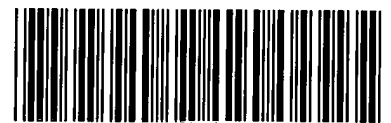


IHS AFRICA (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Registered number 08385732

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**IHS AFRICA (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



COMPANY INFORMATION

Directors

M Darwish
S Howden

Registered office

Third Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Registered number

Registered number 08385732

Auditors

RSM UK Audit LLP
Chartered Accountants
STC House
7 Elmfield Road
Bromley
Kent
BR1 1LT

STRATEGIC REPORT

Introduction

The directors present their Strategic Report for IHS Africa (UK) Limited (the "Company") for the year ended 31 December 2020.

Principal activity

The principal activity of the Company in the year under review was that of the provision of professional services in the telecommunications infrastructure industry. These services are provided to the Company's parent entity.

Results and review of the business

The statement of comprehensive income is set out on page 8 and shows the loss for the year ended 31 December 2020 of £602,000 (2019: £8,852,000).

The directors consider that the key performance indicators of the Company are turnover, operating profit/(loss) and costs. As the Company is subject to a service agreement, one of the core focuses of management is the ongoing monitoring of the level of expenditure for the year. In the year ended 31 December 2020, the Company generated turnover of £24,746,000 (2019: £23,048,000), operating loss of £329,000 (2019: £8,396,000), and incurred administrative expenses of £25,075,000 (2019: £31,444,000). The Company's balance sheet was strong with total shareholders' funds of £4,996,000 (2019: £3,844,000). The directors are satisfied with the performance of the Company in the year under review.

Going concern and COVID-19

The Company has net assets of £4,996,000 (2019: £3,844,000) and net current assets of £3,857,000 (2019: £2,805,000). The existence of novel coronavirus (COVID-19) was confirmed in early 2020 and has spread throughout the world causing disruptions to businesses and economic activity. Although our results have not been materially affected by COVID-19 to date, we are unable to accurately predict the impact that COVID-19 will have on us or our customers' operations going forward due to uncertainties that will be dictated by the length of time that any disruptions or consequential effects continue, which will, in turn, depend on the currently unknowable duration of the COVID-19 pandemic, the impact of governmental regulations that might be imposed in response to the pandemic and the overall economic impact of the pandemic. Due to the uncertainty of COVID-19, we will continue to assess the situation, including abiding by any government-imposed restrictions. The directors have a reasonable expectation that the Company is expected to have adequate resources to continue in operational existence for the foreseeable future and are not aware of any reason or intention for the service agreement currently in place to be terminated. Therefore, these financial statements have been prepared on a going concern basis.

Principal risks and uncertainties

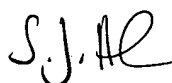
The directors have considered and reviewed the provisions included within the Companies Act 2006, relating to financial risk management objectives and policies. As part of the review, the Directors have also considered the exposure of the Company to credit risk and liquidity risk, in order that an overall assessment can be made of the Company's assets, liabilities, its financial position and its result for the year.

Given the size of the Company, the principal risks and uncertainties are integrated with the principal risk of the IHS Group headed by the Company's parent company, IHS Holding Limited (the 'Group') and are not managed separately. The policies set by the Group are implemented by the Company's finance department. The main risks arising from the Company's financial instruments are credit and liquidity risk.

Credit risk and liquidity risk

There are no significant concentrations of credit risk within the Company, other than balances owed by group understandings. The Company has sufficient cash balances for its immediate funding requirements. The Company's management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to pay.

ON BEHALF OF THE BOARD



S Howden - Director

27 May 2021

DIRECTORS' REPORT

The directors present their report and the audited financial statements of IHS Africa (UK) Limited for the year ended 31 December 2020.

Results and dividends

The loss for the year ended 31 December 2020 amounted to £602,000 (2019: £8,852,000).

During the year, the directors did not propose any dividends (2019: nil).

Directors

The directors shown below have held office during the whole of the period from 1 January 2020 to 31 December 2020 and up to the date of signing the financial statements:

M Darwish
S Howden

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Qualifying third party indemnity provision

The Group has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Future Development

There is no significant future development plan in place that would alter the principal activity of the Company being that of the provision of professional services to the Company's parent entity.

ON BEHALF OF THE BOARD



.....
S Howden - Director

27 May 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IHS AFRICA (UK) LIMITED

Opinion

We have audited the financial statements of IHS Africa (UK) Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included obtaining an understanding of the basis upon which the directors formed this conclusion, obtaining a letter of support from the parent undertaking, a review of the financial position of the parent undertaking, and an assessment of the disclosures presented within the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IHS AFRICA (UK)
LIMITED (CONTINUED)**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and testing a sample of direct and indirect submissions and settlements to ensure such submissions were made in line with statutory deadlines and reporting requirements.

