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In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01
Statement of details of parent law and other information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT f**
You cannot use this form t an alteration of manner of with accounting requirem

WEDNESDAY

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A12 29/09/2021 #310
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶: Globeleq Africa Holdings Limited

UK establishment number: B R 0 2 0 2 7 3

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

Legislation ❷: Companies (Guernsey) Law, 2008

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts: Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☑ **No.** Go to **Section A3**.

☐ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3**.

Name of organisation or body ❸:

❸ Please insert the name of the appropriate accounting organisation or body.

A3 Accounts

Accounts: Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5**.

☑ **Yes.** Go to **Section A4**.

A4 Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

- [x] **No.** Go to **Part 3 'Signature'**.
- [ ] **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

Name of organisation or body ❶

❶ Please insert the name of the appropriate accounting organisation or body.

A5 Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

- [ ] **No.**
- [ ] **Yes.**

Part 3 Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X AS Mory, X

This form may be signed by:
~~Director~~, Secretary, ~~Permanent representative~~.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Company Secretary

Company name: Globeleq Africa Holdings Limited

Address: 6th Floor,

67 Lombard Street,

Post town:

County/Region: London,

Postcode: E C 3 V 9 L J

Country: UK

DX:

Telephone: 0203 823 5589

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

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The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

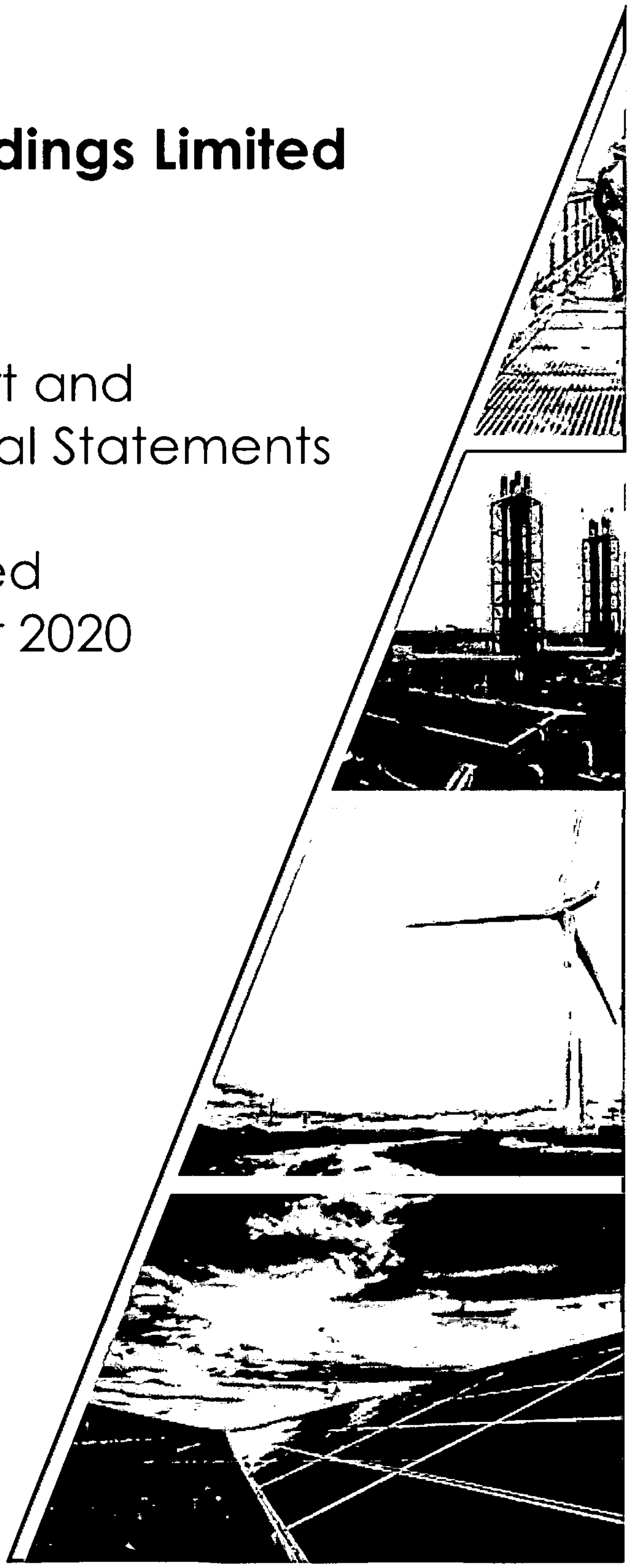
GLOBELEQ

POWERING AFRICA'S GROWTH

Globeleq Africa Holdings Limited

Annual Report and Consolidated Financial Statements

Year Ended 31 December 2020



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Strategic Report

Overview

Globeleq Africa Holdings Limited (the 'Company') is the parent company of a group that develops, builds and operates power generation businesses in Africa. The Company and its subsidiaries shall together be referred to as the 'Group'. The Company is owned by Globeleq Limited which in turn is owned 70% by the United Kingdom's development finance institution CDC Group plc ('CDC') and 30% by the Norwegian Investment Fund for Developing Countries ('Norfund'). The Company is legally incorporated in Guernsey and since 1st January 2018 has been UK resident for tax purposes in line with UK tax legislation. The terms 'we', 'us', 'our' shall be used to refer to the Company and, unless the context requires otherwise, the Group.

The Group operates a portfolio of power companies across Africa and all operating businesses in the Group performed well during the year in spite of the Covid-19 pandemic. The Group plans to expand its operations in Africa and has an extensive pipeline of development opportunities to build, own and operate additional power assets.

