The Emerging Africa Infrastructure Fund Limited
Financial Statements
For the year ended 31 December 2021

The Emerging Africa Infrastructure Fund Limited

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The Emerging Africa Infrastructure Fund Limited

Corporate Data
For the year ended 31 December 2021

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

Fund Manager
Ninety One Guernsey Limited
St Peter Port
Guernsey GY1 3QH
Channel Islands

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

Auditor
BDO Mauritius
Essar Building
10 Frere Felix de Valois
Mauritius
Port Louis

Legal Representatives

MDY Legal	Uteem Chambers
Tallis House	4th floor, les Jamalacs Building
2 Tallis St	Vieux Conseil Street
London, EC4Y 0AB	Port Louis
	Mauritius

Directors' report
For the year ended 31 December 2021

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 2021.

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 operating results and state of affairs of the Company are fully set out in the attached financial statements. The Company generated net profits of USD 14 million (2020: USD 23 million). As set out in note 29, a prior period adjustment has been processed in the financial statements of the Company.

Subsequent Events

The Company's operating geographies continue to face considerable challenges. Even as governments, businesses and individuals contend with the aftermath of the pandemic and evolve to a post-Covid environment, risks from outbreaks driven by new variants persist. Sooner than expected monetary policy tightening in key developed economies presents credit and market risks to the Company and its projects.

Equally, rising conflict and political instability in the Sahel, for instance the coup in Burkina Faso on 23 January 2022, remains an area of concern and presents financial and security risks to project operations.

Finally, the ongoing invasion of Ukraine by Russia, which started on 24 February 2022, is causing a rise in commodity and food prices and could adversely impact macroeconomic fundamentals for select countries, impact individual livelihoods as inflation rises, and potentially affect the commercial viability of the Company's projects as input costs increase.

Each of these factors may impact the Company's ability to manage delivery of performance targets agreed with its Owners. The directors will continue to work with senior management to closely monitor these emerging risks and assess the impact on the Company's projects and its performance targets in the short and long-term. These have all been concluded as immaterial to the Company's financial performance for 2021 and therefore are considered to be non-adjusting events.

Dividends

The Board of Directors has not declared a dividend for the year under review (2020: Nil).

Statement of directors' responsibilities in respect of the financial statements

Mauritian 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 enable them to ensure that the financial statements comply with the Mauritian 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.

Auditor

The auditor, BDO Mauritius, have indicated their willingness to continue in office.

By order of the Board

Authorised Director	Authorised Director

11 April 2022

Secretary's report
For the year ended 31 December 2021

Under Section 166 (d) of the Mauritian 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 2021, all such returns as are required of the Company under the Mauritian Companies Act 2001.

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

11 April 2022

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Fax: +230 202 9993
www.bdo.mu

BDO & Co Ltd
10, Frère Félix de Valois Street
Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITOR'S REPORT

To the members of The Emerging Africa Infrastructure Fund Limited

Report on the audit of the Financial Statements

We have audited the financial statements of The Emerging Africa Infrastructure Fund Limited (the "Company"), on pages 8 to 42 which comprise the statement of financial position as at 31 December 2021, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 8 to 42 give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (the "IESBA Code").* 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.

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 auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the members of The Emerging Africa Infrastructure Fund Limited

Responsibilities of Directors and Those Charged with Governance for the Financial Statements (continued)

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the members of The Emerging Africa Infrastructure Fund Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit, we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all 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.

Other Matter

This report is made solely to the members of The Emerging Africa Infrastructure Fund Limited (the "Company"), as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 member as a body, for our audit work, for this report, or for the opinion we have formed.

BDO & Co
Chartered Accountants

Port Louis,
Mauritius

Ameenah Ramdin, FCA, FCCA
Licensed by FRC

11 April 2022

The Emerging Africa Infrastructure Fund Limited

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Notes	Year Ended 31-Dec-21	Year Ended 31-Dec-20 (Restated)*
		USD	USD
Interest income on debt instruments at amortised cost	6	**37,761,629**	36,247,905
Interest income on debt instruments at fair value through other comprehensive income ("FVOCI")		**5,769,817**	4,055,296
Interest expense	29	**(5,341,197)**	(3,730,136)
Net interest income		**38,190,249**	36,573,065
Income from debt instruments at amortised cost - Shari'ah		**243,006**	254,778
Loan fee income	8	**694,785**	370,198
Amortisation of deferred income	23	**2,626,733**	2,554,484
Total investment income		**41,754,773**	39,752,525
Other income			
Interest income on cash and cash equivalents	7	**2,597**	271,971
Grant income	23	**2,057,150**	3,562,823
Grant income - PIDG Trust administrative		**1,317,290**	1,045,985
Total other income		**3,377,037**	4,880,779
Expenses			
Fund manager fees	11	**(17,477,055)**	(14,731,450)
Monitoring fee expenses		**(15,299)**	(48,815)
Loan expenses		**-**	(10,000)
Professional fees and expenses		**(3,314,256)**	(1,042,842)
Administration expenses (PIDG)		**(2,327,576)**	(1,855,845)
Administration expenses		**(382,083)**	(494,746)
Amortisation of deferred expenses	16	**(1,996,129)**	(1,658,077)
Grant expenses		**(2,056,550)**	(3,562,823)
Foreign exchange loss	9	**(7,336,358)**	(6,575,701)
Internal Technical Assistance grant expense		**(1,368,092)**	-
Total expenses		**(36,273,398)**	(29,980,299)
Gains on financial instruments			
Realised gain on debt instruments at amortised cost		**366,850**	-
Realised gain on debt instruments - previously at FVOCI		**426,066**	684,300
Loan written off		**-**	(5,000,000)
Foreign exchange gain on derivative instruments	9	**7,661,666**	5,585,514
Total gains on financial instruments		**8,454,582**	1,269,814
Profit before impairment of debt instruments at amortised cost		**17,312,994**	15,922,819
Impairment of debt instruments			
Reversal of provision for impairment of debt instruments at amortised cost	12 (i)	**-**	5,000,000
Reversal of provision for impairment of debt instruments at amortised cost - expected credit losses ("ECL")	12 (i)	**-**	3,042,456
Provision for impairment of debt instruments at amortised cost- ECL	12 (i)	**(2,695,971)**	-
Provision for impairment of debt instruments at FVOCI - ECL	12 (ii)	**(195,749)**	(156,125)
Provision for impairment of debt instruments at FVOCI	12 (iii)	**(7,389)**	(9,906)
		(2,899,109)	7,876,425
Profit before tax		**14,413,885**	23,799,244
Income tax expense	10, 29	**(419,196)**	(598,997)
Profit for the year		**13,994,689**	23,200,247
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value reserve - equity instruments at FVOCI		**185,464**	519,656
Items that are or may be reclassified subsequently to profit or loss			
Fair value reserve - amount transferred to profit or loss		**(426,065)**	(684,300)
Fair value reserve - debt instruments at FVOCI		**(381,016)**	1,329,277
Total other comprehensive (loss)/income, net of tax	21	**(621,617)**	1,164,633
Total comprehensive income for the year		**13,373,072**	24,364,880

The notes on pages 12 to 42 form an integral part of these financial statements.
*Refer to note 29 for further information on the restatement.