We have not identified any significant indirect laws and regulations critical to the company's operations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

**IHS AFRICA (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IHS AFRICA (UK)
LIMITED (CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

HELEN HUNT (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
STC House
7 Elmfield Road
Bromley
Kent
BR1 1LT

Date: 7 June 2021

STATEMENT OF COMPREHENSIVE INCOME

	Note	2020 £'000	2019 £'000
Turnover	4	24,746	23,048
Administrative expenses		(25,075)	(31,444)
Operating loss	5	(329)	(8,396)
Interest payable and similar expenses	9	-	(9)
Loss before taxation		(329)	(8,405)
Taxation	10	(273)	(447)
Loss for the financial year and total comprehensive income for the financial year		(602)	(8,852)

The notes are an integral part of these financial statements.

IHS AFRICA (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



STATEMENT OF FINANCIAL POSITION

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	11	375	368
Tangible assets	12	428	335
		<u>803</u>	<u>703</u>
Current assets			
Debtors	13	7,594	6,287
Cash and cash equivalents		4,092	1,994
		<u>11,686</u>	<u>8,281</u>
Creditors: amounts falling due within one year	15	(7,829)	(5,476)
Net current assets		<u>3,857</u>	<u>2,805</u>
Debtors: amounts falling due after more than one year	14	336	336
Net assets		<u>4,996</u>	<u>3,844</u>
Capital and reserves			
Called up share capital	16	-	-
Accumulated retained earnings deficit	17	(13,459)	(12,857)
Capital contribution reserve	17	18,423	16,669
Other reserve	17	32	32
Total equity		<u>4,996</u>	<u>3,844</u>

The notes are an integral part of these financial statements.

The financial statements were approved and authorised by the Board of Directors on 27 May 2021 and were signed on behalf by:

.....
S Howden - Director

Registered no: 08385732

STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Retained earnings £'000	Capital contribution reserve £'000	Other reserve £'000	Total equity £'000
Balance at 1 January 2019	-	(4,005)	5,924	32	1,951
Loss for the year	-	(8,852)	-	-	(8,852)
Total comprehensive income for the year	-	(8,852)	-	-	(8,852)
Share-based payment*	-	-	10,745	-	10,745
Balance at 31 December 2019	-	(12,857)	16,669	32	3,844
Balance at 1 January 2020	-	(12,857)	16,669	32	3,844
Loss for the year	-	(602)	-	-	(602)
Total comprehensive income for the year	-	(602)	-	-	(602)
Share-based payment*	-	-	1,754	-	1,754
Balance at 31 December 2020	-	(13,459)	18,423	32	4,996

* See note 2.15.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Cash generated from operations	18	2,682	813
Income taxes paid		(195)	(269)
Net cash from operating activities		2,487	544
Cash flows from investing activities			
Purchase of tangible assets	12	(176)	(349)
Purchase of intangible assets	11	(213)	(428)
Net cash used in investing activities		(389)	(777)
Increase/(decrease) in cash and cash equivalents		2,098	(233)
Cash and cash equivalents at beginning of the year		1,994	2,227
Cash and cash equivalent at end of the year		4,092	1,994

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATUTORY INFORMATION

IHS Africa (UK) Limited is a private company, limited by shares, registered, domiciled, and incorporated in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's principal activities and nature of its operations are disclosed in the Strategic Report on page 2.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £ thousand.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 GOING CONCERN

The directors have reviewed the service agreement in place, taking into account the effects of the unfolding COVID-19 crisis and consider that the company can continue to operate as a going concern. Management have considered the possible negative impacts both directly to the company and the wider Group as well as the potential wider economic effects of the crisis in forming this opinion.

The Directors anticipate that there is unlikely to be any adverse impact on revenue streams and do not foresee any amendments to the service agreement in place which would impact the ability of the entity to continue as a going concern over the next 12 months from the date of signing of these financial statements following appropriate enquiries of the parent company. The directors considered the adequacy of capital reserves and as at 31 December 2020, the Company has a shareholder's surplus of £4,996,000. They also considered the available liquid resources and the prospects of the company in accordance with its strategy and as a professional services provider; revenue generated is expected to cover expenditure and cashflow requirements will be sufficiently covered. The directors do not expect the company to require any additional support and IHS Holding Limited, the ultimate holding company, has confirmed that it is intending the service agreement to continue for the foreseeable future, being at least to 31 May 2022. The directors are satisfied that the company is in a position to meet its liabilities as they fall due over the period to 31 May 2022 and on this basis, the directors have prepared the financial statements on a going concern basis.

