		**12,864,918**	12,265,330
Expenses			
Fund manager expenses	11	**(12,312,417)**	(10,717,752)
Monitoring fee expenses		**(152,672)**	(35,726)
Loan expenses		**(11,862)**	-
Professional fees and expenses		**(710,197)**	(748,998)
Administration expenses		**(565,559)**	(699,158)
Amortisation of deferred expenses	16	**(1,919,342)**	(3,184,813)
Grant expenses	23	**(5,724,657)**	(6,523,362)
PIDG Limited administrative expenses		**(1,403,916)**	(712,466)
Total expenses		**(22,800,622)**	(22,622,275)
Gains/(losses) on financial instruments			
Realised loss on debt instruments at amortised cost		**-**	(20,570,076)
Realised gain on debt instruments - previously at FVOCI		**1,187,500**	-
Total gains/(losses) on financial instruments		**1,187,500**	(20,570,076)
Profit before impairment of debt instruments		**31,830,937**	7,082,437
Impairment of debt instruments			
Reversal of provision for impairment of debt instruments at amortised cost	12 (i)	**-**	41,237,883
Provision for impairment of debt instruments at FVOCI and interest	12 (ii)	**(9,879)**	(217,752)
Reversal of provision for impairment of debt instruments at amortised cost - interest	12 (ii)	**-**	2,998,445
Provision for impairment of debt instruments at amortised cost	12 (i)	**(6,954,096)**	(13,249,697)
Provision for impairment of debt instruments at amortised cost - expected credit losses ("ECL")	12 (i)	**-**	(2,196,939)
Reversal of provision for impairment of debt instruments at amortised cost - expected credit losses ("ECL")	12 (i)	**5,305,310**	-
		(1,658,665)	28,571,940
Profit before tax		**30,172,272**	35,654,377
Income tax expense	10	**(899,461)**	(801,858)
Profit for the year		**29,272,811**	34,852,519
Other comprehensive income			
Realised gain on equity instruments at FVOCI		**16,329**	654,798
Fair value reserve - amount transferred to profit or loss		**(1,994,750)**	(629,011)
Fair value reserve - financial instruments at FVOCI		**3,079,896**	(9,422,571)
Total other comprehensive income	21	**1,101,475**	(9,396,784)
Total comprehensive income for the year		**30,374,286**	25,455,735

The notes on pages 13 to 40 form an integral part of these financial statements.

The Emerging Africa Infrastructure Fund Limited

Statement of financial position

As at 31 December 2019

	Notes	31-Dec-19	31-Dec-18
		USD	USD
Assets			
Non-current assets			
Debt instruments	13	**507,254,070**	435,475,830
Equity instruments	14	**12,240,073**	10,064,552
Deferred expenses	16	**8,799,208**	7,229,302
		528,293,351	452,769,684
Current assets			
Debt instruments	13	**69,619,491**	90,067,729
Derivative instruments	18	**377,559**	343,349
Trade and other receivables	17	**7,424,481**	7,507,382
Prepayments		**37,365**	41,520
Cash and cash equivalents	19	**52,806,744**	10,798,851
		130,265,640	108,758,831
Total Assets		**658,558,991**	561,528,515
Equity and Liabilities			
Equity			
Share capital	20	**393,869,690**	393,869,690
Share premium		**10**	10
Fair value reserve	21	**3,745,759**	2,644,284
Retained earnings		**77,004,598**	47,731,787
Total equity		**474,620,057**	444,245,771
Liabilities			
Non-current liabilities			
Loans and borrowings	22	**157,450,427**	83,781,404
Deferred income	23	**16,015,685**	12,036,158
		173,466,112	95,817,562
Current liabilities			
Loans and borrowings	22	**4,176,542**	16,398,773
Current tax liabilities	24	**366,038**	215,246
Trade and other payables	25	**5,930,242**	4,851,163
		10,472,822	21,465,182
Total Equity and Liabilities		**658,558,991**	561,528,515

The financial statements have been approved by the Board of directors and authorised for issue on:

J.P.S. Gaunford

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5 May 2020 5 May 2020

The notes on pages 13 to 40 form an integral part of these financial statements.

The Emerging Africa Infrastructure Fund Limited

Statement of changes in equity

For the year ended 31 December 2019

	Notes	Share Capital USD	Share Premium USD	Fair Value Reserve USD	Retained Earnings USD	Total USD
Balance at 1 January 2018		391,869,690	10	12,041,068	12,879,268	416,790,036
Total comprehensive income for the year						
Other comprehensive income		-	-	(9,396,784)	-	(9,396,784)
Profit for the year		-	-	-	34,852,519	34,852,519
Transaction with owners, recognised directly in equity						
Issue of shares		2,000,000				2,000,000
Balance at 31 December 2018		393,869,690	10	2,644,284	47,731,787	444,245,771
Total comprehensive income for the year						
Other comprehensive income		-	-	**1,101,475**	-	**1,101,475**
Profit for the year		-	-	-	**29,272,811**	**29,272,811**
Balance at 31 December 2019		**393,869,690**	**10**	**3,745,759**	**77,004,598**	**474,620,057**

The notes on pages 13 to 40 form an integral part of these financial statements.

The Emerging Africa Infrastructure Fund Limited

Statement of cash flows

For the year ended 31 December 2019

	Notes	31-Dec-19 USD	31/Dec/18 USD
Cash flows from operating activities			
Profit for the year		**29,272,811**	34,852,519
Adjustments for non cash items:			
Net interest income		**(40,579,141)**	(38,009,458)
Amortisation of deferred income		**(2,316,419)**	(1,729,015)
Interest income on bank fixed deposits		**(661,412)**	(269,108)
Amortisation of deferred expenses		**1,919,342**	3,184,813
Grant income		**(5,724,657)**	(6,523,362)
Reversal of provision for impairment of debt instruments at amortised cost		**-**	(44,236,328)
Provision for impairment of debt instruments at amortised cost		**1,658,665**	15,664,388
Unrealised foreign exchange (gain)/loss on debt instruments at amortised cost	9	**(13,910)**	1,483,692
Unrealised foreign exchange gain on derivative instruments	9	**(34,209)**	(1,087,459)
Realised gain on debt instruments - previously at FVOCI		**(1,187,500)**	-
Income tax expense		**899,461**	801,858
		(16,766,969)	(35,867,460)
Changes in:			
Debt instruments at amortised cost		**(106,088,242)**	(24,702,813)
Debt instruments at FVOCI		**51,187,500**	-
Equity instruments at FVOCI		**-**	654,798
Deferred income		**4,202,192**	3,294,060
Trade and other receivables		**4,155**	11,816
Trade and other payables		**800,377**	(845,353)
		(66,660,987)	(57,454,952)
Grants received	23	**7,818,411**	7,160,897
Interest income received on debt instruments		**36,190,650**	28,780,381
Interest expense paid		**(2,456,085)**	(1,784,784)
Income tax paid		**(748,669)**	(1,075,482)
Net change in cash from operating activities		**(25,856,680)**	(24,373,940)
Cash flows from investing activities			
Interest received on debt instruments at FVOCI		**7,633,841**	10,756,820
Proceeds from sale of equity instruments		**167,953**	-
Income from equity instruments		**66,654**	-
Net change in cash from investing activities		**7,868,448**	10,756,820
Cash flows from financing activities			
Issue of ordinary shares		**-**	2,000,000
Payment of loan fees	16	**(3,489,248)**	(7,733,611)
Proceeds from borrowings	22	**178,034,719**	33,558,801
Repayment of borrowings	22	**(114,549,346)**	(21,571,865)
Net change in cash from financing activities		**59,996,125**	6,253,325
Net change in cash and cash equivalents		**42,007,893**	(7,363,795)
Cash and cash equivalents at beginning of year		**10,798,851**	18,162,646
Cash and cash equivalents at end of year		**52,806,744**	10,798,851

