The Emerging Africa Infrastructure Fund Limited
Financial Statements
For the year ended 31 December 2020

The Emerging Africa Infrastructure Fund Limited

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Corporate Data

For the year ended 31 December 2020

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 2020

Fund Manager
Ninety One Guernsey Limited
First Floor
Dorey Court
Elizabeth Avenue
St Peter Port
Guernsey GY1 2HT
Channel Islands

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, EC4Y 0DA

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

Directors' report
For the year ended 31 December 2020

The authorised directors present their report together with the financial statements of The Emerging Africa Infrastructure Fund Limited (the "Company") for the year ended 31 December 2020.

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 (2019: Nil).

Statement of directors' responsibilities in respect of the financial statements

Mauritius Companies Act 2001 requires the authorised 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 authorised directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The authorised 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.

Auditors

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

By order of the Board

J.P.S. Gawford

Authorised Director

Authorised Director

Date: 29 April 2021

Secretary's report
For the year ended 31 December 2020

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 2020, 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
Ebène
Mauritius

Date: 29 April 2021

KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius

Telephone	+230 406 9999
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Website	www.kpmg.mu

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 2020 and the statement of profit or loss and other comprehensive income, 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 39.

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 2020, 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

Report on the Audit of the Financial Statements (continued)

Other Information (continued)

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

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

Responsibilities of 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.

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.

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)

- 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.

Use of our Report

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.

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

Report on the Audit of the Financial Statements (continued)

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
Ebene, Mauritius

Mervyn Lam Hung
Licensed by FRC

Date: **30 April 2021**

The Emerging Africa Infrastructure Fund Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

	Notes	**Year Ended 31-Dec-20 USD**	Year Ended 31-Dec-19 USD
Interest income on debt instruments at amortised cost	6	**36,247,905**	36,848,098
Interest income on debt instruments at fair value through other comprehensive income ("FVOCI")		**4,055,296**	6,138,351
Interest expense		**(3,211,593)**	(2,734,787)
Net interest income		**37,091,608**	40,251,662
Income from debt instruments at amortised cost - Shari'ah		**254,778**	260,825
Income from equity instruments		**-**	66,654
Total investment income		**37,346,386**	40,579,141
Other income			
Interest income on deposits	7	**271,971**	661,412
Loan fee income	8	**370,198**	1,736,884
Grant income	23	**3,562,823**	5,724,657
Grant income - PIDG Trust administrative		**1,045,985**	1,313,845
Amortisation of deferred income	23	**2,554,484**	2,316,419
Foreign exchange gain	9	**-**	1,111,701
Total other income		**7,805,461**	12,864,918
Expenses			
Fund manager fees	11	**(14,731,450)**	(12,312,417)
Monitoring fee expenses		**(48,815)**	(152,672)
Loan expenses		**(10,000)**	(11,862)
Professional fees and expenses		**(1,042,842)**	(710,197)
Administration expenses		**(494,746)**	(565,559)
Amortisation of deferred expenses	16	**(1,658,077)**	(1,919,342)
Grant expenses	23	**(3,562,823)**	(5,724,657)
PIDG Limited administrative expenses		**(1,855,845)**	(1,403,916)
Foreign exchange loss	9	**(990,187)**	-
Total expenses		**(24,394,785)**	(22,800,622)
Gains/(losses) on financial instruments			
Realised gain on debt instruments - previously at FVOCI		**684,300**	1,187,500
Loan written off		**(5,000,000)**	-
Total (losses)/gains on financial instruments		**(4,315,700)**	1,187,500
Profit before impairment of debt instruments		**16,441,362**	31,830,937
Impairment of debt instruments			
Reversal of provision for impairment of debt instruments at amortised cost	12 (i)	**5,000,000**	-
Provision for impairment of debt instruments at FVOCI and interest	12 (iii)	**(9,906)**	(9,879)
Provision for impairment of debt instruments at amortised cost	12 (i)	**-**	(6,954,096)
Provision for impairment of debt instruments at FVOCI - expected credit losses ("ECL")	12 (ii)	**(156,125)**	-
Reversal of provision for impairment of debt instruments at amortised cost - ECL	12 (i)	**3,042,456**	4,152,410
Reversal of provision for impairment of debt instruments at FVOCI - ECL	12 (ii)	**-**	1,152,900
		7,876,425	(1,658,665)
Profit before tax		**24,317,787**	30,172,272
Income tax expense	10	**(614,553)**	(899,461)
Profit for the year		**23,703,234**	29,272,811
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Realised (loss)/gain on equity instruments at FVOCI		**(164,644)**	16,329
Fair value reserve - amount transferred to profit or loss		**-**	(1,994,750)
Fair value reserve - financial instruments at FVOCI		**1,329,277**	3,079,896
Total other comprehensive income	21	**1,164,633**	1,101,475
Total comprehensive income for the year		**24,867,867**	30,374,286

The notes on pages 13 to 39 form an integral part of these financial statements.