2.3 TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes and is recognised only when it is probable (more likely than not) that the economic benefits will flow to the entity. Turnover is recognised on a monthly basis as services are delivered.

The Company's turnover represents services provided under a management services agreement with the Company's parent entity.

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held with banks.

2.5 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets: software is being amortised evenly over their estimated life of three years.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TANGIBLE ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

- | | |
|-------------------------------------|-------------------|
| ▪ Fixtures, fittings, and equipment | 33% straight line |
| ▪ Leasehold improvements | term of the lease |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to administrative expenses in the statement of comprehensive income.

2.7 IMPAIRMENT OF FIXED ASSETS

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.8 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'sterling', which is the company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'interest payable and similar expenses'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.9 FINANCIAL ASSETS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include other debtors (including accrued income), and to fellow group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL ASSETS (CONTINUED)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors (including accruals), are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2.10 OPERATING LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.11 EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.12 TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

2.13 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.14 PENSIONS

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (CONTINUED)

2.15 SHARE BASED PAYMENTS

The Company participates in a share-based payment arrangement granted to its employees by the Company's immediate parent undertaking, IHS Holdings Limited.

Until July 2019, the Group operated a cash-settled plan. The options were exercisable if certain criteria were met. An expense, based on an estimate of the discount received by eligible employees on the cost of the shares expected to vest, is recognised on a straight-line basis over the vesting period. The Company has recorded liabilities of £18,423,000 (2019: £16,669,000) in respect of the share appreciation rights. The fair value of the SAR is determined using the Black Scholes option pricing model. Options are forfeited if the employee leaves the Company before they become entitled to exercise the share options.

In July 2019, the Group scheme was modified to amend the exercise price on all options to a nil exercise price and there was a proportionate reduction to the number of share options issued. The options are exercisable if a liquidity event occurs at a Group level, and the scheme changed from being a cash-settled scheme to equity-settled.

Share options are granted at the price of the Company's shares at the grant date. Options are forfeited if the employee leaves the Company before they become entitled to exercise the share options, except in the case of leavers considered to be good leavers under the terms of the scheme.

The fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

As the Company is part of a group share-based payment plan, it measures its share-based payment expense on the basis of a reasonable allocation of the expense for the Group. The allocation is based on Group's IFRS 2 share-based payment expense that relates to those employees benefiting from the share-based payment plan employed by the Company.

3. ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

It is the opinion of the directors' that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key areas of judgement

3.1 SHARE BASED PAYMENT

The Group initially measures the cost of share-based payment transactions with employees using an option pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and weighted average share price of each option and making assumptions about them.

Equity settled share-based payment obligations granted to employees are measured at their fair value (at the date of grant or the date of amendment in the case of modification of terms) and is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. This requires a reassessment of the expectation of the likelihood of meeting the non-market performance conditions used at the end of each reporting period.

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4. TURNOVER

An analysis of the Company's turnover is as follows:

	2020	2019
	£'000	£'000
Management services income	24,746	23,048

All the Company's turnover for the year and prior year was from outside of the UK and Europe, under the management services agreement between IHS Holding Limited and IHS Africa (UK) Limited.

5. OPERATING LOSS

The operating loss is stated after charging:

	2020	2019
	£'000	£'000
Operating lease expense rentals	1,286	925
Depreciation of tangible fixed assets	82	14
Amortisation of intangible assets	206	80
Foreign exchange losses	12	25

6. AUDITOR'S REMUNERATION

	2020	2019
	£'000	£'000
Fees payable to the Company's auditor and its associates:		
For audit of the financial statements of the Company	20	20
	20	20
For other services:		
Taxation compliance services	8	4
All other non-audit services	7	25
	15	29

7. EMPLOYEES

Staff costs, including directors' remuneration, consists of:

	2020	2019
	£'000	£'000
Wages and salaries	14,412	9,748
Social security costs	2,322	4,920
Pension costs – defined contribution	674	501
Cost of employee share schemes	1,754	10,745
	19,162	25,914

The average number of persons employed (including directors) by the Company during the year was as follows:

	2020	2019
	No.	No.
Administrative	61	44

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NOTES TO THE FINANCIAL STATEMENTS

8. DIRECTORS' REMUNERATION

The total remuneration of the only remunerated director, who is considered to be the key management personnel of the Company is as follows:

	2020 £'000	2019 £'000
Directors' remuneration	1,343	933
Company pension contributions to defined contribution schemes	38	22
	1,381	955

The number of directors for whom retirement benefits are accruing under defined contribution schemes is 1 (2019: 1). Emoluments of the highest paid director are as stated above.