The Emerging Africa Infrastructure Fund Limited

Statement of financial position
As at 31 December 2021

	Notes	31-Dec-21	31-Dec-20	1-Jan-20
			Restated*	Restated*
		USD	USD	USD
Assets				
Non-current assets				
Debt instruments	13	**655,640,574**	617,304,731	507,254,070
Equity instruments	14	**2,751,505**	2,566,041	12,240,073
Deferred expenses	16	**11,783,302**	11,267,545	8,799,208
		670,175,381	631,138,317	528,293,351
Current assets				
Debt instruments	13	**56,404,310**	82,423,660	69,619,491
Derivative instruments	18	**-**	-	377,559
Trade and other receivables	17	**10,573,553**	9,950,702	7,424,481
Prepayments		**37,620**	57,103	37,365
Collateral margin call	28	**-**	2,350,000	-
Cash and cash equivalents	19	**30,552,508**	12,541,086	52,806,744
Current tax asset	24, 29	**729,167**	630,158	243,288
		98,297,158	107,952,709	130,508,928
Total Assets		**768,472,539**	739,091,026	658,802,279
Equity and Liabilities				
Equity				
Share capital	20	**394,869,690**	394,869,690	393,869,690
Share premium		**10**	10	10
Fair value reserve	21	**4,288,775**	4,910,392	3,745,759
Retained earnings	29	**94,497,969**	80,503,280	57,303,033
Total equity		**493,656,444**	480,283,372	454,918,492
Liabilities				
Non-current liabilities				
Loans and borrowings	22	**183,129,405**	180,996,712	157,450,427
Deferred income	23	**19,752,354**	16,166,352	16,015,685
		202,881,759	197,163,064	173,466,112
Current liabilities				
Derivative instruments	18	**829,986**	2,252,738	-
Loans and borrowings	22	**61,020,421**	30,709,220	4,176,542
Collateral margin call	28	**920,300**	-	-
Trade and other payables	25, 29	**9,163,629**	28,682,632	26,241,133
		71,934,336	61,644,590	30,417,675
Total Liabilities		**274,816,095**	258,807,654	203,883,787
Total Equity and Liabilities		**768,472,539**	739,091,026	658,802,279

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

J.P.S. Gamford

Authorised Director 11 April 2022

Authorised Director 11 April 2022

The notes on pages 12 to 42 form an integral part of these financial statements.

*Refer to note 29 for further information on the restatement.

The Emerging Africa Infrastructure Fund Limited

Statement of changes in equity

For the year ended 31 December 2021

	Notes	Share Capital USD	Share Premium USD	Fair Value Reserve USD	Retained Earnings (Restated)* USD	Total USD
Balance at 1 January 2020 - as previously reported		393,869,690	10	3,745,759	77,004,598	474,620,057
Effect of prior period error	29	-	-	-	(19,701,565)	(19,701,565)
Balance at 1 January 2020 - As restated		**393,869,690**	**10**	**3,745,759**	**57,303,033**	**454,918,492**
Other comprehensive income		-	-	1,164,633	-	1,164,633
Profit for the year		-	-	-	23,200,247	23,200,247
Issue of shares	20	1,000,000	-	-	-	1,000,000
Balance at 31 December 2020 - restated		**394,869,690**	**10**	**4,910,392**	**80,503,280**	**480,283,372**
Balance at 1 January 2021 - as previously reported		394,869,690	10	4,910,392	100,707,832	500,487,924
Effect of prior period error	29	-	-	-	(20,204,552)	(20,204,552)
Balance at 1 January 2021 - As restated		**394,869,690**	**10**	**4,910,392**	**80,503,280**	**480,283,372**
Total comprehensive loss for the year						
Other comprehensive loss		**-**	**-**	**(621,617)**	**-**	**(621,617)**
Profit for the year		**-**	**-**	-	**13,994,689**	**13,994,689**
Balance at 31 December 2021		**394,869,690**	**10**	**4,288,775**	**94,497,969**	**493,656,444**

The notes on pages 12 to 42 form an integral part of these financial statements.

*Refer to note 29 for further information on the restatement.

The Emerging Africa Infrastructure Fund Limited

Statement of cash flows
For the year ended 31 December 2021

	Notes	31-Dec-21 USD	31-Dec-20 (Restated)* USD
Cash flows from operating activities			
Profit for the year		**13,994,689**	23,200,247
Adjustments for non cash items:			
Investment income, excluding loan fee and deferred fee income		**(38,433,255)**	(37,346,386)
Unrealised foreign exchange loss/(gain)	9(i)&(ii)	**5,913,605**	(2,955,222)
Realised gain on debt instruments - previously at FVOCI		**(426,066)**	(684,300)
Amortisation of deferred income		**(2,626,733)**	(2,554,484)
Interest income on bank fixed deposits		**(2,597)**	(271,971)
Amortisation of deferred expenses		**1,996,129**	1,658,077
Grant income	23	**(2,057,150)**	(3,562,823)
Reversal of provision for impairment of debt instruments at amortised cost		**-**	(5,000,000)
Provision for impairment of debt instruments at amortised cost		**2,899,109**	(2,876,425)
Realised gain on debt instruments at amortised cost		**(366,850)**	-
Income tax expense	29	**419,196**	598,997
		(18,689,923)	(29,794,290)
Changes in:			
Deferred income		**4,576,634**	4,856,033
Trade and other receivables		**(11,616)**	(22,743)
Trade and other payables		**(20,029,755)**	2,368,028
Collateral margin call		**3,270,300**	(2,350,000)
		(30,884,360)	(24,942,972)
Disbursements on debt instruments at amortised cost	13	**(79,264,635)**	(113,523,346)
Repayments on debt instruments at amortised cost	13	**63,018,107**	65,339,514
Acquisitions on debt instruments at FVOCI	13	**(18,444,185)**	(74,172,348)
Disposal on debt instruments at FVOCI	13	**2,166,434**	30,684,300
Grants received	23	**3,693,251**	1,411,941
Interest income received on debt instruments at amortised cost		**36,585,887**	32,249,225
Interest expense paid on loans and borrowings		**(4,830,445)**	(3,135,120)
Income tax paid		**(518,204)**	(985,866)
Net cash utilised in operating activities		**(28,478,150)**	(87,074,672)
Cash flows from investing activities			
Interest received on debt instruments at FVOCI		**5,590,583**	3,890,568
Proceeds from sale of equity instruments at FVOCI		**-**	9,193,039
Net change in cash from investing activities		**5,590,583**	13,083,607
Cash flows from financing activities			
Issue of ordinary shares		**-**	1,000,000
Payment of loan fees	16	**(2,511,886)**	(4,126,414)
Proceeds from borrowings	22	**128,741,575**	114,747,027
Repayment of borrowings	22	**(85,175,089)**	(78,073,464)
Net change in cash from financing activities		**41,054,600**	33,547,149
Increase/ (decrease) in cash and cash equivalents		**18,167,033**	(40,443,916)
Effect of exchange rate changes on cash and cash equivalents		**(155,611)**	178,258
Net increase/ (decrease) in cash and cash equivalents		**18,011,422**	(40,265,658)
Cash and cash equivalents at beginning of year		**12,541,086**	52,806,744
Cash and cash equivalents at end of year	19	**30,552,508**	12,541,086

The notes on pages 12 to 42 form an integral part of these financial statements.
*Refer to note 29 for further information on the restatement.

1 Reporting entity

(a) *General Information*

The Emerging Africa Infrastructure Fund Limited (the "Company"), was incorporated on 18 December 2001. It 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 Mauritian 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.

New accounting standards and interpretations not yet adopted

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

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 of assets and liabilities, and 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.

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.

(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.

(ii) 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").

In the absence of sufficient market data, management applies expert judgement within a governance framework to determine the required parameters. In determining the ECL allowances the following significant judgements are applied.