The notes on pages 13 to 40 form an integral part of these financial statements.

1 Reporting entity

(a) *General Information*

The Emerging Africa Infrastructure Fund Limited (the "Company"), was incorporated on 18 December 2001, was granted a Category 1 Global Business Licence on 29 April 2002 and operates as a Closed Ended Fund.

The Company provides long-term debt or mezzanine finance on commercial terms to finance the construction and development of private infrastructure in countries across Africa.

(b) *Statement of Compliance*

These financial statements comprise the financial statements of the Company and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Mauritius Companies Act.

2 Basis of preparation

These financial statements have been prepared on the basis of accounting policies applicable to a going concern. The 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 financial statements are presented in United States Dollar ("USD"), which is the Company's functional currency. All amounts have been rounded to the nearest USD, unless otherwise indicated.

The financial statements have been prepared on the historical cost basis except for the measurement of financial instruments. The principal accounting policies set out below have, unless otherwise stated, been applied consistently to all periods in these financial statements.

3 Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of those assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis by the directors and management. Revisions to accounting estimates are recognised prospectively.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018. Refer to page 14 for further information about the assumptions applied in respect of IFRS 9. Further information about the assumptions made in measuring fair values are disclosed in note 27.

(a) *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is set out below:

3 Use of judgements and estimates (continued)

(a) *Judgements (continued)*

(i) Determination of the functional currency

The functional currency is the currency of the primary economic development in which the Company operates. The majority of the Company's transactions are denominated in USD. Most of the debt instruments at amortised cost are disbursed and paid in USD and most of the interest income and expenses (including fund manager expenses) are denominated and paid in USD. Accordingly, management has determined that the functional currency of the Company is USD.

(b) *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2019 is set out below:

(i) Impairment of financial instruments

At each reporting date, the Company calculates an expected credit loss ("ECL") for debt instruments measured at amortised cost and at fair value through OCI ("FVOCI").

The ECL model is forward-looking. The loss allowances are either calculated on a 12-month ECL basis or lifetime ECL basis.

Where financial assets show a significant increase in credit risk, the loss allowance is based on the lifetime ECL. The Company considers the commercial, financial and operational performance of a borrower or issuer of debt, the quality of its governance including in respect of environmental or social impacts, its industrial sector and its macro-economic environment when determining whether or not there has been a significant increase in credit risk since the last reporting date.

IFRS 9 allows for the ECL of a financial asset to be measured using the lifetime basis in one period and the 12-month basis in the next. Refer to page 20 for more detail around the ECL model.

Financial assets measured at amortised cost

ECLs are calculated at each reporting date and reflected in an allowance account. The allowance account is netted off against the carrying amount of the asset. The movement in ECL between reporting dates is recognised in profit or loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

Financial assets measured at fair value through OCI

ECLs are calculated at each reporting date and reflected as a loss allowance. The loss allowance is recognised in OCI and not netted off against the carrying amount of the asset. The carrying amount of these assets is their fair value which would already include impairment considerations.

3 Use of judgements and estimates (continued)

(b) Assumptions and estimation uncertainties (continued)

(ii) Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values.

The Valuation Committee of the fund manager has the overall responsibility for overseeing all significant fair value measurements, which are approved by the fund manager's Credit Committee, which includes members of PIDG Ltd. The Valuation Committee reports to the Risk Committee of the fund manager.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 27.

4 Accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements unless otherwise indicated.

(a) *Foreign currency transactions*

Transactions in foreign currencies are translated into the respective functional currency of the entity at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of financial assets at FVOCI (equity instruments) are recognised in other comprehensive income ("OCI").

4 Accounting policies (continued)

(b) *Interest income and expense*

Interest income and expense are recognised in the profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future cash receipts and payments through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income arises from interest on debt instruments at amortised cost while interest expense arises from interest on borrowing provided by lenders.

(c) *Deferred income*

Deferred income consists of deferral, upfront and commitment fees from borrowers which are recognised systematically over the life of the underlying loan on an effective yield basis.

(d) *Deferred expenses*

Deferred expenses consist of upfront, commitment and refinancing fees paid to the lenders which are recognised systematically over the life of the underlying loan on an effective yield basis.

(e) *Loan fee income*

Loan fee income consists of loan arrangement, amendment, restructuring, annual monitoring, consent, waiver, loan breakage and appraisal fees which the Company charged to the borrowers for work performed during the year.

(f) *Grants*

Grants are initially recognised as deferred income if all conditions associated with the grants are complied with.

Grants that compensate the Company for expenses incurred are recognised in the profit or loss on a systematic basis in the periods in which the expenses are recognised.

(g) *Income tax*

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

4 Accounting policies (continued)

(g) *Income tax (continued)*

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset if certain criteria are met.

(ii) Deferred tax

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(h) Financial assets and financial liabilities

IFRS 9 requires the Company to consider the business model for managing and monitoring performance of the financial instruments.

Only the assets that meet both the criteria listed below can be measured at amortised cost:
i) Assets upon which the entity intends to collect amounts which are solely payments of principal and interest; and
ii) Assets which are held within a business model whose objective is to hold assets to collect contractual cash flows.

Equity instruments will be recognised at fair value through profit and loss except for instruments irrevocably designated at fair value through other comprehensive income.

(i) Recognition and derecognition

Financial instruments are recognised when, and only when, the Company becomes a party to the contractual provisions of the particular instrument.

4 Accounting policies (continued)

(h) Financial assets and financial liabilities (continued)

(i) Recognition and derecognition (continued)

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its Statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

A financial liability is de-recognised when, and only when, the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.