Performance Highlights

2020 was an exceptional year across the region, despite Covid-19 impacting all areas of the business. The highlights for the year were:

Safety and Operations	A company safety incident rate of 0.38 was achieved in the year. Contingency plans were fully implemented at all plants to protect staff and contractors from the impacts of the pandemic and ensure continued electricity production in country.
New Projects	Two development projects reached financial close in the year. The Azito Phase 4 expansion project in Côte d'Ivoire reached financial close in January and, in December, the Group acquired a 74% stake in the Nigerian commercial and industrial power business, Globeleq Power Solutions Nigeria Limited (formerly CPGNL Limited).
Construction	Work continued with some delays due to the pandemic on the construction of the Azito Phase 4 expansion project and the Malindi solar plant in Kenya.
Financials	Group revenue for the year was \$ 513m (2019: \$ 534m). Earnings (EBITDA) for 2020 was \$ 303m (2019: \$ 255m). Profit after tax for the year was \$ 83m (2019: \$ 45m). Cashflow from operating activities was \$ 290m (2019: \$ 207m). No dividend was declared nor paid in the year (2019: nil).

Further details are provided in the strategic report and financial statements.

Our Business Model

Develop	Construct	Operate
• Development of new projects, from greenfield to acquisitions to reach financial close. • ESG, engineering and construction support to our portfolio of projects. • Project finance support to deliver funding for projects.	• Safe execution of construction projects, through turnkey EPC contracts where possible. • Engagement with local communities	• Business Integrity and compliance in all that we do. • High quality and diverse local staff at all plants. • Financial reporting and tax compliance across the Group. • Operatorship of plants across the fleet in a wide range of technologies.

Business Development Activities

The Group carries out development activities across numerous countries in Africa. By development activities we mean bidding for a contract through a competitive tender process (usually run by a government department or utility), entering into bi-lateral negotiations with a host government to develop a power plant, stepping into an existing development which needs industry expertise and capital to take it to financial close or acquiring an asset by acquisition.

Currently, the Group is looking at developing power projects across Africa, including opportunities in South Africa, Mozambique, Zambia, Tanzania, Kenya, Ghana, Togo, Tunisia, Nigeria and Egypt. In January 2020, the business reached financial close on the 253 MW combined cycle Phase 4 expansion project at the Azito plant in Côte d'Ivoire. In December 2020, the Group acquired a 74% interest in the Nigerian commercial and industrial power business, Globeleq Power Solutions Limited (formerly CPGNL Limited).

In South Africa, the Group sold a 19% interest in the Aries and Konkoonsies plants in 2020 in order to meet the regulatory conditions which it had to comply with following the acquisition of these assets. The Group continues to own the majority stake in these assets and continues to act as operator for these plants.