The Emerging Africa Infrastructure Fund Limited

Statement of financial position
As at 31 December 2020

	Notes	31-Dec-20	31-Dec-19
		USD	USD
Assets			
Non-current assets			
Debt instruments	13	**617,304,731**	507,254,070
Equity instruments	14	**2,566,041**	12,240,073
Deferred expenses	16	**11,267,545**	8,799,208
		631,138,317	528,293,351
Current assets			
Debt instruments	13	**82,423,660**	69,619,491
Derivative instruments	18	**-**	377,559
Trade and other receivables	17	**9,950,702**	7,424,481
Prepayments		**57,103**	37,365
Collateral margin call		**2,350,000**	-
Cash and cash equivalents	19	**12,541,086**	52,806,744
		107,322,551	130,265,640
Total Assets		**738,460,868**	658,558,991
Equity and Liabilities			
Equity			
Share capital	20	**394,869,690**	393,869,690
Share premium		**10**	10
Fair value reserve	21	**4,910,392**	3,745,759
Retained earnings		**100,707,832**	77,004,598
Total equity		**500,487,924**	474,620,057
Liabilities			
Non-current liabilities			
Loans and borrowings	22	**180,996,712**	157,450,427
Deferred income	23	**16,166,352**	16,015,685
		197,163,064	173,466,112
Current liabilities			
Derivative instruments	18	**2,252,738**	-
Loans and borrowings	22	**30,709,220**	4,176,542
Current tax liabilities	24	**(5,275)**	366,038
Trade and other payables	25	**7,853,197**	5,930,242
		40,809,880	10,472,822
Total Equity and Liabilities		**738,460,868**	658,558,991

The notes on pages 13 to 39 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 2020

	Notes	Share Capital USD	Share Premium USD	Fair Value Reserve USD	Retained Earnings USD	Total USD
Balance at 1 January 2019		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
Total comprehensive income for the year						
Other comprehensive income		**-**	**-**	**1,164,633**	**-**	**1,164,633**
Profit for the year		**-**	**-**	-	**23,703,234**	**23,703,234**
Transaction with owners, recognised directly in equity						
Issue of shares		**1,000,000**	**-**	**-**	**-**	**1,000,000**
Balance at 31 December 2020		**394,869,690**	**10**	**4,910,392**	**100,707,832**	**500,487,924**

The notes on pages 13 to 39 form an integral part of these financial statements.

The Emerging Africa Infrastructure Fund Limited

Statement of cash flows
For the year ended 31 December 2020

	Notes	31-Dec-20 USD	31/Dec/19 USD
Cash flows from operating activities			
Profit for the year		**23,703,234**	29,272,811
Adjustments for non cash items:			
Net interest income		**(37,346,386)**	(40,579,141)
Unrealised gain/(loss) on EUR bank balances		**(178,258)**	81,077
Amortisation of deferred income		**(2,554,484)**	(2,316,419)
Interest income on bank fixed deposits		**(271,971)**	(661,412)
Amortisation of deferred expenses		**1,658,077**	1,919,342
Grant income		**(3,562,823)**	(5,724,657)
Reversal of provision for impairment of debt instruments at amortised cost		**(5,000,000)**	-
(Reversal)/provision for impairment of debt instruments at amortised cost		**(2,876,425)**	1,658,665
Unrealised foreign exchange (gain)/loss on debt instruments at amortised cost	9	**(2,920,361)**	(13,910)
Unrealised foreign exchange loss/(gain) on derivative instruments	9	**2,630,292**	(34,209)
Unrealised foreign exchange (gain) on debt instruments at FVOCI	9	**(2,486,895)**	-
Realised gain on debt instruments - previously at FVOCI		**(684,300)**	(1,187,500)
Income tax expense		**614,553**	899,461
		(29,275,747)	(16,685,892)
Changes in:			
Debt instruments at amortised cost		**(48,183,832)**	(106,088,242)
Debt instruments at FVOCI		**(43,488,048)**	51,187,500
Deferred income		**4,856,033**	4,202,192
Trade and other receivables		**(19,739)**	4,155
Collateral margin call		**(2,350,000)**	-
Trade and other payables		**1,846,481**	800,377
		(116,614,852)	(66,579,910)
Grants received	23	**1,411,941**	7,818,411
Interest income received on debt instruments		**32,249,225**	36,190,650
Interest expense paid		**(3,135,120)**	(2,456,085)
Income tax paid		**(985,866)**	(748,669)
Net change in cash from operating activities		**(87,074,672)**	(25,775,603)
Cash flows from investing activities			
Interest received on debt instruments at FVOCI		**3,890,568**	7,633,841
Proceeds from sale of equity instruments		**9,193,039**	167,953
Income from equity instruments		-	66,654
Net change in cash from investing activities		**13,083,607**	7,868,448
Cash flows from financing activities			
Issue of ordinary shares		**1,000,000**	-
Payment of loan fees	16	**(4,126,414)**	(3,489,248)
Proceeds from borrowings	22	**114,747,027**	178,034,719
Repayment of borrowings	22	**(78,073,464)**	(114,549,346)
Net change in cash from financing activities		**33,547,149**	59,996,125
Increase/ (decrease) in cash and cash equivalents		**(40,443,916)**	42,088,970
Effect of exchange rate changes on cash and cash equivalents		**178,258**	**(81,077)**
Net Increase/ (decrease) in cash and cash equivalents		**(40,265,658)**	**42,007,893**
Cash and cash equivalents at beginning of year		**52,806,744**	10,798,851
Cash and cash equivalents at end of year		**12,541,086**	**52,806,744**