The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(ii) Initial measurement

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(iii) Classification and subsequent measurement under IFRS 9

Financial assets

The classification of financial assets under IFRS 9 is based on whether the financial assets are equity instruments, debt instruments or derivative assets. Derivative assets are mandatorily categorised as financial assets at fair value through profit or loss ("FVTPL"). The Company has elected to designate its current equity instruments as FVOCI.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

4 Accounting policies (continued)

(h) Financial assets and financial liabilities (continued)

(iii) Classification and subsequent measurement under IFRS 9 (continued)

A financial asset is classified as a financial asset at amortised cost if it meets both of the following conditions (and is not designated as at FVTPL):
i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above, are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss, namely Derivative instruments, are initially recognised at fair value excluding transaction costs directly attributable to their acquisition which are recognised immediately in profit or loss. After initial recognition, financial assets at fair value through profit or loss are measured at fair value with resulting fair value gains or losses being recognised directly in profit or loss.

Financial assets at amortised cost

(a) Debt instruments

Debt instruments are initially recognised at fair value. Subsequent to initial measurement, debt instruments are measured at amortised cost using the effective interest method less any impairment losses. Interest received is recognised as part of investment income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. All debt instruments are recognised when cash is advanced or expected from borrowers.

(b) Cash and cash equivalents

Cash and cash equivalents comprises balances with banks which generally have a maturity of less than 90 days from date of acquisition. Cash and cash equivalents are carried at amortised cost.

(c) Trade and other receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost in the Statement of financial position.

4 Accounting policies (continued)

(h) Financial assets and financial liabilities (continued)

(iii) Classification and subsequent measurement under IFRS 9 (continued)

Financial liabilities

All loans and borrowings and trade and other payables are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, financial liabilities and trade and other payables are classified as measured at amortised cost. Financial liabilities and trade and other payables are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

For a quantitative representation of the classifications under IFRS 9, refer to the table on pages 22 and 23.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expense items are offset only to the extent that their related instruments have been offset in the Statement of financial position.

Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ ("ECL") model and results in credit losses being recognised earlier than under IAS 39. The new impairment model applies to financial assets measured at amortised cost (for example loans and advances, trade and other receivables and cash and cash equivalents), but not to investments in equity instruments. As a consequence of the new standard, the Company has revised its impairment methodology under IFRS 9 for each of these classes of assets.

Impairment under IFRS 9 will apply to cash and cash equivalents being measured at amortised cost. These are short term (that is not longer than 12 months) and held with a reputable bank institution.

The ECL impairment loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default ("PD"), the loss given default ("LGD") and the possible exposure at default ("EAD"). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects the Company's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, the Company also considers observable market information about the credit risk of the particular financial instrument or similar financial instruments.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for financial assets for which the credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

4 Accounting policies (continued)

(h) Financial assets and financial liabilities (continued)

(iii) Classification and subsequent measurement under IFRS 9 (continued)

Impairment of financial assets (continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The ECL loss amount depends on the specific stage where the financial instrument has been allocated to within the ECL model:
Stage 1: At initial recognition a financial instrument is allocated into stage 1, except for purchased or originated credit impaired financial instruments.
Stage 2: A financial instrument is allocated to stage 2 if there has been a significant increase in credit risk since initial recognition of the financial instrument.
Stage 3: A financial instrument is allocated to stage 3 if the financial instrument is in default or is considered to be credit impaired.

Under IFRS 9, impairment loss allowances are measured on either of the following bases:
i) 12-month ECLs: These are ECLs that result from possible default events within the 12 months after the reporting date; and
ii) Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company considers a financial asset to have deteriorated when there is failure to meet interest and capital repayments, financial covenant breaches and concern with the respect to the environmental, social and governance of the borrower, industry within which the borrower operates and the construction phase of the borrower.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

4 Accounting policies (continued)

(h) Financial assets and financial liabilities (continued)

(iii) Classification and subsequent measurement under IFRS 9 (continued)

Categories of financial instruments

The analysis of financial assets and financial liabilities into their categories is set out in the following table:

At 31 December 2019 USD '000	Fair value through other comprehensive income	Mandatorily designated at fair value through profit or loss	Amortised cost	Non-financial assets and liabilities	Total
Assets per the Statement of financial position					
Debt instruments	31,095	-	545,779	-	576,874
Equity instruments	12,240	-		-	12,240
Derivative instruments	-	378	-	-	378
Deferred expenses	-	-	-	8,799	8,799
Prepayments	-	-	-	37	37
Trade and other receivables	-	-	7,424	-	7,424
Cash and cash equivalents	-	-	52,807	-	52,807
Total assets	**43,335**	**378**	**606,010**	**8,836**	**658,559**
Liabilities per the Statement of financial position					
Loans and borrowings	-	-	161,627	-	161,627
Deferred income	-	-	-	16,016	16,016
Current tax liabilities	-	-	-	366	366
Trade and other payables	-	-	5,930	-	5,930
Total liabilities	**-**	**-**	**167,557**	**16,382**	**183,939**

4 Accounting policies (continued)

(h) Financial assets and financial liabilities (continued)

(iii) Classification and subsequent measurement under IFRS 9 (continued)

Categories of financial instruments (continued)

At 31 December 2018 USD '000	Fair value through other comprehensive income	Mandatorily designated at fair value through profit or loss	Amortised cost	Non-financial assets and liabilities	Total
Assets per the Statement of financial position					
Debt instruments	81,184	-	444,359	-	525,543
Equity instruments	10,065	-	-	-	10,065
Derivative instruments	-	343	-	-	343
Deferred expenses	-	-	-	7,229	7,229
Prepayments	-	-	-	42	42
Trade and other receivables	-	-	7,507	-	7,507
Cash and cash equivalents	-	-	10,799	-	10,799
Total assets	91,249	343	462,665	7,271	561,528
Liabilities per the Statement of financial position					
Loans and borrowings	-	-	100,180	-	100,180
Deferred income	-	-	-	12,036	12,036
Current tax liabilities	-	-	-	215	215
Trade and other payables	-	-	4,851	-	4,851
Total liabilities	-	-	105,031	12,251	117,282

(i) Share capital

Ordinary shares

Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(j) Fair value reserve

Financial assets that are classified and measured at fair value through other comprehensive income are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in fair value reserves. Upon disposal, any balance within fair value reserves is reclassified directly to retained earnings and is not reclassified to profit or loss.

(k) Retained earnings

Retained earnings include all current and prior years' results.

5 New standards and interpretations not yet adopted

No new standards and/or amendments not yet effective have been identified by the Company as being material.