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £'000	2019 £'000
Interest expense – intercompany	-	9
	-	9

10. TAXATION

	2020 £'000	2019 £'000
<i>Current tax:</i>		
UK corporation tax on profits for the year	250	428
<i>Deferred tax:</i>		
Origination and reversal of timing differences	23	19
Total tax charge	273	447

Factors affecting the tax charge for the period:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Loss before taxation	(329)	(8,405)
Loss before taxation multiplied by standard rate of UK corporation tax of 19% (2019: 19%)	(62)	(1,597)
<i>Effects of:</i>		
Fixed asset differences	-	1
Expenses not deductible for tax	333	2,042
Deferred tax assets not recognised	-	3
Other deferred tax movements	2	(2)
Total taxation charge for the year	273	447

NOTES TO THE FINANCIAL STATEMENTS

11. INTANGIBLE ASSETS

	Other intangible assets £'000
Cost	
At 1 January 2020	449
Additions during the period	213
At 31 December 2020	<u>662</u>
Accumulated amortisation	
At 1 January 2020	81
Charge for the period	206
At 31 December 2020	<u>287</u>
Net book value	
At 31 December 2019	<u>368</u>
At 31 December 2020	<u>375</u>

12. TANGIBLE ASSETS

	Furniture and office equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 January 2020	74	328	402
Additions during the period	176	-	176
At 31 December 2020	<u>250</u>	<u>328</u>	<u>578</u>
Accumulated depreciation			
At 1 January 2020	54	13	67
Charge for the period	16	67	83
At 31 December 2020	<u>70</u>	<u>80</u>	<u>150</u>
Net book value			
At 31 December 2019	<u>20</u>	<u>315</u>	<u>335</u>
At 31 December 2020	<u>180</u>	<u>248</u>	<u>428</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Prepayments	441	350
Amounts owed by group undertakings	5,675	4,410
Other debtors*	1,478	1,527
	<u>7,594</u>	<u>6,287</u>

*Included in other debtors is £959,000 (2019: £959,000) relating to rental deposit due back in 2024.

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14. DEBTORS: AMOUNTS FALLING DUE MORE THAN ONE YEAR

	2020 £'000	2019 £'000
Prepayments	336	336
	336	336

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade creditors	245	306
Corporation tax	386	324
Deferred tax	43	19
Accruals	629	654
Other creditors	6,526	4,173
	7,829	5,476

16. CALLED UP SHARE CAPITAL

	2020 £'000	2019 £'000
Allocated, called up and fully paid	-	-
1,000 (2019: 1,000) "A" ordinary shares of £0.01 each	-	-
	-	-

17. RESERVES

Retained earnings

The retained earnings represent the accumulative profits, losses and distributions of the Company.

Other reserve

This reserve holds accumulated gains and losses from fair value adjustments on the loan from IHS Holding Limited. This is a non-distributable reserve.

Capital contribution reserve

This reserve represents the cumulative amounts charged in respect of unsettled options issued to employees of the Company by its parent entity. This is a non-distributable reserve.

18. CASH GENERATED FROM OPERATIONS

	Notes	2020 £'000	2019 £'000
Reconciliation:			
Loss for the financial year		(602)	(8,852)
Adjustments:			
Depreciation of tangible assets	12	83	14
Amortisation of intangible assets	11	206	80
Interest payable	9	-	9
Taxation	10	273	447
Share-based payment	7	1,754	10,745
Operating profit before working capital changes		1,714	2,443
Increase in trade and other receivables excluding prepaid rent		(43)	(1,717)
Net movement in amounts due from/to related parties		(1,264)	(1,461)
Increase in trade and other payables		2,275	1,548
Net increase/(decrease) in working capital		968	(1,630)
Cash generated from operations		2,682	813

NOTES TO THE FINANCIAL STATEMENTS

19. OPERATING LEASES

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£'000	£'000
Within one year	1,159	1,079
Between two to five years	3,347	4,515
	4,506	5,594

20. ULTIMATE CONTROLLING PARTY

The Company's immediate and ultimate parent company as at 31 December 2020 is IHS Holding Limited, a company incorporated in Mauritius.

21. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of IHS Holding Limited, the Company has taken advantage of the exemption contained in Section 33 "Related Party Disclosures" and has therefore not disclosed transactions or balance with entities which form part of the Group.

22. EVENTS AFTER THE REPORTING PERIOD

There have been no other material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 December 2020.