Each power plant development project is subject to an environmental and social impact assessment, which is based on IFC Performance Standards and World Bank Group guidelines. The aim is to apply leading environmental and social management practices to prevent, minimise and otherwise mitigate or remediate any negative impacts the construction activities and continued operations may have. The environmental and social impact of the business (including CO2 emissions) is continually measured and reported to Management and Shareholders.

Environmental and Social Governance (ESG) spans across all of the phases of a project and most parts of the business and is most effective when fully integrated into both individual projects and overall Company processes.

On 30th July 2021 the business reached financial close on the refinancing of three South African assets; Jeffreys Bay, De Aar and Droogfontein. On 2nd August 2021 the Group acquired the 66MW ARC solar plant at Benban in Egypt.

Construction

The Engineering and Construction team in the Group is responsible for both the support to business development pre-close, delivery of the construction phase and handover to operations of the completed plant. The team are included at an early stage of a development opportunity to ensure the plant is able to be designed and constructed to meet the needs of the projects in a safe, economic, and reliable manner right through the duration of the life of the plant. The Group seeks to take a turnkey approach to the procurement process, so that contractors have to deliver a plant ready to operate for a fixed price, within a set timescale.

During 2020, construction was in progress at the Malindi plant (52MW solar plant in Kenya) and the Phase 4 expansion at Azito (253MW Combined Cycle Gas Turbine plant in Côte d'Ivoire).

Operations

The Group currently has interests in businesses across the African continent with a total capacity of 1,470 MW (gross). The plants are spread across Cameroon, Côte d'Ivoire, Kenya, South Africa, Tanzania and most recently in Nigeria. The Group seeks to operate assets by building on its extensive existing knowledge and experience and high benchmark set by its existing portfolio.

Overview by Plant

Asset	Country	Fuel / Technology	The Company's Role	Stake (%)	Capacity (MW)
Kribi	Cameroon	Gas / Engine	Operator	56.0	216
Dibamba	Cameroon	HFO / Engine	Operator	56.0	88
Azito Phase 3	Côte d'Ivoire	Gas / Combined Cycle	Operator	76.9	460
Jeffreys Bay	S. Africa	Wind	Operator	59.0	138
De Aar	S. Africa	Solar PV	Operator	56.8	50
Droogfontein	S. Africa	Solar PV	Operator	56.8	50
Boshof	S. Africa	Solar PV	Operator	55.0	66
Soutpan	S. Africa	Solar PV	Operator	51.1	31
Klipheuwel	S. Africa	Wind	Operator	65.0	27
Aries	S. Africa	Solar PV	Operator	70.0	11
Konkoonsies	S. Africa	Solar PV	Operator	70.0	11
Tsavo	Kenya	HFO / Engine	Investor	30.0	75
Songas	Tanzania	Gas / Open Cycle	Operator	54.1	190
Globeleq Power Solutions Nigeria	Nigeria	Commercial and Industrial gas engines	Operator	74.0	57
TOTAL					**1,470**

The operating assets have local managers who are accountable to the boards of their business as well as to the Group COO. The operating asset teams are organised to address and mitigate identified risks around operations, health and safety, financial management and control, environmental and legal compliance, local engagement and social impact.

Each operating asset is governed by a complex contractual structure over the life of the power plant from supply of fuel (in the case of non-renewable projects) to the sale of electricity. Each asset is typically project-financed and while this can increase the risk to the investor if it does not perform well, it introduces financial discipline to the operations, broadens the use of the capital available for investment and provides a further layer of protection to the project.

We are committed to operating a healthy and safe workplace at all our operating assets. Each plant has a dedicated Health and Safety Manager and there is an annual conference to review and improve safety performance across the business. Safety performance is monitored throughout the year, reported every month to Management and Shareholders and is ultimately part of our remuneration scheme.

Values

The Group has a well-established set of values: Safety, Integrity, Excellence, Unity, Sustainability and Fulfilment. Our people are encouraged to live these values and are evaluated on them as part of the annual appraisal performance. This leads to a culture where projects have been terminated because of ethical issues and agents have been let go when they have demonstrated behaviours that are not consistent with our values.

Risk Management

Risk is defined as the possibility of an event occurring that will have a negative impact on the achievement of objectives. It is measured in terms of impact and likelihood. The principal risks facing the business can be considered in five broad categories: External Risks, Strategic Risks, Business Development, Construction and Operations.