6 Interest income from debt instruments

	31-Dec-19 USD	31-Dec-18 USD
Interest income earned in the current year	**36,848,098**	32,041,909
	36,848,098	32,041,909

7 Interest income on deposits

	31-Dec-19 USD	31-Dec-18 USD
Interest on bank balance and deposits	**661,412**	269,108
Amortisation of fair value gain	**-**	629,011
Amortisation of investment cost	**-**	(629,011)
	661,412	269,108

8 Loan fee income

	31-Dec-19 USD	31-Dec-18 USD
Loan arrangement fees	**484,503**	568,781
Annual monitoring fees	**289,815**	260,112
Consent and waiver fees	**612,505**	284,669
Appraisal fees	**350,061**	9,980
	1,736,884	1,123,542

9 Foreign exchange gain/(loss)

	31-Dec-19 USD	31-Dec-18 USD
Unrealised gain/(loss) on net loans	**13,910**	(1,483,692)
Unrealised (loss)/gain on cash balances	**(81,077)**	338,986
Realised gain on forward contracts	**1,144,659**	2,075,960
Unrealised gain on forward contracts	**34,209**	1,087,459
	1,111,701	2,018,713

Included in the unrealised (loss)/gain on forward contracts is an amount related to the hedging of the Euro-denominated equity position. The corresponding offsetting foreign exchange gain/(loss) on the Euro-denominated equity position itself is included in the fair value reserve - debt instruments at FVOCI line item in the Statement of profit or loss and other comprehensive income.

9 Foreign exchange gain/(loss) (continued)

Realised foreign exchange gains and losses on monetary transactions arise from changes in exchange rates between the date when expenses in currencies other than the base currency are incurred and the date these expenses are paid.

10 Income tax expense

The Company is subject to income tax in Mauritius at 15% (2018: 15%). It is entitled, however, to a tax credit equivalent to the higher of the actual foreign tax incurred and 80% of the Mauritian tax on its foreign source income. Capital gains are exempt from tax in Mauritius.

	31-Dec-19 USD	31-Dec-18 USD
Total income tax expense for the year	**899,461**	801,858

Calculation of the income tax expense

	31-Dec-19 USD	31-Dec-18 USD
Profit for the year before tax	**30,172,272**	35,654,377
Less: Exempt income (Mauritian-domiciled interest income)	**(1,848,912)**	(45,160,234)
Add: Non-deductible expenses (Net impairments)	**1,658,665**	36,234,464
	29,982,025	26,728,607
Tax at 15%	**4,497,304**	4,009,291
Tax credit at 80%	**(3,597,843)**	(3,207,433)
Tax expense for the year	**899,461**	801,858

11 Fund manager expenses

Investec Asset Management Guernsey Limited

Effective on 09 May 2016, Investec Asset Management Guernsey Limited ("IAMGL") was appointed as Fund Manager. IAMGL is due a management fee calculated quarterly as the product of (a) the Applicable Management Fee Percentage pro-rated based on a fee sliding scale; and (b) the Average Portfolio Commitments as set out under the Management Agreement dated 5 May 2016.

IAMGL is also due a performance fee calculated annually in terms of the aformentioned Management Agreement. This fee is subject to the achievement of financial and developmental targets, as well as a discretionary fee component approved at the sole discretion of the EAIF Board.

Breakdown of fund manager expenses:

	31-Dec-19 USD	31-Dec-18 USD
Management fee	**9,544,867**	8,334,177
Performance fee	**2,767,550**	2,383,575
	12,312,417	10,717,752

12 Provision for impairment of debt instruments

		31-Dec-19	31-Dec-18
		USD	USD
(i)	*Debt instruments at amortised cost*		
	Opening balance	**62,726,442**	52,384,843
	Adoption of IFRS 9 - opening balance adjustment	**-**	12,215,892
	Adoption of IFRS 9 - reclassification adjustment	**-**	23,916,954
	Provision for impairment of debt instruments at amortised cost	**6,954,096**	13,249,697
	Provision for impairment of debt instruments at amortised cost - ECL	**-**	2,196,939
	Reversal of provision for impairment of debt instruments at amortised cost - ECL	**(5,305,310)**	-
	Reversal of provision for impairment of debt instruments at amortised cost	**-**	(41,237,883)
	Closing balance	**64,375,228**	62,726,442
(ii)	*Debt instruments at FVOCI and interest*		
	Opening balance	**502,233**	3,282,926
	Provision for impairment of accrued interest	**9,879**	9,852
	Provision for impairment of debt instruments at FVOCI - ECL	**712,800**	207,900
	Reversal of impairment of accrued interest	**-**	(2,998,445)
	Closing balance	**1,224,912**	502,233
(iii)	*Held-to-maturity financial assets*		
	Opening balance	**-**	23,916,954
	Adoption of IFRS 9 reclassification adjustment	**-**	(23,916,954)
	Closing balance	**-**	-

13 Debt instruments

		31-Dec-19	31-Dec-18
		USD	USD
Debt instruments at amortised cost/loans and advances			
Opening balance		**506,404,599**	451,655,864
Adoption of IFRS 9 - reclassification adjustment		-	7,883,858
Disbursements		**172,923,768**	119,211,675
Repayments		**(66,835,526)**	(63,337,062)
Interest capitalised		**4,208,690**	3,842,336
Loss on revaluation of Euro-denominated debt instruments at amortised cost		**(2,024,671)**	(4,968,214)
Disposal during the year		-	(7,883,858)
Closing balance		**614,676,860**	506,404,599
Provision for impairment - non-performing portfolio		**(55,267,708)**	(48,313,611)
Provision for impairment - ECL		**(9,072,420)**	(13,224,831)
Interest suspended		**(4,558,172)**	(506,699)
		(68,898,300)	(62,045,141)
Net debt instruments at amortised cost		**545,778,560**	444,359,458
Debt instruments at FVOCI			
Opening balance		**81,184,101**	86,259,501
Realised gain during the year		**1,187,500**	-
Disposals during the year		**(51,187,500)**	-
Unrealised fair value loss		**(89,100)**	(5,075,400)
Closing balance		**31,095,001**	81,184,101
Held-to-maturity financial assets			
Opening balance	Holding		
Interest capitalised	31,912,500	-	7,883,858
Reclassification adjustment on adoption of IFRS 9	(31,912,500)	-	(7,883,858)
Closing balance		-	-
Classification of between non current and current			
Non-current debt instruments at amortised cost		**472,197,572**	349,721,438
Non-current debt instruments at amortised cost - Shari'ah		**3,961,498**	4,570,291
Non-current debt instruments at FVOCI		**31,095,001**	81,184,101
Non-current debt instruments total		**507,254,070**	435,475,830
Current debt instruments at amortised cost		**69,371,632**	90,067,729
Current debt instruments at amortised cost - Shari'ah		**247,859**	-
Current debt intruments total		**69,619,491**	90,067,729
Total debt instruments		**576,873,561**	525,543,559

(a) Undisbursed loan commitments

As at 31 December 2019, the undisbursed loan commitments were USD 124,719,680 and EUR 82,400,413 (31 December 2018: USD 63,741,726 and EUR 84,577,230).