The notes on pages 13 to 39 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 2001.

2 Basis of preparation

These financial statements have been prepared on the basis of accounting policies applicable to a going concern. The going concern basis presumes that, for 12 months from balance sheet date, 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 in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Refer to page 14 and page 17 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 environment 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 2020 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 liquidity, the environmental, social and governance of the borrower, industry within which the borrower operates and the construction phase of the borrower when determining whether there has been a significant increase in credit risk since initial recognition.

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. The Company oversees the effect of its delegation of fair value assessments to the Valuation Committee.

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 Company 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 using the effective interest method.

(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 using the effective interest method.

(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 until 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 or 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, the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(iii) Classification and subsequent measurement

Financial assets

There are three principal classification categories for debt instruments: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and on 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. Derivative assets are mandatorily categorised as financial assets at fair value through profit or loss ("FVTPL").

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 and deposits which generally have a maturity of less than 365 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

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.

Impairment will also 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"). The Company also considers sound correlation between these parameters and forward-looking economic conditions.

Forward-looking information, as well as the use of macroeconomic information has been incorporated into the new impairment model, primarily through a 3 step process: 1) The establishment of the relationship between default rates and macroeconomic variables by way of regression analysis, 2) the identification of scenarios, namely base case, upside and downside and applying available forecasts of macroeconomic variables such as inflation, Investment to GDP ratio etc., and 3) assigning suitable probabilities to each scenario based on expert judgement within the relevant governance forum.

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 or concern with the respect to the environmental, social and governance of the borrower, the 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).

The fair value reserve comprises the cumulative net change in fair value of financial instruments at FVOCI.

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 2020 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	81,583	-	618,146	-	699,728
Equity instruments	2,567	-		-	2,567
Collateral margin call	-	-	2,350,000	-	2,350,000
Deferred expenses	-	-	-	11,268	11,268
Prepayments	-	-	-	57	57
Trade and other receivables	-	-	9,950	-	9,950
Cash and cash equivalents	-	-	12,541	-	12,541
Total assets	84,150	-	2,990,637	11,326	3,086,111
Liabilities per the Statement of financial position					
Loans and borrowings	-	-	211,706	-	211,706
Deferred income	-	-	-	16,166	16,166
Current tax liabilities	-	-	-	(5)	(5)
Trade and other payables	-	-	7,853	-	7,853
Derivative instruments	-	2,253	-	-	2,253
Total liabilities	-	2,253	219,559	16,161	237,973

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 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

(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 measured at amortised cost

	31-Dec-20 USD	31-Dec-19 USD
Interest income earned in the year	**36,247,905**	36,848,098
	36,247,905	36,848,098

7 Interest income on deposits

	31-Dec-20 USD	31-Dec-19 USD
Interest on bank balance and deposits	**271,971**	661,412
	271,971	661,412

8 Loan fee income

	31-Dec-20 USD	31-Dec-19 USD
Loan arrangement fees	**67,288**	484,503
Annual monitoring fees	**238,325**	289,815
Consent and waiver fees	**14,585**	612,505
Appraisal fees	**50,000**	350,061
	370,198	1,736,884

9 Foreign exchange (loss)/gain

	31-Dec-20 USD	31-Dec-19 USD
Unrealised (loss)/gain on net loans	**2,920,361**	13,910
Unrealised gain/(loss) on EUR bank balances	**178,258**	(81,077)
Realised (loss)/gain on forward contracts - nett settlements	**(3,945,409)**	1,144,659
Unrealised (loss)/gain on forward contracts	**(2,630,292)**	34,209
Unrealised loss on KES denominated debt instrument at FVOCI	**(238,683)**	-
Unrealised gain on XOF denominated debt instrument at FVOCI	**2,725,578**	-
	(990,187)	1,111,701

10 Income tax expense

The Company holds a Category 1 Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime.

Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021, under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the FSC, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions.

	31-Dec-20	31-Dec-19
	USD	USD
Total income tax expense for the year	**614,553**	899,461
Calculation of the income tax expense		
Profit for the year before tax	**24,317,787**	30,172,272
Less: Exempt income	**(5,956,271)**	(1,848,912)
Add: Non-deductible expenses	**2,123,575**	1,658,665
	20,485,091	29,982,025
Tax at 15%	**3,072,764**	4,497,304
Tax credit at 80%	**(2,458,211)**	(3,597,843)
Tax expense for the year	**614,553**	899,461

11 Fund manager fees

Ninety One Guernsey Limited

Effective on 09 May 2016, Ninety One Guernsey Limited ("NOGL") was appointed as Fund Manager. NOGL 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.

NOGL is also due a performance fee calculated annually in terms of the aforementioned 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 acting on the advice of PIDG Limited.

Breakdown of Fund Manager expenses:

	31-Dec-20	31-Dec-19
	USD	USD
Management fee	**10,799,964**	9,544,867
Performance fee	**3,931,486**	2,767,550
	14,731,450	12,312,417

12 Provision for impairment of debt instruments

		31-Dec-20	31-Dec-19
		USD	USD
(i)	*Debt instruments at amortised cost*		
	Opening balance	**64,340,128**	61,538,442
	Provision for impairment of debt instruments at amortised cost	**-**	6,954,096
	Reversal of provision for impairment of debt instruments at amortised cost - ECL	**(3,042,456)**	-
	Reversal of provision for impairment of debt instruments at amortised cost	**(5,000,000)**	(4,152,410)
	Closing balance	**56,297,671**	64,340,128
(ii)	*Debt instruments at FVOCI - capital*		
	Opening balance	**243,000**	1,395,900
	Provision for impairment of debt instruments at FVOCI - ECL	**156,125**	(1,152,900)
	Closing balance	**399,125**	243,000
(iii)	*Debt instruments at FVOCI and interest*		
	Opening balance		
	Provision for impairment of accrued interest	**304,212**	294,333
	Closing balance	**9,906**	9,879
		314,118	304,212

13 Debt instruments

	31-Dec-20 USD	31-Dec-19 USD
Debt instruments at amortised cost/loans and advances		
Opening balance	**614,676,860**	506,404,599
Disbursements	**113,523,346**	172,923,768
Repayments	**(59,459,012)**	(66,835,526)
Transfer to debt instruments at FVOCI	**(2,338,950)**	-
Interest capitalised	**4,656,456**	4,208,690
Amount written off - capital	**(5,000,000)**	-
Amount written off - capitalised interest	**(880,502)**	
Gain/(Loss) on revaluation of non-USD-denominated debt instruments at amortised cost	**16,325,769**	(2,024,671)
Closing balance	**681,503,967**	614,676,860
Provision for impairment - non-performing portfolio	**(50,267,708)**	(55,267,708)
Provision for impairment - ECL	**(6,029,964)**	(9,072,420)
Interest suspended	**(7,060,598)**	(4,558,172)
	(63,358,270)	(68,898,300)
Net debt instruments at amortised cost	**618,145,697**	545,778,560
Debt instruments at FVOCI		
Opening balance	**31,095,001**	81,184,101
Realised gain during the year	**684,300**	1,187,500
Transfer from debt during the year	**2,338,950**	-
Acquisitions during the year	**74,172,348**	-
Disposals during the year	**(30,684,300)**	(51,187,500)
Unrealised foreign exchange gain	**2,486,896**	-
Unrealised fair value gain/(loss)	**1,489,500**	(89,100)
Closing balance	**81,582,694**	31,095,001
Classification of non current and current		
Non-current debt instruments at amortised cost	**532,105,434**	472,197,571
Non-current debt instruments at amortised cost - Shari'ah	**3,616,603**	3,961,498
Non-current debt instruments at FVOCI	**81,582,694**	31,095,001
Non-current debt instruments total	**617,304,731**	507,254,070
Current debt instruments at amortised cost	**82,100,994**	69,371,632
Current debt instruments at amortised cost - Shari'ah	**322,666**	247,859
Current debt instruments total	**82,423,660**	69,619,491
Total debt instruments	**699,728,391**	576,873,561

(a) Undisbursed loan commitments

As at 31 December 2020, the undisbursed loan commitments were USD 169,012,968, EUR 94,281,327 and KES 669,321,000 (31 December 2019: USD 124,719,680 and EUR 82,400,413).