External Risks

This includes a number of factors. Climate change can result in extreme weather patterns which can cause floods and damage to equipment, as well as, having an impact on output for renewable plants and increased insurance costs. External risk also includes acts of government, for example, implementing changes of law or changes to tender programmes, all of which can cause financial loss or a negative impact on the growth of the business. The business is also exposed to downturns in global and local economies and global pandemics (which can impact on staffing levels at power plants and supply chain management).

The Group has a number of legal and tax exposures and operations are subject to wide-ranging laws and regulations including business conduct, employment, export controls/sanctions, tax, environmental, health and safety legislation (nationally and internationally). The laws and regulations that the Group is exposed to, as the business grows, expands each year. It is critical to regularly review legal and tax regimes in order to ensure that the Group remains compliant and sustainable in the long term.

The impact of Covid-19 and the slowdown in economic growth has caused problems with non-payments to existing projects and the deteriorating credit of offtakers. These conditions have led to the symptomatic problems of late payment, bureaucratic delays, unclear government policies, and delayed or cancelled bid processes. Covid-19 has also led to delays in construction programmes.

Strategic Risks

The Group operates power stations in Africa. This is potentially a high-risk business. To mitigate this risk, the Group operates a portfolio approach across its business, investing in distinct, stand-alone businesses which operate in different countries, using different fuel sources and are paid in different currencies. Diversifying our portfolio forms a core part of the Group Strategy and Business Plan. Entry into new countries such as in Nigeria, Egypt and Mozambique, as well as additional near-term potential renewable projects to build out our current portfolio, will help to further diversify the portfolio. Given the long lead-time generally required to develop new projects, further diversification of the overall Group portfolio is a long term endeavour.

Business Development

There are a number of risks associated with development. Greenfield project development in Africa generally requires around five years to reach financial close, plus a significant external spend and allocation of internal resources. Furthermore, to achieve a financial closing, a project requires a creditworthy offtaker (or acceptable credit support mechanism); a sound and stable regulatory context with associated laws, rules and regulations; and continued economic growth of the host countries. Where there is macroeconomic instability or political instability, it becomes difficult to progress greenfield projects. In many countries, slowing economic growth has led to short term oversupply conditions.

Construction

Given the portfolio of projects in the Group, efficient mobilisation of contractors to commence construction on new projects as well as safe transition to operations is key. The

Group has taken a turnkey approach to the procurement process, so the contractors have to deliver a plant ready to operate for a fixed price within a set timescale. EPC contractors have been chosen who have a proven track record in performing the construction of the proposed plant. Finally, we have recruited experienced professionals to manage the contractors on site to ensure they are operating safely and in accordance with the contractual specifications.

We always seek to operate and maintain our plants ourselves with local staff. Self-operation from the commercial operation date is sometimes not always possible due to EPC contractor guarantees during the first two years of operation. When this is the case, we seek to take over operations and maintenance at the first available opportunity.

Operational Risks

These cover the day-to-day operations of the power plant. There are usually availability guarantees set out in the contracts with the customer and any failure to meet this level can lead to financial loss. A power plant is a large industrial unit where employees can be exposed to physical risk. There is always the risk that someone can come to harm, so the safety of all people is taken very seriously.

All businesses rely on computer systems to operate and as such are subject to failure, whether caused by illegal third-party activity or otherwise. Cyber security is given a large priority within the organisation and policies and procedures are in place to mitigate exposure to this risk.

Plants are subject to strict environmental laws and lender requirements relating to emissions, noise and vibration levels, breaches of which could result in fines or closure. In addition to compliance with these laws, the plants operate programmes to lessen its overall impact on the local environment, including local communities. There is always the risk that local communities could protest and disrupt the operations of a plant once it is built and thus maintaining a 'social licence to operate' is essential throughout the life cycle of a project.

The success of the business depends on prompt payment of its bills by customers. In certain countries the sector is not financially robust, and the utility does not have enough money to pay its bills, which can create large delays in payment. Active management with partners, government and the sector as a whole in a country remains key to ensure regular payment and to minimise arrears.

Our highly skilled workforce and experienced Management team are critical to maintaining our current operations and achieving long term growth. Managing talent is a key focus of the Group, particularly in power plants where there is a low turn-over of staff. In some of our key markets where there are a limited number of IPPs, it can be difficult to find high quality recruits at a senior level.