Credit ratings (scorecard)

Intrinsic credit ratings are predicated on a scorecard comprising factors that govern risk assessment for the counterparty type. These have been further grouped into suitable broad categories with the assessments being aggregated based on pre-determined weights arrived at by way of expert judgement. There are limitations to the extent to which an extreme (credit positive or credit negative) sub-parameter value will be reflected in the overall project score. Depending on the availability of reasonable and supportable information without undue cost or effort, significant increases in credit risk are identified through the assessment of broad parameters such as financial strength, political and legal risk, transaction characteristics, strength of sponsor and security assessment. Accordingly, a set of overrides to the intrinsic rating has been incorporated into the framework. Depending on the scorecard, the final rating is influenced by early warning indicators, intrinsic rating overrides or sponsor overrides. Management also applies a 'sovereign ceiling' for country specific factors such as operating environment, legal structure, political instability, regulatory/legal uncertainty, financial/economic factors, risk of government intervention, impact of sovereign default and, where applicable, transfer and convertibility issues.

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.

Forward looking variables

The Company, applying expert judgement, identifies default and credit impaired financial assets. In applying this judgement, the Company considers, the arrears category where the balance has been allocated to, and whether the balance is in legal review, debt review or under administration. Financial assets are credit impaired when one or more events with a detrimental impact on the expected cash flows have taken place.

(b) *Assumptions and estimation uncertainties*

Information relating to assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2021 is set out below:

3 Use of judgements and estimates (continued)

(b) *Assumptions and estimation uncertainties (continued)*

(i) Impairment of financial instruments

Probability of default (PDs)

A master rating scale establishes a standardised benchmark and a mapping between rating grades and probabilities of default for all debt instruments. This rating scale has been established using default studies obtained from the three leading rating agencies. The regression results were employed to arrive at modelled default rates for each rating agency for all 21 rating grades. The average of the three modelled default rates constituted the mean probability of default for each rating grade. The lower and upper bounds for each rating grade are computed as the geometric mean of the modelled default rate for the rating grade in question and adjacent rating grades. The lower bound for 'AAA' (the highest rating grade) has been set at 0.0%, while the upper bound for 'C' (the lowest rating grade) has been set at 99.9%. In all cases, the lower bound is exclusive while the upper bound is inclusive.

Loss given default (LGDs)

In determining the LGDs, the time period that the cash flows relate to must be estimated. The time period is estimated based on historical data that can be volatile. When the cash flows are too volatile, the time period is capped to limit volatility. LGDs are influenced by estimates of the amounts to be recovered from the realisation of collateral and the estimated costs to realise the collateral. Management uses independent sources for benchmarking LGD rates as well as historic data, where applicable.

(ii) Fair value of financial instruments

The fair value of financial assets that are not actively traded in an active market is determined by using valuation techniques. The Company applies the market or income approach as appropriate to the investment dependent on the information available. The key estimates applied are disclosed in note 27 to the financial statements.

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 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 day 1 pricing of the asset. 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 and on debt instruments at FVOCI, while interest expense arises from interest on borrowing provided by lenders.

(c) *Deferred income*

Deferred income consists of deferred, 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 Company's 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 profit 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 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*

(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 FVTPL, 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.

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):
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVOCI if both of the following conditions are met:
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4 Accounting policies (continued)

(h) *Financial assets and financial liabilities (continued)*

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

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 FVTPL.

Financial assets at fair value through profit and loss (FVTPL)

FVTPL, 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, FVTPL are measured at fair value with resulting fair value gains or losses being recognised directly in profit or loss.

Financial assets at amortised cost

- 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 impairments are recognised in profit or loss. All debt instruments are recognised when cash is advanced or expected from borrowers.

- 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.

- 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.

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.

4 Accounting policies (continued)

(h) *Financial assets and financial liabilities (continued)*

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

For a quantitative representation of the classifications under IFRS 9, refer to the tables on pages 21 and 22.

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.

Calculation of ECL

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 correlations 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 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.

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)

Exposures are assessed on an individual project basis. In some instances, financial assets are grouped into categories in accordance with the terms of the financial instrument or the percentage of expected payments that were received. Financial assets are also grouped according to the status of the financial asset. The Company makes use of estimates of PDs, LGDs and EADs to calculate the ECL balance for financial assets at amortised cost. Depending on the relevant information available, PDs are based on ratings assigned to counterparties which are set using hybrid models which comprise both conventional statistical models and expert judgement. LGDs are derived from a default recovery time series model that takes the timing of payments into account or through available market data adjusted for project characteristics. The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money. The forecast value for the collateral is also affected by the range of forward looking probability-weighted macroeconomic scenarios. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. The ECL calculation of a financial instrument takes into account both the contractual and available behavioral repayment patterns over the relevant estimation period.

Significant increase in credit risk and default

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers quantitative and qualitative information based on historical experience, credit assessment and forward looking information. The Company's assessment of a significant increase in credit risk from initial recognition consists of quantitative (such as credit rating, probability of default and arrears aging) and qualitative (such as economic, sector and geographic outlook) risk assessments performed by various internal credit risk review bodies.

These quantitative and qualitative risk drivers are included by the Company as part of the ongoing credit risk management. When making a quantitative assessment, the Company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date. A rebuttable assumption is that the credit risk since initial recognition has increased significantly if a financial instrument is 30 days past due. Financial assets at amortised cost can be transferred back to stage 1 or 2 within the ECL model if specific criteria have been met.

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

Forward looking information

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:
-The establishment of the relationship between default rates and macroeconomic variables by way of regression analysis;
-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
-Assigning suitable probabilities to each scenario based on expert judgement within the relevant governance bodies.

Write off policy

Financial assets are written off when, in the judgement of the Company, there is no realistic prospect of recovery of the assets. Determining when to write off financial assets is a matter of judgement and incorporates both quantitative and qualitative information.

Measurement of ECLs

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. ECLs on financial instruments at amortised cost are recognised in profit or loss.

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 2021 USD '000	FVOCI	FVOCI, by irrevocable designation	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	**94,019**	**-**	**-**	**618,026**	**-**	**712,045**
Equity instruments	**-**	**2,752**	**-**		**-**	**2,752**
Deferred expenses	**-**	**-**	**-**	**11,783**	**-**	**11,783**
Prepayments	**-**	**-**	**-**	**-**	**38**	**38**
Trade and other receivables	**-**	**-**	**-**	**10,574**	**-**	**10,574**
Cash and cash equivalents	**-**	**-**	**-**	**30,552**	**-**	**30,552**
Current tax asset	**-**	**-**	**-**		**729**	**729**
Total assets	**94,019**	**2,752**	**-**	**670,935**	**767**	**768,473**
Liabilities per the Statement of financial position						
Loans and borrowings	**-**	**-**	**-**	**244,150**	**-**	**244,150**
Deferred income	**-**	**-**	**-**	**19,752**	**-**	**19,752**
Current tax liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**-**	**-**	**-**	**9,164**	**-**	**9,164**
Derivative instruments	**-**	**-**	**830**	**-**	**-**	**830**
Collateral margin call	**-**	**-**	**-**	**920**	**-**	**920**
Total liabilities	**-**	**-**	**830**	**273,986**	**-**	**274,816**

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 2020 USD '000 - (Restated)	FVOCI	FVOCI, by irrevocable designation	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	-	-	618,145	-	699,728
Equity instruments	-	2,567	-	-	-	2,567
Collateral margin call	-	-	-	2,350	-	2,350
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
Current tax asset	-	-	-	-	630	630
Total assets	81,583	2,567	-	654,254	687	739,091
Liabilities per the Statement of financial position						
Loans and borrowings	-	-	-	211,706	-	211,706
Deferred income	-	-	-	16,166	-	16,166
Current tax liabilities	-	-	-	-	-	-
Trade and other payables	-	-	-	28,683	-	28,683
Derivative instruments	-	-	2,253	-	-	2,253
Total liabilities	-	-	2,253	256,555	-	258,808

(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*

Equity financial assets that are classified and measured at FVOCI, by irrevocable designation are carried at fair value with changes in fair value recognised in OCI and accumulated in fair value reserves. Upon disposal, any balance within fair value reserves is reclassified to retained earnings.