(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-20 USD	31-Dec-19 USD
Equity instruments at FVOCI		
At beginning of the year	**12,240,073**	10,064,552
Disposals during the year	**(9,193,039)**	(162,609)
Realised (loss)/gain	**(164,645)**	10,984
Unrealised fair value (loss)/gain	**(316,348)**	2,327,146
At end of the year	**2,566,041**	12,240,073

15 Details of investments at FVOCI

Name of company	**Country of incorporation**	**Type of investment held**	**Currency**	**Holding 31-Dec-20**	**Holding 31-Dec-19**	**Carrying value 31-Dec-20 USD**	Carrying value 31-Dec-19 USD
Quoted investments							
Acorn	UK	Bond	KES	609,000,000	-	**5,576,924**	-
Kenmare Resources Plc	UK	Ordinary shares	EUR	-	2,957,315	-	9,095,666
HTA Group Ltd	Ireland	Bond	USD	-	30,000,000	-	31,095,001
HTA Group Ltd	UK	Bond	USD	30,000,000	-	**32,416,200**	-
Port Autonome de Dakar	Senegal	Bond	XOF	8,300,000	-	**15,481,907**	-
Sonatel	Senegal	Bond	XOF	15,068,790,000	-	**28,107,663**	-
Unquoted investments							
IPS Cable System Holding Limited	Mauritius	Ordinary shares		1,065,341	1,065,341	**2,566,041**	3,144,407
						84,148,735	43,335,074

16 Deferred expenses

	Refinancing Cost USD	**Upfront Fees USD**	**Commitment Fees USD**	**Total USD**
At 1 January 2019	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
Movement during the year	**1,253,653**	-	**2,872,761**	**4,126,414**
Amortisation charge	**(251,069)**	**(455,442)**	**(951,566)**	**(1,658,077)**
At 31 December 2020	**2,289,422**	**2,839,505**	**6,138,618**	**11,267,545**

17 Trade and other receivables

	31-Dec-20 USD	31-Dec-19 USD
Interest receivable on loans	**8,633,914**	6,534,486
Accrued interest on bank deposits	**195**	1,519
Interest accrued on income notes and debt instruments at FVOCI	**1,403,920**	965,897
Other receivables	**29,205**	29,205
	10,067,234	7,531,107
Provision for impairment - accrued interest and interest on income notes	**(116,532)**	(106,626)
	9,950,702	7,424,481

18 Derivatives

	31-Dec-20 USD	31-Dec-19 USD
Foreign currency forward exchange contract - at fair value	**(2,252,738)**	377,559

The notional amount of the outstanding foreign currency forward exchange contracts as at 31 December 2020 is **EUR 83,506,000, KES 609,070,000** and **XOF 9,041,274 000** (31 December 2019: EUR 29,960,725).

19 Cash and cash equivalents

	31-Dec-20 USD	31-Dec-19 USD
Absa Bank (Mauritius) Limited*		
- Operating account	**3,096,226**	46,666,773
- Technical Assistance Facility ("TAF") grant	**1,874,626**	4,084,963
- Fixed deposit account	**6,499,969**	2,026,831
Standard Chartered Bank (Mauritius) Limited		
- Operating account	**1,070,265**	28,177
Standard Chartered Bank (London) Limited		
- Fixed deposit account	**-**	-
	12,541,086	52,806,744

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

20 Share capital

	31-Dec-20		31-Dec-19	
	Shares	**USD**	Number of Shares	USD
Ordinary shares, issued and fully paid				
Opening balance	**39,386,969**	**393,869,690**	39,386,969	393,869,690
Issue of shares	**100,000**	**1,000,000**	-	-
Closing balance	**39,486,969**	**394,869,690**	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-20	31-Dec-19
	USD	USD
At beginning of the year	**3,745,759**	2,644,284
Movement during the year	**1,164,633**	1,101,475
At end of the year	**4,910,392**	3,745,759