Internal Controls

The Company typically applies the generally accepted 'three lines of defence' or 'three lines model' to managing risk as described by the Institute of Internal Auditors. It is recognised that depending on the size and nature of the business there can be an overlap between these lines of defence. This risk is mitigated by ensuring independent oversight from the Internal Audit function and by the Audit and Risk Committee.

First Line Roles: A responsibility of the business is the day-to-day management and control of risk through policies, procedures, and systems in place and direct supervision. Ensuring good controls are in place and operating effectively forms a core responsibility of Management.

Second Line: Management Oversight: we operate a wide range of second line of defence activities to support the business. The Board forms the highest level of oversight, including Board sub-committees and the Investment Committee. Several second line reviews operate effectively in the business such as the technical and safety reviews, peer reviews, pre-commissioning, and post financial close reviews. Resourced by staff across the organisation, this provides an excellent opportunity to share experiences, learn and build broader capabilities within the organisation.

Third Line: Internal Audit is the third line of defence to the business and is led by the Head of Internal Audit and Risk. This is an independent, objective assurance and consulting activity designed to add value and improve our organisation's operations. It helps our organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

Business Integrity and Compliance

Integrity is one of our core values and therefore high corporate governance standards are expected. Fraud, bribery, and similar financial irregularities are crimes, the breaches of which can lead to significant fines, imprisonment and extreme reputational impact, and therefore policies and procedures have been developed to promote good practices. In addition, promoting high business integrity standards has a clear developmental impact for countries in Africa by helping develop access to capital and reduce investment risk.

The Company has a Code of Conduct which sets out the expected behaviour of all employees, which is supported by a more detailed Anti Bribery and Corruption policy. Each year, every employee has to sign a statement confirming they have complied with the Code of Conduct and are not aware of any breaches. There is also a hotline run by an independent contractor, where all employees can report anonymously suspicious behaviour either by telephone or email. All new joiners have to carry out online Business Integrity and Compliance Training in respect of business integrity risks, which is retaken every two years. When we enter into projects with third parties, we carry out Third Party Due Diligence Reports to understand potential business integrity risks. The business has robust financial procedures and systems so that all payments are properly accounted for and all consultancy contracts with third parties are monitored.

Operational Review

Safety

Safety is a core value for all the operating plants, construction sites and offices. Particular focus was given during the year to home working as many of our offices were closed and reduced staff permitted at plants due to Covid-19. Our incident rate for 2020 was 0.38 per 200,000 working hours which compared favourably in the top decile of data for the Electrical Industry from the Bureau of Labor in the USA, the widest publicly available database of such statistics.

A safety mindset in our EPC contractors is paramount as they deliver our construction projects through both their own staff and their sub-contractors at the project site. Both operations and construction incident rates will be tracked in 2021.

Côte d'Ivoire

The Azito combined cycle gas plant operates under a 460MW long term Concession Agreement and sells capacity to the state operator, Côte d'Ivoire Energies (CI-Energies). The Government of Côte d'Ivoire is responsible for the supply of gas at no cost for the project company. The plant is majority owned by the Group, with the remaining interest owned by IPS (part of the Aga Khan Group).

The plant performed exceptionally well through the year until late in the year when one of the gas turbines went offline with internal blade damage. The turbine was subsequently returned to service in January 2021. The 2019 MXL2 turbine upgrade has been fully utilised in 2020 and the CI-Energies has agreed to raise the capacity under the Concession Agreement to reflect the increase to the capacity as a result of the upgrade. In 2021, the steam turbine was offline for several months before returning to service in the middle of the year.

Azito Phase 4 is currently under construction and the 180MW gas turbine will commence operation in 2021 and the 73MW steam turbine in 2022 under similar commercial arrangements to the existing plant. Additional local staff will be hired and trained in 2021 prior to commissioning the new plant.

Tanzania

The Songas plant is 54% owned by the Group with the remaining interest owned by Tanzania Petroleum Development Corporation (TPDC), Tanesco (state-owned power utility) and by Tanzanian Development Finance Limited. The plant is the cheapest thermal plant on the Tanzanian grid and is usually dispatched at full load. The plant is supplied via pipeline from a southern Tanzanian gas field operated by Pan African Energy Tanzania (PAET) under the terms of a Production Sharing Agreement with TPDC.