Debt financial assets that are classified and measured at FVOCI, are carried at fair value with changes in fair value recognised in OCI and accumulated in fair value reserves, except for impairment gains or losses, and foreign echange gains and losses, which are recognised in profit or loss. Upon disposal, any balance within fair value reserves is reclassified to profit or loss as a reclassification adjustment.

(k) *Retained earnings*

Retained earnings include all current and prior years' results.

6 Interest income from debt measured at amortised cost

	31-Dec-21	31-Dec-20
	USD	USD
Interest income earned in the year	**37,761,629**	36,247,905
	37,761,629	36,247,905

7 Interest income on deposits

	31-Dec-21	31-Dec-20
	USD	USD
Interest on bank balance and deposits	**2,597**	271,971
	2,597	271,971

8 Loan fee income

	31-Dec-21	31-Dec-20
	USD	USD
Loan arrangement fees	**7,074**	67,288
Annual monitoring fees	**429,269**	238,325
Consent and waiver fees	**258,442**	14,585
Appraisal fees	**-**	50,000
	694,785	370,198

9 Foreign exchange gain/(loss)

(i) Foreign exchange gain/(loss) on derivative instruments

	31-Dec-21	31-Dec-20
	USD	USD
Realised gain/(loss) on derivative instruments	**6,207,814**	(3,945,409)
Unrealised gain/(loss) on derivative instruments	**1,453,852**	(2,630,292)
	7,661,666	(6,575,701)

(ii) Foreign exchange (loss)/gain on others

	31-Dec-21	31-Dec-20
	USD	USD
Unrealised (loss)/gain on net loans and borrowings	**(3,913,528)**	2,920,361
Unrealised (loss)/gain on EUR cash and cash equivalents	**(155,611)**	178,258
Unrealised (loss)/gain on KES denominated debt instrument at FVOCI	**(190,952)**	(238,683)
Unrealised (loss)/gain on XOF denominated debt instrument at FVOCI	**(3,076,267)**	2,725,578
	(7,336,358)	5,585,514

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 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 and makes use of expert advice on proposed and issued tax laws, regulations and cases to determine the impact of uncertain tax positions.

	Note	31-Dec-21 USD	31-Dec-20 (Restated) USD
Total income tax expense for the year		**419,196**	598,997
Calculation of the income tax expense			
Profit for the year before tax		**14,413,885**	23,799,243
Less: Exempt income		**(48,188,531)**	(29,896,098)
Add: Non-deductible expenses		**36,569,286**	26,063,402
		2,794,640	19,966,547
Tax at 15%		**419,196**	2,994,983
Tax credit at 80%		**-**	(2,395,986)
Tax expense for the year	**29**	**419,196**	598,997

The Company has determined the tax position based on the assumption that it is currently expected that all payments which EAIF was ordered to pay under the arbitration will be tax deductible, hence a reduction in 2021 tax liability. In line with IFRIC 23, the appropriateness of Company's tax consequences on this exceptional item will be adjusted accordingly upon receipt of the income tax ruling from the Mauritius Revenue Authority (MRA).

11 Fund manager fees

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 Company's Board acting on the advice of PIDG Ltd.

Breakdown of Fund Manager expenses:

	31-Dec-21 USD	31-Dec-20 USD
Management fee	**13,220,163**	10,799,964
Performance fee	**4,256,892**	3,931,486
	17,477,055	14,731,450

12 Provision for impairment of debt instruments

		31-Dec-21	31-Dec-20
		USD	USD
(i)	*Debt instruments at amortised cost*		
	Opening balance	**56,297,672**	64,340,128
	Provision for impairment of debt instruments at amortised cost - ECL	**2,695,971**	-
	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)
	Closing balance	**58,993,643**	56,297,672
(ii)	*Debt instruments at FVOCI - capital*		
	Opening balance	**399,125**	243,000
	Provision for impairment of debt instruments at FVOCI - ECL	**195,749**	156,125
	Closing balance	**594,874**	399,125
(iii)	*Debt instruments at FVOCI - interest*		
	Opening balance	**314,118**	304,212
	Provision for impairment of accrued interest	**7,389**	9,906
	Closing balance	**321,507**	314,118

13 Debt instruments

	31-Dec-21 USD	31-Dec-20 USD
Debt instruments at amortised cost		
Opening balance	**681,870,821**	614,676,860
Disbursements	**79,264,635**	113,523,346
Repayments	**(63,018,107)**	(59,459,012)
Transfer to debt instruments at FVOCI	**-**	(2,338,950)
Interest capitalised	**5,012,355**	4,656,456
Amount written off - capital	**-**	(5,000,000)
Amount written off - capitalised interest	**-**	(880,502)
(Loss)/Gain on revaluation of non-USD-denominated debt instruments	**(15,036,121)**	16,325,769
Closing balance	**688,093,583**	681,503,967
Provision for impairment - non-performing portfolio	**(50,267,708)**	(50,267,708)
Provision for impairment - performing portfolio	**(8,725,936)**	(6,029,964)
Interest suspended - non-performing portfolio	**(11,074,006)**	(7,060,598)
	(70,067,650)	(63,358,270)
Net carrying value of debt instruments at amortised cost	**618,025,933**	618,145,697
Debt instruments at FVOCI		
Opening balance	**81,582,694**	31,095,001
Realised gain during the year	**-**	684,300
Transfer from debt instruments at amortised cost.	**-**	2,338,950
Acquisitions during the year	**18,444,185**	74,172,348
Disposals during the year	**(2,166,434)**	(30,684,300)
(Loss)/Gain on Non-USD-denominated debt instruments	**(3,267,220)**	2,486,895
Unrealised fair value (loss)/gain	**(574,275)**	1,489,500
Closing balance	**94,018,950**	81,582,694
Provision for impairment	**-**	-
Net carrying value of debt instruments at FVOCI	**94,018,950**	**81,582,694**
Classification of non current and current		
Non-current debt instruments at amortised cost	**558,339,087**	532,105,434
Non-current debt instruments at amortised cost - Shari'ah	**3,282,537**	3,616,603
Non-current debt instruments at FVOCI	**94,018,950**	81,582,694
Non-current debt instruments total	**655,640,574**	617,304,731
Current debt instruments at amortised cost	**56,124,357**	82,100,994
Current debt instruments at amortised cost - Shari'ah	**279,953**	322,666
Current debt instruments total	**56,404,310**	82,423,660
Total debt instruments	**712,044,884**	699,728,391

(a) Undisbursed loan commitments

As at 31 December 2021, the undisbursed loan commitments were USD 129,298,137; EUR 222,012,243; KES 291,321,000. (31 December 2020: USD 169,012,968, EUR 94,281,327 and KES 669,321,000).