(b) Interest suspended

During the year, the Company has capitalised the interest due from debt instruments at amortised cost which have been provided for impairment. However, due to the uncertainty over its recoverability, the Company has not recognised the interest capitalised in the Statement of profit or loss and other comprehensive income.

14 Equity instruments

	31-Dec-19 USD	31-Dec-18 USD
Equity instruments at FVOCI		
At beginning of the year	**10,064,552**	14,619,622
Acquisition during the year	**-**	9,577,599
Disposals during the year	**(162,609)**	(10,232,397)
Realised gain	**10,984**	654,799
Unrealised fair value gain/(loss)	**2,327,146**	(4,555,071)
At end of the year	**12,240,073**	10,064,552

15 Details of investments at FVOCI

Name of company	Country of incorporation	Type of investment held	Holding 31-Dec-19	Carrying value 31-Dec-19 USD	Carrying value 31-Dec-18 USD
Quoted investments					
IHS Netherlands Holdco Bv	Ireland	Bond	-	**-**	50,567,000
Kenmare Resources plc	UK	Ordinary shares	2,957,315	**9,095,666**	7,081,893
HTA Group Ltd	Ireland	Bond	30,000,000	**31,095,001**	30,617,101
Unquoted investments					
Aldwych Holdings Limited (i)	UK	Ordinary A shares	-	**-**	7,072
Aldwych Holdings Limited (i)	UK	Deferred shares	-	**-**	2,053
IPS Cable System Holding Limited	Mauritius	Share warrant	1,065,341	**3,144,407**	2,973,534
				43,335,074	91,248,653

16 Deferred expenses

	Refinancing Cost USD	Upfront Fees USD	Commitment Fees USD	Total USD
At 1 January 2018	358,868	957,637	1,363,999	2,680,504
Movement during the year	1,553,776	3,914,300	2,265,535	7,733,611
Amortisation charge	(430,249)	(904,929)	(1,849,635)	(3,184,813)
At 31 December 2018	1,482,395	3,967,008	1,779,899	7,229,302
Movement during the year	**68,896**	**-**	**3,420,352**	**3,489,248**
Amortisation charge	**(264,453)**	**(672,061)**	**(982,828)**	**(1,919,342)**
At 31 December 2019	**1,286,838**	**3,294,947**	**4,217,423**	**8,799,208**

17 Trade and other receivables

	31-Dec-19 USD	31-Dec-18 USD
Interest receivable on loans	**6,534,486**	5,773,430
Accrued interest on bank deposits	**1,519**	1,032
Interest accrued on income notes and debt instruments at FVOCI	**965,897**	1,800,462
Other receivables	**29,205**	29,205
	7,531,107	7,604,129
Provision for impairment - accrued interest and interest on income notes	**(106,626)**	(96,747)
	7,424,481	7,507,382

18 Derivatives

	31-Dec-19 USD	31-Dec-18 USD
Foreign currency forward exchange contract - at fair value	**377,559**	343,349

The notional amount of the outstanding foreign currency forward exchange contract as at 31 December 2019 is EUR 29,960,725 (31 December 2018: EUR 40,730,000).

19 Cash and cash equivalents

	31-Dec-19 USD	31-Dec-18 USD
Barclays Bank Mauritius Limited*		
- Operating account	**46,666,773**	8,752,166
- Technical Assistance Facility ("TAF") grant	**4,084,963**	2,013,035
- Fixed deposit account	**2,026,831**	-
Standard Chartered Bank (Mauritius) Limited		
- Operating account	**28,177**	33,650
	52,806,744	10,798,851

*Effective 10 February 2020, Barclays Bank Mauritius Limited will be trading as Absa Bank (Mauritius) Limited.

20 Share capital

	31-Dec-19		31-Dec-18	
	Shares	**USD**	Number of Shares	USD
Ordinary shares, issued and fully paid				
Opening balance	**39,386,969**	**393,869,690**	39,186,969	391,869,690
Issue of shares	**-**	**-**	200,000	2,000,000
Closing balance	**39,386,969**	**393,869,690**	39,386,969	393,869,690

The nominal value of the shares are USD 10 each. All ordinary shares are ranked equally. Holders of these shares are entitled to dividends as declared from time to time.

21 Fair value reserve

	31-Dec-19	31-Dec-18
	USD	USD
At beginning of the year	**2,644,284**	10,853,068
Reclassification adjustment on adoption of IFRS 9	**-**	1,188,000
Movement during the year	**1,101,475**	(9,396,784)
At end of the year	**3,745,759**	2,644,284

22 Loans and borrowings

	31-Dec-19	31-Dec-18
	USD	USD
Non-current liabilities		
Kreditanstalt fur Wiederaufbau ("KfW")	**17,000,000**	17,000,000
Kreditanstalt fur Wiederaufbau - EUR	**112,369,824**	66,764,259
Allianz Global Investors ("Allianz")	**8,000**	8,000
Allianz Global Investors - EUR	**28,072,603**	9,145
	157,450,427	83,781,404
Current liabilities		
Kreditanstalt fur Wiederaufbau - EUR	**4,176,542**	5,014,142
Standard Chartered Bank ("SC") - EUR	**-**	11,384,631
	4,176,542	16,398,773
Opening balance	**100,180,177**	91,677,764
Drawdown	**178,034,719**	33,558,801
Repayment	**(114,549,346)**	(21,571,865)
Unrealised foreign exchange gain	**(2,038,581)**	(3,484,523)
Closing balance	**161,626,969**	100,180,177

The above borrowings are denominated in the following currencies:

US Dollar	**17,008,000**	17,008,000
Euro	**144,618,969**	83,172,177
	161,626,969	100,180,177

22 Loans and borrowings (continued)

Terms of financial liabilities at amortised cost

Lender	Currency	Maturity date	Total committed	Undisbursed
SC Facility C3	USD/EUR	19 March 2021	50,000,000	50,000,000
KfW Facility D2	USD	17 June 2028	65,000,000	58,000,000
KfW Facility D3	USD	17 June 2028	20,000,000	10,000,000
KfW Facility E1	USD	19 March 2030	50,000,000	50,000,000
AfDB Facility F	USD	19 March 2028	75,000,000	75,000,000
FMO Facility G	USD	19 March 2028	50,000,000	50,000,000
Allianz Facility H2	USD	28 March 2030	25,000,000	24,992,000
				317,992,000
KfW Facility B	EUR	29 October 2024	55,000,000	-
KfW Facility D1	EUR	17 June 2028	45,000,000	-
KfW Facility E2	EUR	19 March 2030	75,000,000	50,000,000
Allianz Facility H1	EUR	28 March 2030	75,000,000	49,991,000
				99,991,000
			Total USD equivalent	430,231,898