There was strong availability for the year, despite some unscheduled turbine outages. The capacity factor was lower than planned due to a higher dispatch from hydro-electric plants and reduced demand in the middle of the year due to the Covid-19 pandemic.

Excellent progress was made in the promotion of local leadership with the replacement of both the expatriate Managing Director and Plant Manager with local staff developed from within the Group.

Cameroon

The Group operates two plants in Cameroon and owns 56%, with the remaining interest held by the State. Kribi was commissioned in 2013 and runs at a high-capacity factor using thirteen gas engines. Kribi buys its gas from the state-owned gas company Societe Nationale des Hydrocarbures (SNH) and sells capacity and energy to the privatised national utility ENEO. Dibamba was commissioned in 2009, has eight heavy fuel oil (HFO) engines, maintains high levels of availability but operates as a peaking plant with a low-capacity factor. Dibamba sells capacity to ENEO under a tolling agreement. Both Kribi and Dibamba maintained good availability for the year, although capacity was lower at both locations due to reduced demand resulting from the Covid-19 pandemic.

The sector remains financially challenged with constraints on capital available for investment. Arrears remain a key area of focus for the plants and Management continue to work with both ENEO, the State and other key stakeholders to both reduce receivables and support a more sustainable energy sector.

South Africa
The Group has a sizeable footprint of renewable plants in South Africa: two wind farms and six solar plants spread across the country. The Group operates all these plants with local partners in each project.

During 2020, the wind farms (Jeffreys Bay and Klipheuwel) suffered from lower than forecast resource which impacted generation, while availability was impacted due to the difficulty in getting equipment and spare parts to site during the Covid-19 lockdowns in country. Both had returned to full operational capability by the end of the year.

Two solar farms (De Aar and Droogfontein) were built as part of the first renewable tender round in South Africa and the remaining four were acquired by the Group from Brookfield in 2019. Our focus through 2020 has been to bring the acquired plants up to the performance levels of the rest of our fleet, which was largely completed by the end of the year with the remaining works on the Soutpan and Boshof plants due in 2021.The Company looks forward to actively participating in future energy tender rounds in the country.

Kenya
Construction at the 52 MW Malindi solar project in Kenya continued through the year but was substantially impacted by Covid-19 which resulted in the shutdown of the site for health reasons and a slow return to progress as restrictions were lifted. The project is now on track to complete and enter full operations in 2021. The Group is also a 30% non-operating shareholder in the Tsavo HFO plant whose PPA will expire in 2021.

Nigeria
In December 2020, the Group acquired 74% in the Nigerian commercial and industrial power business Globeleq Power Solutions Nigeria Limited (GPSN) (formerly CPGNL Limited) with the previous owner, the Clean Energy Group, retaining the remaining shares. GPSN has a portfolio of assets which serve commercial and industrial customers mostly in the Southwest part of Nigeria. These include thirteen operating plants with a total capacity of 57MW as well as future projects in development. The acquisition enabled us to have an immediate operational presence in country with a knowledgeable local team in place.

We will provide additional investment in the business to grow the existing pipeline of projects as well as drive operational excellence. In the future, we intend to implement technical improvements to the existing operations and new technology which will focus on efficiency and the reduction in the carbon footprint, potentially including the introduction of renewable generation elements.

Other New Projects
2020 was a challenging but productive year for business development. Despite Covid-19, key projects particularly the Temane gas project and Cuamba solar project in Mozambique continued to progress forwards with lender and partner support. We expect both projects to reach financial close in 2021.

Environment and Social Governance (ESG) Performance

ESG spans across all phases of development, construction and operations of our projects and is most effective when fully integrated into all project processes. Our dedicated in-house ESG department works across all projects and drives strategic and overarching initiatives such as climate change strategy and our annual Sustainability Report. An overview of the key responsibilities and activities in the year are highlighted below.

Business Development Activities
The key focus of the ESG activities remains in business development, where it is essential to understand all impacts of our planned projects on the physical and social environment, ensure adequate measures are put in place to avoid any negative ESG impacts, and to mitigate residual impacts with appropriate mitigation and resources. The Group implements its projects in line with high international standards and the ESG performance of every project is intensively scrutinised by project lenders before their financing is approved.