(b) Interest suspended

During the year, the Company has capitalised the interest due from debt instruments at amortised cost which have been fully credit impaired. 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-21 USD	31-Dec-20 USD
Equity instruments at FVOCI		
At beginning of the year	**2,566,041**	12,240,073
Disposals during the year	**-**	(9,193,039)
Realised (loss)	**-**	(164,645)
Unrealised fair value gain/(loss)	**185,464**	(316,348)
At end of the year	**2,751,505**	2,566,041

15 Details of investments at FVOCI

Name of company	**Country**	**Type**	**Currency**	**Holding 31-Dec-21**	**Holding 31-Dec-20**	**Carrying value 31-Dec-21 USD**	Carrying value 31-Dec-20 USD
Quoted investments							
Acorn Student Housing	Kenya	Bond	KES	609,000,000	609,000,000	**6,663,721**	5,576,924
HTA Group Ltd	UK	Bond	USD	30,000,000	30,000,000	**31,341,600**	32,416,200
Port Autonome de Dakar	Senegal	Bond	XOF	8,300,000	8,300,000	**14,389,295**	15,481,907
Sonatel	Senegal	Bond	XOF	15,068,790,000	15,068,790,000	**26,124,007**	28,107,663
Liquid Telecoms	Pan Africa	Bond	USD	15,000,000	-	**15,500,327**	-
Unquoted investments							
IPS Cable System Holding	Mauritius	Ordinary shares		1,065,341	1,065,341	**2,751,505**	2,566,041
						96,770,455	84,148,735

16 Deferred expenses

	Refinancing Cost USD	**Upfront Fees USD**	**Commitment Fees USD**	**Total USD**
At 1 January 2020	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
Movement during the year	**(1)**	**(1)**	**2,511,888**	**2,511,886**
Amortisation charge	**(289,345)**	**(381,316)**	**(1,325,468)**	**(1,996,129)**
At 31 December 2021	**2,000,076**	**2,458,188**	**7,325,038**	**11,783,302**

17 Trade and other receivables

	31-Dec-21 USD	31-Dec-20 USD
Interest receivable on debt instruments at amortised cost	**9,053,715**	8,633,914
Interest accrued on cash and cash equivalents	**369**	195
Interest accrued on income notes and debt instruments at FVOCI	**1,585,577**	1,403,920
Other receivables	**60,304**	29,205
	10,699,965	10,067,234
Provision for impairment - accrued interest	**(126,412)**	(116,532)
	10,573,553	9,950,702

18 Derivatives Instruments

	31-Dec-21 USD	31-Dec-20 USD
Foreign currency forward exchange contract - at fair value	**(829,986)**	(2,252,738)

The notional amount of the outstanding foreign currency forward exchange contracts as at 31 December 2021 is EUR 85,436,000, KES 793,500,000 (31 December 2020: EUR 83,506,000, KES 609,070,000 and XOF 9,041,274 000).

19 Cash and cash equivalents

	31-Dec-21 USD	31-Dec-20 USD
Absa Bank (Mauritius) Limited*		
- Operating accounts	**22,804,487**	3,096,226
- Technical Assistance grant account (from PIDG Trust)	**4,003,646**	1,874,626
- Fixed deposit account	**2,680,618**	6,499,969
Standard Chartered Bank (Mauritius) Limited		
- Operating account	**1,063,757**	1,070,265
	30,552,508	12,541,086

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

20 Share capital

	31-Dec-21		31-Dec-20	
	Number of Shares	**USD**	Number of Shares	USD
Opening balance	**39,486,969**	**394,869,690**	39,386,969	393,869,690
Issue of shares	**-**	**-**	100,000	1,000,000
Closing balance	**39,486,969**	**394,869,690**	39,486,969	394,869,690

The nominal value of the shares is 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-21	31-Dec-20
	USD	USD
At beginning of the year	**4,910,392**	3,745,759
Movement during the year	**(621,617)**	1,164,633
At end of the year	**4,288,775**	4,910,392

22 Loans and borrowings

	31-Dec-21	31-Dec-20
	USD	USD
Non-current liabilities		
Kreditanstalt fur Wiederaufbau ("KfW")	**28,242,094**	23,826,565
Kreditanstalt fur Wiederaufbau - EUR	**89,282,435**	106,562,542
Allianz Global Investors ("Allianz")	**15,448,921**	12,507,843
Allianz Global Investors - EUR	**31,116,455**	30,599,762
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO")	**10,577,500**	7,500,000
AFDB - F1 Facility	**8,462,000**	-
	183,129,405	180,996,712
Current liabilities		
Kreditanstalt fur Wiederaufbau ("KfW")	**3,763,906**	3,175,435
Kreditanstalt fur Wiederaufbau - EUR	**11,686,141**	9,832,546
Standard Chartered Bank ("SC")	**12,580,000**	14,000,000
Standard Chartered Bank ("SC") - EUR	**23,323,972**	3,701,239
AFDB F1 Facility	**1,538,000**	-
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO")	**1,922,500**	-
Allianz Global Investors ("Allianz")	**2,058,922**	-
Allianz Global Investors - EUR	**4,146,980**	-
	61,020,421	30,709,220
Opening balance	**211,705,932**	161,626,969
Drawdown	**128,741,575**	114,747,027
Repayment	**(85,175,089)**	(78,073,464)
Unrealised foreign exchange (loss)/gain	**(11,122,592)**	13,405,400
Closing balance	**244,149,826**	211,705,932
The above borrowings are denominated in the following currencies:		
US Dollar	**84,593,843**	61,009,843
Euro	**159,555,983**	150,696,089
	244,149,826	211,705,932

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	18 March 2023	50,000,000	28,920,000
KfW Facility D2	USD	17 June 2028	65,000,000	38,000,000
KfW Facility D3	USD	17 June 2028	20,000,000	-
KfW Facility E1	USD	19 March 2030	50,000,000	50,000,000
AfDB (F) Tranche 1	USD	19 March 2028	75,000,000	65,000,000
FMO Facility G	USD	19 March 2028	50,000,000	37,500,000
Allianz Facility H2	USD	28 March 2030	25,000,000	7,492,000
				226,912,000

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	45,000,000
Allianz Facility H1	EUR	28 March 2030	75,000,000	43,991,000
				88,991,000
			Total USD equivalent	335,796,930

23 Deferred income

	TA grant[1] USD	Restructuring Fees USD	Upfront Fees USD	Commitment Fees USD	Total USD
At 1 January 2020	3,415,176	387,309	6,529,035	5,684,165	16,015,685
Movement during the year	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
Movement during the year	**3,693,251**	-	**2,415,772**	**2,160,862**	**8,269,885**
Amortisation charge	**(2,057,150)**	-	**(958,533)**	**(1,668,200)**	**(4,683,883)**
At 31 December 2021	**2,900,395**	**-**	**9,604,732**	**7,247,227**	**19,752,354**

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

24 Current tax asset

	Notes	31-Dec-21 USD	31-Dec-20 (Restated) USD
Balance at 1 January 2020/2021 - as previously reported		**5,275**	(366,038)
Effect of prior period error	29	**624,883**	609,326
At beginning of the year - restated		**630,158**	243,288
Tax paid during the year		**518,205**	985,867
Income tax expense for the year	29	**(419,196)**	(598,997)
At end of the year		**729,167**	630,158

25 Trade and other payables

	Note	31-Dec-21 USD	31-Dec-20 (Restated) USD
Management fee		**3,571,201**	2,986,067
Performance fee		**4,256,892**	3,931,486
Loan interest payable		**1,065,176**	554,424
Management company fees		**-**	5,600
Audit and tax fees		**71,200**	66,641
Other payables		**199,160**	308,979
Effect of prior period error	29	**-**	20,829,435
		9,163,629	28,682,632

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-21 USD	31-Dec-20 USD
Transactions during the year:				
PIDG Trust	Shareholder	Grant amortised	**2,057,150**	3,562,823
		Grant received	**3,693,251**	1,411,941
PIDG Trust	Shareholder	Grant received - administrative	**1,317,290**	1,045,985
PIDG Ltd	Subsidiary of PIDG Trust[1]	Administration expenses (PIDG)	**(2,327,576)**	(1,855,845)
Ninety One Guernsey Limited	Fund Manager	Management fees	**13,220,163**	10,799,964
Ninety One Guernsey Limited	Fund Manager	Performance fees	**4,256,892**	3,931,486
Balances outstanding at end of the year:				
PIDG Trust	Shareholder	Grant received	**2,900,395**	1,264,294
Ninety One Guernsey Limited	Fund Manager	Management fees	**3,571,201**	2,986,067
Ninety One Guernsey Limited	Fund Manager	Performance fees	**4,256,892**	3,931,486
PIDG Ltd	Subsidiary of PIDG Trust[1]	Administrative expense	**-**	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	Fair Value Level 1 USD	Level 2 USD	Level 3 USD
31 December 2021				
Debt instruments at FVOCI	**94,018,950**	**94,018,950**	**-**	-
Equity instruments at FVOCI	**2,751,505**	**-**	**-**	**2,751,505**
Derivative instruments	**(829,986)**	**-**	**(829,986)**	-
	95,940,469	**94,018,950**	**(829,986)**	**2,751,505**
31 December 2020				
Debt instruments at FVOCI	81,582,694	81,582,694	-	-
Equity instruments at FVOCI	2,566,041	-	-	2,566,041
Derivative instruments	(2,252,738)	-	(2,252,738)	-
	81,895,997	81,582,694	(2,252,738)	2,566,041

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 measurement of the financial assets is fair value.