22 Loans and borrowings

	31-Dec-20	31-Dec-19
	USD	USD
Non-current liabilities		
Kreditanstalt fur Wiederaufbau ("KfW")	**23,826,565**	17,000,000
Kreditanstalt fur Wiederaufbau - EUR	**106,562,542**	112,369,824
Allianz Global Investors ("Allianz")	**12,507,843**	8,000
Allianz Global Investors - EUR	**30,599,762**	28,072,603
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO")	**7,500,000**	-
	180,996,712	157,450,427
Current liabilities		
Kreditanstalt fur Wiederaufbau ("KfW")	**3,175,435**	-
Kreditanstalt fur Wiederaufbau - EUR	**9,832,546**	4,176,542
Standard Chartered Bank ("SC")	**14,000,000**	-
Standard Chartered Bank ("SC") - EUR	**3,701,239**	-
	30,709,220	4,176,542
Opening balance	**161,626,969**	100,180,177
Drawdown	**114,747,027**	178,034,719
Repayment	**(78,073,464)**	(114,549,346)
Unrealised foreign exchange gain/(loss)	**13,405,400**	(2,038,581)
Closing balance	**211,705,932**	161,626,969

The above borrowings are denominated in the following currencies:

US Dollar	**61,009,843**	17,008,000
Euro	**150,696,089**	144,618,969
	211,705,932	161,626,969

22 Loans and borrowings (continued)

Terms of financial liabilities at amortised cost

Lender	Currency	Maturity date	Total committed (USD)	Undisbursed (USD)
SC Facility C3	USD/EUR	29 October 2021	50,000,000	32,298,761
KfW Facility D2	USD	17 June 2028	65,000,000	51,822,000
KfW Facility D3	USD	17 June 2028	20,000,000	6,176,000
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	42,500,000
Allianz Facility H2	USD	28 March 2030	25,000,000	12,492,157
				270,288,918

Lender	Currency	Maturity date	Total committed (EUR)	Undisbursed (EUR)
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	44,411,250
Allianz Facility H1	EUR	28 March 2030	75,000,000	44,400,238
				88,811,488
			Total USD equivalent	378,954,206

23 Deferred income

	TAF Grant[1] USD	Restructuring Fees USD	Upfront Fees USD	Commitment Fees USD	Total USD
At 1 January 2019	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
Movement during the period	**1,411,941**	-	**2,637,164**	**2,218,869**	**6,267,974**
Amortisation charge	**(3,562,823)**	**(387,309)**	**(1,018,706)**	**(1,148,469)**	**(6,117,307)**
At 31 December 2020	**1,264,294**	**-**	**8,147,493**	**6,754,565**	**16,166,352**

[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-20 USD	31-Dec-19 USD
At beginning of the year	**366,038**	215,246
Tax paid during the year	**(985,866)**	(748,669)
Income tax expense for the year	**614,553**	899,461
At end of the year	**(5,275)**	366,038

25 Trade and other payables

	31-Dec-20 USD	31-Dec-19 USD
Management fee	**2,986,067**	2,478,044
Performance fee	**3,931,486**	2,767,550
MDY legal fees	**-**	49,944
Loan interest payable	**554,424**	477,950
Management company fees	**5,600**	4,755
Audit and tax fees	**66,641**	44,008
Other payables	**308,979**	107,991
	7,853,197	5,930,242

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-20 USD	31-Dec-19 USD
Transactions during the year:				
PIDG Trust	Shareholder	Grant amortised	**3,562,823**	5,724,657
		Grant received	**1,411,941**	7,818,411
PIDG Trust	Shareholder	Grant received - administrative	**1,045,985**	1,313,845
PIDG Ltd	Subsidiary of PIDG Trust[1]	Administrative expense	**(1,855,845)**	(1,403,916)
Ninety One Guernsey Limited	Fund Manager	Management fees	**10,799,964**	9,544,867
Ninety One Guernsey Limited	Fund Manager	Performance fees	**3,931,486**	2,767,550
Balances outstanding at end of the year:				
PIDG Trust	Shareholder	Grant received	**1,264,294**	3,415,176
Ninety One Guernsey Limited	Fund Manager	Management fees	**2,986,067**	2,478,044
Ninety One Guernsey Limited	Fund Manager	Performance fees	**3,931,486**	2,767,550
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 USD	Level 1 USD	Fair Value Level 2 USD	Level 3 USD
31 December 2020				
Debt instruments at FVOCI	**81,582,694**	**81,582,694**	**-**	**-**
Equity instruments at FVOCI		**-**	**-**	**2,566,041**
Derivative instruments	**(2,252,738)**	**-**	**(2,252,738)**	**-**
	79,329,956	**81,582,694**	**- 2,252,738**	**2,566,041**
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

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 IPS' investment in Seacom Capital Limited, which ranges from USD 175 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 175 million for SCL, equating to a fair value for the Company's investment in IPS of USD 2,566,041.