Despite the Covid-19 pandemic, 2020 was a very active year for the ESG team with projects ranging from early stage greenfield to later stage development across the continent, including support for the acquisition of the Nigerian business and the transition to construction for the Azito Phase 4 project.

Construction
The team actively monitors the implementation of our ESG standards on the two current construction projects (Azito Phase 4 expansion and Malindi solar plant), supporting the local construction management team. Over and above the project work there has been a focus on further aligning ESG processes with the Engineering & Construction team and developing standardised ESG documentation for EPC contractors. Lessons learned on various projects have been included in this documentation, which has created a unique opportunity for the Company to bring these to bear on the future development pipeline. This work will continue through 2021 and be applied to the next projects moving into construction.

Operations
With the continued roll out of the new Group ERP system in 2020, data quality and reporting is improving across the operating businesses. It is expected that the emphasis will now shift towards data interrogation and proactive monitoring. Unfortunately, with pandemic travel restrictions, our ability to hold ESG forums with leaders across the organisation and internal ESG audits have been limited but are anticipated to return later in 2021.

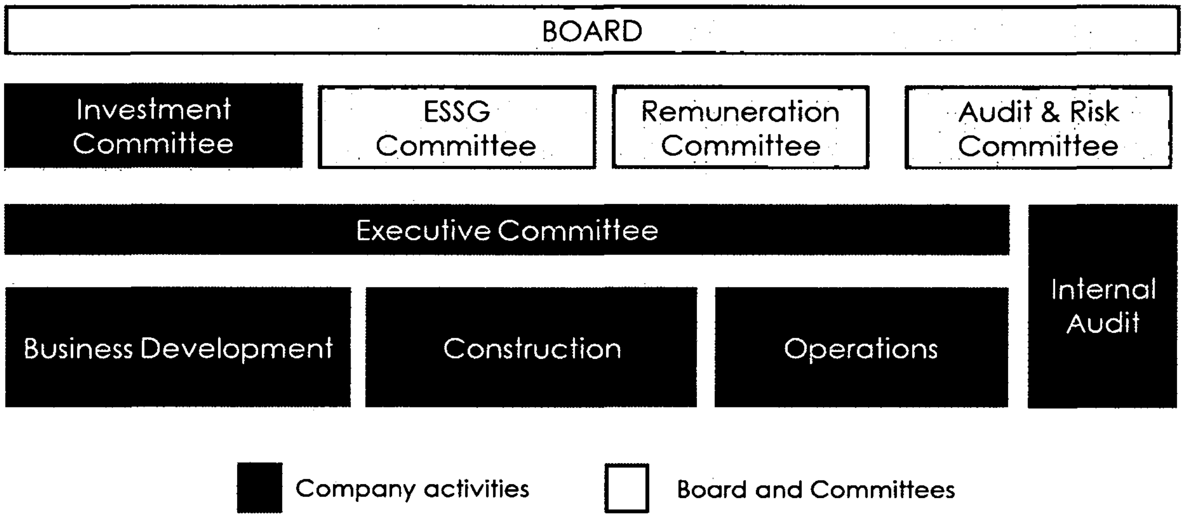
Climate Change
Over the past three years we have been calculating our Green-house Gas (GHG) footprint to provide us with baseline data. During 2020 we initiated work to understand the overall climate change arena, its dynamics and the implications for the Group. This work is supported by internal tools that assess the climate risks and opportunities in our development pipeline and their alignment with the Paris Agreement.

Our approach is based on the framework developed by the Task Force for Climate-Related Financial Disclosures (TCFD) and will enable us to be ready to report under these rules should they become mandatory for the Company.

Sustainability
We are proud of our performance across the Group. In 2020 we published our first Sustainability Report which is available on our website. This report gives a good reflection of the current status of the Group's overall sustainability performance and our activities across the business. This report will be published on an annual basis going forwards.

Corporate Governance

At the Company, the Board of Globeleq Limited (the shareholder of Globeleq Africa Holdings Limited) is primarily responsible for ensuring there is an appropriate governance framework across the Group. The Executive Committee are responsible for implementing and managing that framework. This interaction can be represented in the following schematic.