A book value valuation approach was followed on level 3 financial instruments.

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 percentage 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.

The valuation of SCL was performed by means of a Discounted Cash Flow fair valuation. Based on this assessment the Company 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 2,751,505.

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 and management and review

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are credit risk, market risk (arising from changes in equity, bond prices, interest and foreign exchange rates) and liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. A 'Unified Credit Rating Framework' (established and approved by the PIDG Risk Committee) has been adopted by the Company to enable a standardized assessment of borrower risk for project finance, among other credit solutions. It also serves as a critical input towards portfolio-wide risk aggregation, provisioning under the IFRS 9 accounting standard, pricing of transactions as well as capital and portfolio optimisation. The Company has delegated responsibility for compliance with the framework to PIDG Ltd which is responsible for, amongst other matters, ensuring the Company's compliance with its Risk Appetite Statements, reporting regularly to the Board of Directors on its activities. The framework is subject to an annual reviews and continual refinement, including governance oversight from the PIDG Ltd Risk Committee. However, more frequent reviews may be considered in order to address systemic challenges in the framework/process. This framework is subject to continuous review and improvement. Any changes require the approval of the PIDG Ltd Chief Risk Officer as long as the construct of the framework as approved by the PIDG Ltd Risk Committee remains unchanged.

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 also subject to externally-imposed covenant requirements from its lenders, including 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

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.

(i) Credit risk governance

Credit risk is monitored through the various governance structures of both Ninety One and PIDG Ltd, to enable the Board of Directors and PIDG Ltd to discharge their obligations in terms of the Company's aggregated credit risk appetites, exposures and risk management. The scope of these structures extends to all activities of the Company in which credit or counterparty credit risks are present.

(ii) Credit risk management

The Company manages its credit risk by having a comprehensive risk strategy for all risk types including credit risk, sound investment processes across single assets, single counterparties and an aggregate credit portfolio, and comprehensive limit frameworks in place. The risk strategy includes a risk-return framework which sets the overall risk appetite and the risk appetite for specific risk types including credit risk. Each investment credit asset acquired follows a strict credit approval process, supported by a credit analysis considering both qualitative and quantitative aspects taking into account the risk return profile.

28 Financial risk management and review (continued)

Credit risk (continued)

(ii) Credit risk management (continued)

Credit risk exposures are monitored and assessed using appropriate metrics, including trend analysis and communicated to the relevant governance and management committees. Credit risk is monitored against early warning thresholds and exposures. The ongoing monitoring and a proactive view of emerging risks are integrated in the granting of new credit. The credit risk appetite and limits are accordingly adjusted to manage the portfolio in view of actual and potential changes in macroeconomic conditions.

Collateral

Collateral is mainly used in the investment credit portfolios to mitigate the amount of credit risk taken. This is part of the process to ensure appropriate legal protection in the event of default. Stricter loan covenants or higher levels or better quality collateral are required based on the counterparty and industry outlook. 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.

Derivatives

The Company may enter into exchange-traded or Over-The-Counter (OTC) derivatives. Credit risk arising from exchange-traded derivatives is mitigated by margin requirements. Derivative financial instruments are transacted with reputable counterparties with a long term rating of A, and with whom the Company has a signed master netting agreement. Master netting agreements provide for the net settlement of contracts with the same counterparty in the event of default. The net exposure to credit risk is mitigated by master netting arrangements that may change significantly within a short period of time due to the volatile nature of the fair value of the derivatives. Derivatives used can generally be classified as futures, forward contracts, interest rate swaps and options.

Cash deposits

The Company holds deposits and cash equivalents with reputable financial institutions with credit ratings of Ba1 and BBB, based on ratings from credit rating agencies.

(iii) Credit risk ratings

The Unified Credit Rating Framework sets out the rating model to be applied to project finance, as well as other credit solutions, in enabling risk differentiation between borrowers and measurement and quantification of risk. The rating model has been developed based on the Basel III specialised lending framework and sets out 'broad parameters' and 'sub-parameters' with overarching guidance on allocating transactions into one of four risk buckets. This framework has been developed in the form of a scorecard with suitable broad and sub-parameter weights. The guidance provided as a part of the Basel III framework has been adapted to ensure applicability to both the Company's and PIDG Ltd's operations. The framework also includes loss estimates against each risk bucket. These loss estimates have been employed to derive a suitable probability of default which, in turn, have been mapped to the master rating scale for the purposes of arriving at a rating.

At initial recognition, each risk exposure is allocated to the credit rating based on the available information about the counterparty. All exposures are subsequently monitored through general and tailored procedures as specified in the framework. The data used to monitor these exposures include the following broad parameters: financial strength, political and legal environment, transaction characteristics, strength of sponsor and strength of security package.

(iv) Concentration of credit risk

A concentration of credit risk exists when a number of counterparties are located in a geographical region or are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Company monitors concentrations of credit risk by geographic location. The following table analyses the concentrations of credit risk by class of financial asset at 31 December 2021.

28 Financial risk management and review (continued)

Credit risk (continued)

(iv) Concentration of credit risk (continued)

(a) Analysis of credit risk for financial assets at amortised cost and interest receivable by sector and country/region:

	Debt instruments at amortised cost		***Loan interest receivable***	
	31-Dec-21	31-Dec-20	**31-Dec-21**	31-Dec-20
	USD	USD	**USD**	USD
Sector				
Mining	**66,632,141**	67,760,150	**592,068**	979,205
Telecommunications	**16,993,138**	11,400,211	**101,599**	147,670
Industrial infrastructure	**44,799,618**	57,249,539	**415,789**	190,734
Power	**361,851,284**	359,869,891	**4,718,211**	6,418,327
Transport	**96,035,089**	103,152,204	**3,071,961**	722,640
Gas	**7,036,359**	8,131,677	**147,552**	172,430
Bulk storage / logistics facilities	**24,678,304**	10,582,025	**6,535**	2,908
	618,025,933	618,145,697	**9,053,715**	8,633,914
Country/Region				
Republic of Cameroon	**31,493,145**	23,744,273	**159,130**	110,867
Mozambique	**67,761,191**	60,913,320	**1,102,872**	836,534
Republic of Nigeria	**63,639,380**	64,339,555	**672,019**	1,890,147
Uganda	**75,941,537**	78,000,565	**852,464**	740,280
Kenya	**8,202,042**	11,675,867	**85,709**	265,089
Democratic Republic of Congo	**-**	16,215,972	**-**	146,438
Pan-Africa	**16,993,137**	11,400,211	**101,599**	147,670
Senegal	**16,775,861**	21,879,043	**98,246**	125,864
Ethiopia	**-**	1,604,982	**-**	13,588
Ghana	**64,431,090**	66,876,561	**1,689,196**	623,826
Ivory Coast	**72,504,924**	59,134,260	**1,136,229**	1,016,244
Republic of Rwanda	**39,511,937**	42,951,375	**600,271**	651,086
Madagascar	**20,403,997**	22,870,565	**523,092**	258,231
Mali	**35,049,294**	40,265,915	**596,210**	660,888
Gabon	**43,927,252**	47,855,211	**1,346,699**	352,008
Guinea	**36,712,840**	37,835,907	**83,444**	792,246
Zimbabwe	**24,678,306**	10,582,115	**6,535**	2,908
	618,025,933	618,145,697	**9,053,715**	8,633,914