23 Deferred income

	TAF Grant[1] USD	Restructuring Fees USD	Upfront Fees USD	Commitment Fees USD	Total USD
At 1 January 2018	683,887	790,710	4,134,007	4,224,974	9,833,578
Movement during the year	7,160,897	-	1,890,505	1,403,555	10,454,957
Amortisation charge	(6,523,362)	(205,820)	(639,830)	(883,365)	(8,252,377)
At 31 December 2018	1,321,422	584,890	5,384,682	4,745,164	12,036,158
Movement during the year	**7,818,411**	-	**2,103,811**	**2,098,381**	**12,020,603**
Amortisation charge	**(5,724,657)**	**(197,581)**	**(959,458)**	**(1,159,380)**	**(8,041,076)**
At 31 December 2019	**3,415,176**	**387,309**	**6,529,035**	**5,684,165**	**16,015,685**

[1]The Private Infrastructure Development Group ("PIDG") acting through the PIDG Trust (shareholder of the Company) provides TAF grants to the Company for development projects approved by PIDG Ltd on behalf of the PIDG. TAF grants are managed through the Company in agreement with the PIDG.

24 Current tax liabilities

	31-Dec-19 USD	31-Dec-18 USD
At beginning of the year	**215,246**	488,870
Tax paid during the year	**(748,669)**	(1,075,482)
Income tax expense for the year	**899,461**	801,858
At end of the year	**366,038**	215,246

25 Trade and other payables

	31-Dec-19 USD	31-Dec-18 USD
Management fee	**2,478,044**	2,135,025
Performance fee	**2,767,550**	2,383,575
MDY legal fees	**49,944**	34,731
Loan interest payable	**477,950**	199,248
Management company fees	**4,755**	1,400
Audit and tax fees	**44,008**	12,350
Other payables	**107,991**	84,834
	5,930,242	4,851,163

26 Related party transactions

During the year, the Company had transactions and balances with its related parties. There has been no transactions with key management personnel during the year. The nature, volume of transactions and balances are as follows:

Name of company	**Nature of relationship**	**Nature of transaction**	**31-Dec-19 USD**	31-Dec-18 USD
Transactions during the year:				
PIDG Trust	Shareholder	Grant amortised	**5,724,657**	6,523,362
		Grant received	**7,818,411**	7,160,897
PIDG Trust	Shareholder	Grant received - administrative	**1,313,845**	601,590
PIDG Ltd	Subsidiary of PIDG Trust[1]	Administrative expense	**(1,403,916)**	(712,466)
Investec Asset Management Guernsey Limited	Fund Manager	Management fees	**9,544,867**	8,334,177
Investec Asset Management Guernsey Limited	Fund Manager	Performance fees	**2,767,550**	2,383,575
Balances outstanding at end of the year:				
PIDG Trust	Shareholder	Grant received	**3,415,176**	1,321,422
Investec Asset Management Guernsey Limited	Fund Manager	Management fees	**2,478,044**	2,135,025
Investec Asset Management Guernsey Limited	Fund Manager	Performance fees	**2,767,550**	2,383,575
PIDG Ltd	Subsidiary of PIDG Trust[1]	Administrative expense	**71,067**	71,067

[1] *Fellow subsidiary of the Trust, but with delegated authority from the Trust to manage the company.*

27 Fair values of financial instruments

Accounting classifications and fair values

The table below shows the carrying amounts and fair values of financial assets and financial liabilities measured at fair value.

Financial instruments measured at fair value

	Carrying amount		Fair Value	
		Level 1	Level 2	Level 3
	USD	USD	USD	USD
31 December 2019				
Debt instruments at FVOCI	**31,095,001**	**31,095,001**	**-**	**-**
Equity instruments at FVOCI	**12,240,073**	**9,095,666**	**-**	**3,144,407**
Derivative instruments	**377,559**	**-**	**377,559**	**-**
	43,712,633	**40,190,667**	**377,559**	**3,144,407**
31 December 2018				
Debt instruments at FVOCI	81,184,101	81,184,101	-	-
Equity instruments at FVOCI	10,064,552	7,081,893	-	2,982,659
Derivative instruments	343,349	-	343,349	-
	91,592,002	88,265,994	343,349	2,982,659

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in an active markets for identical instruments.
Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and whose unobservable inputs have a significant effect on the instrument's valuation.

For the equity investments (classified as level 3), the directors are of the opinion that the best approximate measurement of the financial assets is fair value.

Significant unobservable inputs used in measuring fair value

IPS Cable System Holding Limited ("IPS")

The investment in IPS Cable System Holding Limited is valued using the book value valuation technique by valuing the only significant asset held by IPS, namely Seacom Capital Limited ("SCL"), and applying the effective % that the Company holds of SCL, namely 1.6%.

The unobservable input to this valuation method relates to the fair value of its investment in Seacom Capital Limited, which ranges from USD 211 million to USD 353 million. As this fair value of SCL increases, the fair value of IPS increases.

In valuing IPS, the Company has conservatively used a fair value of USD 190 million for SCL, equating to a fair value for the Company's investment in IPS of USD 2,973,534.

Financial instruments not measured at fair value

The carrying amount of the Company’s trade end other receivables, bank deposits, cash and cash equivalents and trade and other payables is approximate to their fair values, and thus information relating to the fair values of these financial instruments is not disclosed. The fair value of debt instruments (carried at amortized cost) is USD 577,380,363, and the fair value of loans and borrowings (carried at amortized cost) is USD 160,681,252 as at 31 December 2019. The carrying amount of the Company’s debt instruments (carried at amortized cost) and loans and borrowings (carried at amortized cost) did approximate their fair values as at 31 December 2018, and thus information relating to the fair values of these financial instruments was not disclosed in the prior year, and therefore comparative figures are not provided here.

28 Financial risk management and review

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk.

Risk management framework

The Company has established a risk management framework and has delegated responsibility for compliance with the risk management framework to PIDG Ltd. PIDG Ltd is responsible for, amongst other matters, ensuring the Company's compliance with its Risk Appetite Statements.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. There were no changes in the Company's approach to capital management during the year.

The Company is subject to an externally-imposed capital requirement that the equity of the Company should not fall below USD 150,000,000. This limit is imposed by the Company's lenders in terms of the Common Terms Agreement.