Financial instruments not measured at fair value

The carrying amount of the Company's debt instruments at amortised cost, trade and other receivables, bank deposits, cash and cash equivalents, loans and borrowings cost and trade and other payables is approximately equal to their fair values, and thus information relating to the fair values of these financial instruments, including the fair value hierarchy, is not disclosed.

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.

There have been no breaches of this capital requirement during the financial year.

The Company is subject to externally-imposed covenant requirements from its lenders, namely that the Debt to Equity Ratio will not exceed a ratio of 2:1, and that the Interest Cover will not fall below a ratio of 1.5:1. There have been no breaches of this capital requirement during the financial year

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 Company's primary exposure to credit risk arises through its lending activities. 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 demographic spread of the Company's customer base, including the default risk of the industry and country 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-20	31-Dec-19
	USD	USD
Debt instruments	**699,728,391**	576,873,561
Derivative instruments	**-**	377,559
Trade and other receivables	**9,950,702**	7,424,481
Cash and cash equivalents	**12,541,086**	52,806,744
Collateral margin call	**2,350,000**	-
	724,570,179	637,482,345

The Company is required to post or receive collateral in accordance with 'EMIR Refit' regulation for its OTC trading activity (as defined within its signed CSA agreements). EAIF has only signed a CSA with Standard Chartered Bank London, the collateral counterparty. The assets that are collateralized are Forward FX's and the asset class used for collateral is cash. The value of collateral pledged is disclosed in the table above.

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-20 USD	31-Dec-19 USD	**31-Dec-20 USD**	31-Dec-19 USD
Sector				
Agriculture	**-**	-	**-**	239,239
Mining	**67,760,150**	56,014,099	**979,205**	176,108
Telecommunications	**11,400,211**	2,785,873	**147,670**	-
Industrial infrastructure	**57,249,539**	67,735,244	**190,734**	323,926
Power	**359,869,891**	339,321,655	**6,418,327**	5,359,378
Transport	**103,152,204**	70,553,745	**722,640**	701,117
Gas	**8,131,677**	9,367,944	**172,432**	23,697
Bulk storage / logistics facilities	**10,582,025**	-	**2,907**	-
	618,145,697	**545,778,560**	**8,633,914**	**6,823,465**
Country/Region				
Republic of Cameroon	**23,744,273**	12,173,798	**110,867**	934,493
Mozambique	**60,913,320**	48,786,251	**836,534**	463,758
Republic of Nigeria	**64,339,555**	70,252,024	**1,890,147**	107,391
Uganda	**78,000,565**	79,724,507	**740,280**	1,595,757
Kenya	**11,675,867**	17,154,993	**265,089**	265,090
Democratic Republic of Congo	**16,215,972**	21,744,858	**146,438**	305,320
Pan-Africa	**11,400,211**	2,785,874	**147,670**	-
Senegal	**21,879,043**	23,670,473	**125,864**	132,094
Ethiopia	**1,604,982**	4,068,024	**13,588**	636,366
Ghana	**66,876,561**	38,180,374	**623,826**	776,063
Ivory Coast	**59,134,260**	43,892,825	**1,016,244**	78,066
Republic of Rwanda	**42,951,375**	43,086,781	**651,086**	1,204,801
Madagascar	**22,870,565**	21,750,595	**258,231**	64,185
Mali	**40,265,915**	35,952,459	**660,888**	248,080
Gabon	**47,855,211**	44,735,127	**352,008**	566
Guinea	**37,835,907**	37,819,597	**792,246**	11,435
Zimbabwe	**10,582,115**	-	**2,907**	-
	618,145,697	**545,778,560**	**8,633,914**	**6,823,465**

(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-20 USD	31-Dec-19 USD	**31-Dec-20 USD**	31-Dec-19 USD
Sector				
Mining	**-**	9,095,666	**-**	-
Industrial infrastructure	**5,576,924**	-	**82,837**	-
Telecommunications	**63,089,904**	34,239,408	**1,004,535**	859,270
Bulk storage / logistics facilities	**15,481,907**	-	**-**	-
	84,148,735	**43,335,074**	**1,087,372**	**859,270**

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-20 USD	31-Dec-19 USD	**31-Dec-20 USD**	31-Dec-19 USD
Country/Region				
Mozambique	**-**	9,095,666	**-**	-
Kenya	**5,576,923**	-	**99,200**	-
Pan-Africa	**34,982,243**	34,239,408	**75,833**	859,270
Senegal	**43,589,570**	-	**1,112,354**	-
	84,148,736	43,335,074	**1,287,388**	859,270

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, the probability weighted impact of various scenarios and respective LGD's assigned to each debt instrument by the Company.