(b) Analysis of credit risk for financial assets at FVOCI and interest receivable by sector and country/region:

	Financial assets at FVOCI		***Interest receivable***	
	31-Dec-21	31-Dec-20	**31-Dec-21**	31-Dec-20
	USD	USD	**USD**	USD
Sector				
Industrial infrastructure	**6,663,721**	5,576,924	**313,345**	282,852
Telecommunications	**75,717,438**	63,089,904	**1,145,820**	1,004,535
Bulk storage / logistics facilities	**14,389,295**	15,481,907	**-**	-
	96,770,454	84,148,735	**1,459,165**	1,287,387
Country/Region				
Kenya	**6,663,721**	5,576,923	**120,769**	99,200
Pan-Africa	**49,593,431**	34,982,243	**343,959**	75,833
Senegal	**40,513,302**	43,589,569	**994,437**	1,112,354
	96,770,454	84,148,735	**1,459,165**	1,287,387

28 Financial risk management and review (continued)

Credit risk (continued)

(v) Exposure to credit risk

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-21 USD	31-Dec-20 USD
Debt instruments	**712,044,886**	699,728,391
Trade and other receivables	**10,573,553**	9,950,702
Cash and cash equivalents	**30,552,508**	12,541,086
Collateral margin call	**-**	2,350,000
	753,170,947	724,570,179

Derivative instruments

Derivative financial assets and liabilities predominantly consist of FEC's (Forward Exchange Contracts) used to hedge currency risk. The Company is required to post or receive collateral in accordance with 'EMIR Refit' regulation for its OTC trading activity, as defined within their signed Credit Support Annex (CSA) agreements. The Company has only signed a CSA with Standard Chartered Bank London, the collateral counterparty. The value of collateral pledged is disclosed in the table above however, in the current year there was a last day margin call that was not fully funded by the margin account and an additional margin payment was required. That payment was made post year end and therefore at year end a liability existed.

Forward Rate Agreements	**31-Dec-21**		31-Dec-20	
	Carrying Value	**Notional Value**	Carrying Value	Notional Value
Curreny	**USD**	**Local currency**	USD	Local currency
USD	**103,472,889**	**103,472,888**	106,064,918	106,064,918
KES	**(6,994,362)**	**(793,500,000)**	(5,535,291)	(609,070,000)
EUR	**(97,308,512)**	**(85,436,000)**	(85,917,768)	(70,111,520)
XOF	**-**	**-**	(16,864,598)	(9,041,274,000)
	(829,986)		(2,252,738)	

(vi) Analysis of financial assets at amortised cost

	Gross carrying amount USD	Allowance for ECL USD	Carrying Value USD	Allowance for ECL Stage 1 USD	Allowance for ECL Stage 2 USD	Allowance for ECL Stage 3 USD
31-Dec-21						
Debt instruments	**782,704,913**	**70,660,028**	**712,044,886**	**4,146,821**	**5,171,497**	**61,341,710**
Cash and cash equivalents	**30,552,508**	**-**	**30,552,508**	**-**	**-**	**-**
Trade and other receivables	**10,699,965**	**126,412**	**10,573,553**	**-**	**-**	**126,412**
	823,957,386	**70,786,440**	**753,170,947**	**4,146,821**	**5,171,497**	**61,468,122**
31-Dec-20						
Debt instruments	763,485,787	63,757,396	699,728,391	2,389,076	4,040,013	57,328,307
Cash and cash equivalents	12,541,086	-	12,541,086	-	-	-
Trade and other receivables	10,067,234	116,532	9,950,702	-	-	116,532
	786,094,107	63,873,928	722,220,179	2,389,076	4,040,013	57,444,839

No allowance for ECL has been raised on Cash and cash equivalents, as well as Trade and other receivables, as these are short-term highly liquid assets, with an insignificant risk of default.

(vii) Credit quality analysis of financial assets

	31-Dec-21 USD	31-Dec-20 USD
Stage 1	**551,534,768**	530,466,835
Stage 2	**169,828,435**	175,690,645
Stage 3	**61,341,710**	57,328,307
	782,704,913	763,485,787

(viii) Credit sensitivity analysis

At each reporting date, the Company calculates an ECL for debt instruments measured at amortised cost and at FVOCI. 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 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.

	Range Min	Range Max	31-Dec-21 USD	31-Dec-20 USD
1 notch improvement				
Stage 1	CCC	BB	**2,623,387**	-
Stage 2	CC	B	**3,729,906**	-
Stage 3	Default	C	**-**	-
			6,353,293	4,335,710

28 Financial risk management and review (continued)

Credit risk (continued)

(viii) Credit sensitivity analysis (continued)
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	Range		31-Dec-21	31-Dec-20
1 notch deterioration	**Min**	**Max**	**USD**	USD
Stage 1	CCC	BB	**(6,585,222)**	-
Stage 2	CC	B	**(6,776,777)**	-
Stage 3	Default	C	**-**	-
			(13,361,999)	(4,175,568)

The Company updated the ECL model in 2021, with the changes largely centred around the PD structure which impacts the figures presented above. The sensitivities based on the previous model for 2020 did not show the stage 1 to 3 splits and were as follows:
i) 1 notch credit rating improvement: 4,335,710
ii) 1 notch credit rating deterioration: (4,175,568)

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

	31-Dec-21	31-Dec-20
100% Base Case	**USD (000's)**	**USD (000's)**
Stage 1	**3,774**	2,385
Stage 2	**4,870**	4,076
Stage 3	**-**	-
	8,644	6,461

	31-Dec-21	31-Dec-20
100% Bear Case	**USD (000's)**	**USD (000's)**
Stage 1	**5,140**	2,488
Stage 2	**6,222**	4,261
Stage 3	**-**	-
	11,362	6,749

	31-Dec-21	31-Dec-20
100% Bull Case	**USD (000's)**	**USD (000's)**
Stage 1	**2,161**	2,102
Stage 2	**2,822**	3,281
Stage 3	**-**	-
	4,983	5,383

A 10% improvement or deterioration in the LGD assigned to each debt instrument as at 31 December 2021 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.

Increase in LGD (10%)	Range		31-Dec-21	31-Dec-20
	Min	**Max**	**USD**	USD
Stage 1	10.00%	51.00%	**6,212,087**	3,680,292
Stage 2	10.00%	28.00%	**8,028,646**	6,343,053
Stage 3	50.00%	100.00%	**-**	-
			14,240,733	10,023,345

Decrease in LGD (10%)	Range		31-Dec-21	31-Dec-20
	Min	**Max**	**USD**	USD
Stage 1	10.00%	51.00%	**2,912,586**	1,637,962
Stage 2	10.00%	28.00%	**2,911,066**	2,172,943
Stage 3	50.00%	100.00%	**-**	-
			5,823,652	3,810,905

No sensitivities are performed on stage 3 financial instruments, as these are fully impaired. Based on assessed likelihood of recoverability on these instruments, a significant improvement in the PD, LGD or base case scenario would have to occur for sensitivities to have a significant impact, which the Company deems highly unlikely.

28 Financial risk management and review (continued)

Liquidity risk

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 2021, 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 undiscounted contractual maturities of the non-derivative 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-Dec-21					
Financial liabilities at amortised cost, plus interest expense	**48,462,197**	**12,558,225**	**66,785,698**	**116,343,707**	**244,149,826**
Trade and other payables	**9,163,629**	**-**	**-**	**-**	**9,163,629**
Collateral margin call	**920,300**	**-**	**-**	**-**	**920,300**
	58,546,126	**12,558,225**	**66,785,698**	**116,343,707**	**254,233,755**

The Company has a collateral payable position, as a margin call was made at year-end which was settled after year-end, hence the liability position as at year-end.