Credit risk

Credit risk is the risk of financial loss of the Company if a borrower and counterparty fail to meet their contractual obligations, and arises principally from the Company's debt instruments at amortised cost.

The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the Statement of financial position. The risk that counterparties might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Company deals with counterparties of good credit standing.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each borrower. The geographic spread of the Company's customer base, including the default risk of the industry in which the borrower operates, has an influence on credit risk.

In order to minimise its credit risk, the Company has criteria in place, including its Investment Policy, against which each new borrower is individually assessed and which forms the basis of the terms and conditions of each loan facility.

The carrying amount of the financial assets, net of provision for impairments, represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Dec-19	31-Dec-18
	USD	USD
Debt instruments	**576,873,561**	525,543,559
Derivative instruments	**377,559**	343,349
Trade and other receivables	**7,424,481**	7,507,382
Cash and cash equivalents	**52,806,744**	10,798,851
	637,482,345	544,193,141

28 Financial risk management and review (continued)

Credit risk (continued)

(i) *Analysis of credit risk for debt instruments at amortised cost and loan interest receivables by sector and country/region:*

	Debt instruments at amortised cost		***Loan interest receivable***	
	31-Dec-19 USD	31-Dec-18 USD	**31-Dec-19 USD**	31-Dec-18 USD
Sector				
Agriculture	**-**	4,491,050	**239,239**	140,849
Mining	**56,014,099**	14,511,076	**176,108**	6,358
Telecommunications	**2,785,873**	3,453,895	**-**	112,257
Industrial infrastructure	**67,735,244**	71,248,303	**323,926**	975,797
Power	**339,321,655**	290,989,312	**5,359,378**	4,150,438
Transport	**70,553,745**	49,733,322	**701,117**	346,406
Gas	**9,367,944**	9,932,500	**23,697**	41,325
	545,778,560	444,359,458	**6,823,465**	5,773,430
Country/Region				
Republic of Cameroon	**12,173,798**	1,530,144	**934,493**	19,150
Mozambique	**48,786,251**	45,872,086	**463,758**	759,628
Republic of Nigeria	**70,252,024**	71,914,493	**107,391**	861,964
Uganda	**79,724,507**	59,343,134	**1,595,757**	420,210
Kenya	**17,154,993**	22,511,809	**265,090**	202,452
Democratic Republic of Congo	**21,744,858**	29,719,804	**305,320**	460,146
Pan-Africa	**2,785,874**	5,407,991	**-**	112,257
Senegal	**23,670,473**	27,698,271	**132,094**	171,058
Ethiopia	**4,068,024**	8,114,123	**636,366**	103,391
Ghana	**38,180,374**	33,851,850	**776,063**	407,983
Ivory Coast	**43,892,825**	46,119,825	**78,066**	1,140,765
Republic of Rwanda	**43,086,781**	31,115,238	**1,204,801**	733,841
Madagascar	**21,750,595**	18,756,200	**64,185**	206,255
Mali	**35,952,459**	19,541,490	**248,080**	137,570
Gabon	**44,735,127**	22,863,000	**566**	36,760
Guinea	**37,819,597**	-	**11,435**	-
	545,778,560	444,359,458	**6,823,465**	5,773,430

(ii) *Analysis of credit risk for financial assets at FVOCI and interest receivables by sector and country/region:*

	Financial assets at FVOCI		***Interest receivable***	
	31-Dec-19 USD	31-Dec-18 USD	**31-Dec-19 USD**	31-Dec-18 USD
Sector				
Mining	**9,095,666**	7,081,893	**-**	-
Power	**-**	9,125	**-**	-
Telecommunications	**34,239,408**	84,157,635	**859,270**	1,703,715
	43,335,074	91,248,653	**859,270**	1,703,715

28 Financial risk management and review (continued)

Credit risk (continued)

(ii) *Analysis of credit risk for financial assets at FVOCI and interest receivables by sector and country/region (continued):*

	Financial assets at FVOCI		***Interest receivable***	
	31-Dec-19	31-Dec-18	**31-Dec-19**	31-Dec-18
	USD	USD	**USD**	USD
Country/Region				
Mozambique	**9,095,666**	7,081,895	**-**	-
Nigeria	**-**	50,567,000	**-**	844,444
Pan-Africa	**34,239,408**	33,599,758	**859,270**	859,271
	43,335,074	91,248,653	**859,270**	1,703,715

Sensitivity Analysis

At each reporting date, the Company calculates an ECL for debt instruments measured at amortised cost and at fair value though OCI.

Key inputs into the ECL model for impairment are the credit ratings and respective LGD's assigned to each debt instrument by the Company.

A one notch improvement or deterioration in the credit ratings assigned to each debt instrument as at 31 December would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in USD	**1 Notch credit rating improvement**	**1 Notch credit rating deterioration**
	Profit or (loss)	**Profit or (loss)**
	4,335,710	(4,175,568)

A 10% improvement or deterioration in the LGD assigned to each debt instrument as at 31 December would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in USD	**10% improvement in LGD**	**10% deterioration in LGD**
	Profit or (loss)	**Profit or (loss)**
	3,452,528	(3,452,528)

(iii) *Bank deposits and cash and cash equivalents*

The Company held bank deposits and cash and cash equivalents with bank and financial institutions, of which their respective parent companies are rated between A and Ba long-term, based on ratings from credit agencies.

(iv) *Derivatives*

Derivatives are entered into with bank and financial institution counterparties, which are rated A long-term, based on ratings from credit agencies.

(v) *Collateral*

The Company holds collateral as security over most of its financial assets at amortised cost under its facility agreements. While the Company is legally entitled to the potential economic benefit provided by the collateral on financial assets at amortised cost, the Company has historically preferred to engage with borrowers facing financial difficulties and to reach an alternative payment solution that continues to aid the economic development of the project as well as promote the Company’s developmental purpose rather than to realise its security. Where borrowers have defaulted, the Company has made an assessment of the recoverability of the loan and raised provisions for impairment as appropriate. The balance of financial assets at amortised cost disclosed in the Statement of financial position is therefore a fair reflection of the Company’s credit exposure.

28 Financial risk management and review (continued)

Liquidity risk

Liquidity risk of the Company is monitored by the PIDG Ltd Executive team.

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is subject to the following financial covenants under the terms of the Common Terms Agreement with its lenders, and which as at 31 December 2019 the Company was in compliance with:

(a) as of the last day of any quarter, the debt to equity ratio not to exceed 2:1;
(b) interest cover in respect of the relevant calculation period should not fall below a ratio of 1.5:1; and
(c) the equity of the Company should not fall below USD 150,000,000 at any time.