A 1 notch improvement or deterioration in the credit ratings assigned to each debt instrument as at 31 December 2020 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular the staging and 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)

The ECL of the probability weighted impacts of the a 100% base, 100% bear and 100% bull scenario are noted below.

Effect in USD	**100% base**	**100% Bear**	**100% Bull**
	6,461,000	6,749,000	5,383,000

A 10% improvement or deterioration in the LGD assigned to each debt instrument as at 31 December 2020 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)**
	3,594,255	(3,594,255)

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

The Company held bank deposits and cash equivalents with banks and financial institutions, which are rated Ba1 and bbb by credit rating agencies.

(iv) *Derivatives*

Derivatives are entered into with bank and financial institution counterparties, which are rated A long-term by credit rating 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 representatives of Ninety One and the PIDG Ltd Executive team through the Assets and Liabilities Committee of PIDG.

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 2020, 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:

	Less than 6 months USD	**6-12 months USD**	**1-3 years USD**	**More than 3 years USD**	**Total USD**
31 December 2020					
Financial liabilities at amortised cost, plus interest expense	**25,040,435**	**8,598,230**	**50,255,275**	**146,852,798**	**230,746,739**
Trade and other payables	**7,853,197**	**-**	**-**	**-**	**7,853,197**
	32,893,632	**8,598,230**	**50,255,275**	**146,852,798**	**238,599,936**
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

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 representatives of Ninety One and 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 is monitored by representatives of Ninety One and the PIDG Ltd Executive team through the Assets and Liabilities Committee of PIDG.

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 2020, 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-20		31-Dec-19	
	USD	**USD**	USD	USD
United States Dollar	**514,512,039**	**70,551,433**	470,144,270	22,787,381
Great Britain Pound Sterling	**-**	**149,041**	-	113,265
Euro	**207,047,257**	**151,106,118**	177,265,254	145,022,603
Kenyan Shillings	**5,576,924**	**-**	2,312,894	-
XOF (CFA Franc)	**43,589,570**	**-**	-	-
	770,725,790	**221,806,592**	649,722,418	167,923,249

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

	31-Dec-20	31-Dec-19
	USD	USD
USD:EUR	**0.81729**	0.89087
USD:GBP	**0.73156**	0.75490
USD:KES	**109.20000**	101.34793
USD:XOF	**536.10967**	

Sensitivity analysis

A 10% strengthening/weakening of the USD against other currencies as at 31 December 2020 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 2020				
EUR	**(5,594,114)**	**(5,594,114)**	**5,594,114**	**5,594,114**
GBP	**14,904**	**14,904**	**(14,904)**	**(14,904)**
KES	**(557,692)**	**(557,692)**	**557,692**	**557,692**
XOF	**(4,358,957)**	**(4,358,957)**	**4,358,957**	**4,358,957**

28 Financial risk management and review (continued)

Currency risk (continued)

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

Interest rate risk

Interest rate risk of the Company is monitored by representatives of Ninety One and the PIDG Ltd Executive team through the Assets and Liabilities Committee of PIDG.

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-20	31-Dec-19
	USD	USD
Variable rate instruments		
Financial assets	**418,673,745**	415,308,926
Financial liabilities	**(121,436,225)**	(88,577,803)
	297,237,520	326,731,123

Sensitivity analysis

	Increase by 1%		**Decrease by 1%**	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
	USD	**USD**	**USD**	**USD**
31 December 2020	**2,972,375**	**2,972,375**	**(2,972,375)**	**(2,972,375)**
31 December 2019	3,267,311	3,267,311	(3,267,311)	(3,267,311)

Price risk

As at 31 December 2020, the Company is exposed to price risk. The Company had financial assets at FVOCI which were measured at market value.

29 Going concern

The directors of the Company have satisfied themselves that the Company has adequate resources to continue in operation for the forseeable future. The Company's financial statements have accordingly been prepared on a going concern basis.

30 Events after the reporting period

The effects of the COVID-19 pandemic continues to have a significant social and economic impact on the countries and markets in which EAIF operates. Ninety One, as the duly authorised agent and Fund Manager of EAIF, continues to assess 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. As the situation is fluid and rapidly evolving, we do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Company. The Company has a robust balance sheet, sufficient liquidity buffers and funding lines to meet its financial obligations as they fall due in 2021.

Other than that outlined above, the directors are not aware of any 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 the results of the operations.