31-Dec-20					
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

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. Undrawn loan facilities as at 31 December 2021 are 313,288,593 USD (2020: 387, 634,749 USD).

28 Financial risk management and review (continued)

Market risk

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.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in 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. Debt instruments issued to 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 2021, the Company had liabilities denominated in Euro ("EUR"), and United States Dollar ("USD"). 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-21		31-Dec-20	
	USD	**USD**	USD	USD
United States Dollar (USD)	**523,700,433**	**84,593,843**	514,512,039	70,551,432
Great Britain Pound Sterling (GBP)	**-**	**-**	-	149,041
Euro (EUR)	**211,827,457**	**159,555,983**	207,047,257	151,106,118
Kenyan Shillings (KES)	**6,663,721**	**-**	5,576,924	-
XOF (CFA Franc)	**40,513,302**	**-**	43,589,570	-
	782,704,913	**244,149,826**	770,725,790	221,806,591

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

	31-Dec-21	31-Dec-20
	USD	USD
USD:EUR	0.879	0.817
USD:GBP	0.738	0.732
USD:KES	113.150	109.200
USD:XOF	576.818	536.110

Sensitivity analysis

A 10% strengthening/weakening of the USD against other currencies as at 31 December 2021 would have an equal and opposite effect on the equity and profit or loss of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity	**Profit or loss**	Equity	Profit or loss
	31-Dec-21		31-Dec-20	
	USD	**USD**	USD	USD
USD:EUR	**5,227,127**	**5,227,127**	5,594,114	5,594,114
USD:GBP	**-**	**-**	(14,904)	(14,904)
USD:KES	**666,372**	**666,372**	557,692	557,692
USD:XOF	**4,051,330**	**4,051,330**	4,358,957	4,358,957
	9,944,829	**9,944,829**	10,495,859	10,495,859

28 Financial risk management and review (continued)

Market risk (continued)

(ii) Interest rate risk

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.

Interest rate profile

The Company has significant interest-bearing assets and liabilities. The Company's cash flows are impacted by changes in market interest rates. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	31-Dec-21 USD	31-Dec-20 USD
Variable rate instruments		
Financial assets	**457,171,395**	418,673,745
Financial liabilities	**(151,138,878)**	(121,436,225)
	306,032,517	297,237,520

Sensitivity analysis

A 1% strengthening/weakening of interest rates as at 31 December 2021 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular currency rates, remain constant.

	Increase by 1%		**Decrease by 1%**	
	Equity USD	**Profit or loss USD**	**Equity USD**	**Profit or loss USD**
31 December 2021	**3,060,325**	**3,060,325**	**(3,060,325)**	**(3,060,325)**
31 December 2020	2,972,375	2,972,375	(2,972,375)	(2,972,375)

(iii) Price risk

Price risk is the risk that the value of a company (and its bonds) fluctuates as a result of changes in market prices of instruments held (other than those arising from interest rate or currency risk), whether caused by factors specific to the underlying investments, its issuer or all factors affecting all instruments traded in the market. As at 31 December, the Company was exposed to price risk through its investments held at FVOCI. The Company has significant exposure to listed debt instruments (level 1) and immaterial exposure equity instruments (level 3). Refer to note 27 for further detail.

29 Prior period error

As noted in the Company's 2020 and prior year statutory accounts, the Company had a contingent liability as a claim was made against the Company. The nature of the claim was not disclosed due to confidentiality obligations. Based on the evidence available, the facts and circumstances, the Board of the Company had concluded in prior years that the claim would be resolved with no material impact on the Company's financial position or the results of the operations.

The arbitration process in respect of the claim has now concluded and the outcome of the arbitration hearing held in London under the UNCITRAL Rules was in favour of the claimants. Under the relevant arbitration rules an award was made and settled by the Company, including interest backdated to the relevant event, as well as the legal fees awarded to the claimants.

The nature of the claim was such that its settlement should be treated as a prior year error under IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Consequently, the award, and any associated costs paid on this award have been treated accordingly.

As a result of the above, expenses and a corresponding trade payable amounting to $18,139,354 which were incorrectly omitted in the 31 December 2016 statutory accounts have now been recognised.

The tax consequences on this prior year error are still subject to an income tax ruling which has been requested of the Mauritius Revenue Authority (MRA). It is currently expected that all payments the Company was ordered to make under the arbitration will be tax deductible, and so a reduction in tax liability is recognised in the same corresponding years.

The prior period error has been corrected retrospectively in the 31 December 2021 financial statements. The effect of the restatement on those financial statements is summarised below.

	Balance previously reported USD	Effect of prior period error USD	Restated comparative balance USD
2019	**31 Dec 2019**		**1 Jan 2020**
STATEMENT OF FINANCIAL POSITION as at 31 December 2019			
Equity			
Retained earnings	77,004,598	(19,701,565)	57,303,033
Total equity	474,620,057	(19,701,565)	454,918,492
Current tax asset	(366,038)	609,326	243,288
Current Assets	130,265,640	609,326	130,874,966
Trade and Other payables	5,930,242	20,310,891	26,241,133
Current liabilities	10,472,822	20,310,891	30,783,713
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME for the year ended 31 December 2019			
Interest expense	(2,734,787)	(833,440)	(3,568,227)
Profit before tax	30,172,272	(833,440)	29,338,832
Income tax expense	(899,461)	25,003	(874,458)
Profit for the year	29,272,811	(808,437)	28,464,374

29 Prior period error (continued)

2020	Balance previously reported USD 31 Dec 2020	Effect of prior period error USD	Restated comparative balance USD 1 Jan 2021
STATEMENT OF FINANCIAL POSITION as at 31 December 2020			
Equity			
Retained earnings	100,707,832	(20,204,552)	80,503,280
Total equity	500,487,924	(20,204,552)	480,283,372
Current tax asset	5,275	624,883	630,158
Current Assets	107,322,552	624,883	107,947,435
Trade and Other payables	7,853,197	20,829,435	28,682,632
Current liabilities	40,809,880	20,829,435	61,639,315
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME for the year ended 31 December 2020			
Interest expense	(3,211,593)	(518,543)	(3,730,136)
Profit before tax	24,317,787	(518,543)	23,799,244
Income tax expense	(614,553)	15,556	(598,997)
Profit for the year	23,703,234	(502,987)	23,200,247

30 Going concern

The directors of the Company have satisfied themselves that the Company has adequate resources to continue in operation for the next 12 months. The Company's financial statements have accordingly been prepared on a going concern basis.

31 Events after the reporting period

The Company's operating geographies continue to face considerable challenges. Even as governments, businesses and individuals contend with the aftermath of the pandemic and evolve to a post-Covid environment, risks from outbreaks driven by new variants persist. Sooner than expected monetary policy tightening in key developed economies presents credit and market risks to the Company and its projects.

Equally, rising conflict and political instability in the Sahel, for instance the coup in Burkina Faso on 23 January 2022, remains an area of concern and presents financial and security risks to project operations.

Finally, the ongoing invasion of Ukraine by Russia, which started on 24 February 2022, is causing a rise in commodity and food prices and could adversely impact macroeconomic fundamentals for select countries, impact individual livelihoods as inflation rises, and potentially affect the commercial viability of the Company's projects as input costs increase.

Each of these factors may impact the Company's ability to manage delivery of performance targets agreed with its owners. The directors will continue to work with senior management to closely monitor these emerging risks and assess the impact on the Company's financial results and its performance targets in the short and long-term. These have all been concluded as immaterial to the Company's financial performance for 2021 and therefore are considered to be non-adjusting events.