The following are the contractual maturities of the financial liabilities at the reporting date, based on current market rates:

	Less than 6 months USD	**6-12 months USD**	**1-3 years USD**	**More than 3 years USD**	**Total USD**
31 December 2019					
Financial liabilities at amortised cost, plus interest expense	**2,088,271**	**2,088,271**	**16,292,554**	**141,155,069**	**161,624,165**
Trade and other payables	**5,930,242**	**-**	**-**	**-**	**5,930,242**
	8,018,513	**2,088,271**	**16,292,554**	**141,155,069**	**167,554,407**
31 December 2018					
Financial liabilities at amortised cost	2,507,071	13,891,702	15,108,050	68,673,354	100,180,177
Trade and other payables	4,851,163	-	-	-	4,851,163
	7,358,234	13,891,702	15,108,050	68,673,354	105,031,340

Undisbursed loan commitments

Taking into consideration its cash, bank balances and undrawn loan facilities, the directors believe that the Company has enough funds and loan credit facilities to meet its undisbursed loan commitments.

Market risk

Market risk is monitored by the PIDG Ltd Executive team.

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

28 Financial risk management and review (continued)

Currency risk

Currency risk of the Company is monitored by the PIDG Ltd Executive team.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. Currency risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured.

The Company is exposed to foreign currency risk on its transactions that are denominated in currencies other than USD.
The debt instruments at amortised cost provided to the borrowers in a currency other than the USD are predominantly hedged by its borrowings in the same currency.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily USD, but also EUR.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by entering into foreign currency forward exchange contracts.

At 31 December 2019, the Company had liabilities denominated in Euro ("EUR"), Great Britain Pound Sterling ("GBP") and Kenyan Shilling ("KES").

Currency profile

The currency profile of the Company's financial assets and liabilities at the reporting date is summarised as follows:

	Financial Assets	**Financial Liabilities**	Financial Assets	Financial Liabilities
	31-Dec-19		31-Dec-18	
	USD	**USD**	USD	USD
United States Dollar	**470,144,270**	**22,787,381**	419,706,596	21,957,946
Great Britain Pound Sterling	**-**	**113,265**	-	3,828
Euro	**177,265,254**	**145,022,603**	134,551,097	83,284,812
Kenyan Shillings	**2,312,894**	**-**	-	-
	649,722,418	**167,923,249**	554,257,693	105,246,586

The following year end spot rate applied as at the reporting date is as follows:

	31-Dec-19	31-Dec-18
	USD	USD
USD:EUR	**0.89087**	0.87478
USD:GBP	**0.75490**	0.78518
USD:KES	**101.34793**	-

Sensitivity analysis

A 10% strengthening/weakening of the USD against other currencies as at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effects in USD	**Increase by 10%**		**Decrease by 10%**	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2019				
EUR	**(3,224,265)**	**(3,224,265)**	**3,224,265**	**3,224,265**
GBP	**11,327**	**11,327**	**(11,327)**	**(11,327)**
KES	**(231,289)**	**(231,289)**	**231,289**	**231,289**

28 Financial risk management and review (continued)

Currency risk (continued)

31 December 2018				
EUR	(5,126,628)	(5,126,628)	5,126,628	5,126,628
GBP	383	383	(383)	(383)

Interest rate risk

Interest rate risk of the Company is monitored by the PIDG Ltd Executive team.

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or are re-priced at different times or in different amounts. In the case of floating rate assets and liabilities, the Company is also exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices, such as the base lending rate and different types of interest.

The Company has significant interest-bearing assets and liabilities. The Company's cash flows are dependent on changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments were as follows:

	31-Dec-19	31-Dec-18
	USD	USD
Variable rate instruments		
Financial assets	**415,308,926**	346,287,561
Financial liabilities	**(88,577,803)**	(47,579,926)
	326,731,123	298,707,635

Sensitivity analysis

	Increase by 1%		**Decrease by 1%**	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
	USD	**USD**	**USD**	**USD**
31 December 2019	**3,267,311**	**3,267,311**	**(3,267,311)**	**(3,267,311)**
31 December 2018	2,987,076	2,987,076	(2,987,076)	(2,987,076)

Price risk

As at 31 December 2019, the Company is exposed to price risk. The Company had financial assets at FVOCI which were measured at market value.

29 Going concern

As at 31 December, EAIF has significant cash and cash equivalents balances, has access to significant unused long-term debt facilities in order to support its ongoing growth and meet its funding obligations, and its financial covenants are significantly within the range set by its lenders.

Despite the onset of the global pandemic of COVID-19 and the uncertainty associated with its effects, both socially and economically (also refer to note 30), the directors of the Company have satisfied themselves that the Company has adequate resources to continue in operation for the foreseeable future.

IAMGL has performed a four-pronged analysis on the potential impact to EAIF's business and ability to operate over the next 12 months, including a sensitivity analysis based on certain scenarios (including a scenario of extremely adverse impact to revenue as well as construction delays). Based on the assessment, in all scenarios, EAIF is expected to be able to continue to operate and meet its obligations as they fall due. The analysis has been submitted, reviewed and discussed by EAIF's board.

The Company's financial statements have accordingly been prepared on a going concern basis.

30 Events after the reporting year

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. Following the subsequent spread of the virus, the World Health Organisation declared the COVID-19 outbreak to be a pandemic on 11 March 2020. The identification of the virus post year-end as a new coronavirus, and its subsequent spread, is considered as a non-adjusting subsequent event.

The onset of the pandemic has severely impacted global financial markets, and while events are still unfolding across the globe with no end in sight, it is expected to have a significant social and economic impact on the countries and markets in which EAIF operates.

IAMGL, as the duly authorised agent and Fund Manager of EAIF, continuously assesses the potential impact of this pandemic on the current loan portfolio and its wider business. In addition to a general macro-economic downturn in its markets, some projects in the EAIF loan portfolio may incur construction delays, cost increases and potentially financial stress resulting in possible loan restructurings and eventual defaults.

The situation is fluid and rapidly evolving, however, it is anticipated to adversely affect impairments of EAIF's financial assets, as well as ECL's, as a result of market volatility and the deteriorating economic environment in the countries where EAIF operates.

While uncertainty exists as to the progression of the virus on a global scale, the Company has a robust Statement of financial position, including a strong cash position, sufficient liquidity buffers and access to funding to meet its financial obligations as they fall due.

The directors are not aware of any other events occurring between the reporting date and the date of approval of the financial statements that may require any adjustment or disclosure in the financial statements.

31 Contingent liability

A claim has been made against the Company. The nature of the claim has not been disclosed due to confidentiality provisions as set out in the legal proceedings. Based on the evidence available, the facts and circumstances, the Board has concluded that the claim will be resolved with no material impact on the Company's financial position or results of the operations.