The Board and Committees

The Board meets at least four times a year. At each meeting, it receives reports from each of its Committees as well as financial and operational reports from the Group. The Board reviews and monitors all development activities of the business and approves all new investment projects prior to financial close. Once a year, it approves the Budget for the business together with a three-year Business Plan which sets out the operating parameters and performance levels of the business. The Globeleq Limited Board sets out the framework for Management to execute the objectives of the Group. It does this through its own activities and those of the Committees.

The Remuneration Committee sets targets for Management in operating the business to ensure Management is focused on the appropriate objectives including entrepreneurial elements (such as achieving closings and growing the business), and risk management targets (such as safety, people risks, operational performance, management of arrears and cash and managing development spend effectively). This is achieved through the setting of performance targets in the short term and long-term incentive plans.

The Audit and Risk Committee assesses the effectiveness of risk management across the Group and the system of internal control. It does this through reports from management, reports from the external auditor in the context of the preparation of the annual accounts. It reviews the risk management policy of the Company; reports carried out by Internal Audit and approves the three-year audit programme.

The Environment, Safety and Social Governance Committee reviews the areas where the operations require a "license to operate". This includes safety performance across the business; the social impact of proposed developments; and environmental performance, as well as social economic development spend. In respect of development activities, there is an emphasis on the management of environmental and social risks and ensuring these are properly addressed during the development process. The Committee also ensures there are proper policies in place to improve the management of these risks.

CEO and Executive Committee

The Board has delegated day-to-day responsibly for implementation of the Group strategy to the CEO and Executive Committee ('ExCo'). The ExCo manages the assets, the functions, and the development activities of the business and comprises of the Chief Development Officer ('CDO'), COO, CFO, General Counsel and CHRO. The Managing Director for Engineering and Construction and Managing Director ESSG report to the CEO but do not form part of the ExCo.

The ExCo leads the annual budgeting and planning process, monitors performance of the Company's activities including development, construction and operations. It evaluates risk and internal controls of the Company and promotes best practice across the organisation.

The Investment Committee is chaired by the CEO with membership from Management and from designated Director's from the Board. Others may attend but do not have voting rights. All development projects are presented to the Committee and support the CEO in releasing funds for progressing projects and in preparation for presenting projects for final sanction by the Board.

Directors' Report

The Director's present their report together with the financial statements for the year ended 31st December 2020.

The financial statements of Globeleq Africa Holdings Limited and its subsidiaries (collectively, 'the Group') for the year ended 31st December 2020 were authorised for issue by the Board of Directors on 12th August 2021. The Group's financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). The consolidated financial statements are in agreement with the accounting records, which have been properly kept in accordance with relevant law.

Principal Activities of the Group

The Group develops, owns and operates power plants, with a sole focus on the African continent as underlined by the Group's mission of "Powering Africa's Growth". Our vision is to be "the power sector leader and partner of choice for African nations." The Group's experience in implementing an array of generating technologies in different geographic locations, provides us with a unique perspective and strong foundations for developing new capacity as a trusted, reliable and committed partner of choice within the African Independent Power Producer (IPP) market.

We seek to maximise our positive impact by electrifying the continent in a sustainable manner, while also achieving acceptable financial returns and ensuring compliance with all relevant climate change policies.

- Development impact is achieved by introducing new generation assets to the grid, thereby providing much-needed electricity to the African continent and supporting economic growth.
- The proportion of our development and operating portfolio that is renewable energy and storage will increase, consistent with our climate change strategy.
- We use balanced tariff solutions and concessional funding where we can to maximise customer utility.
- The Covid-19 pandemic has disrupted most countries and businesses in 2020 with the effects continuing in 2021. Thus far, the Group has responded to the challenges well but will continue to actively manage the impact of the pandemic on projects, people and finances.

Dividends

No dividend was declared or paid in 2020 or in 2019.

Political and Charitable Contributions

There have been no political contributions in the year. $ 2.7k was paid as a charitable contribution in 2020 (2019: $ 6.1k).

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable Guernsey law and generally accepted accounting principles.

Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year which 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 should:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going Concern

The Directors of the Company have satisfied themselves that it is in a sound financial position, taking into account forecast cash flows of the Company and of its subsidiaries and access to all means of liquidity. Shareholder loans are not repayable until 2030 and the Company has no other external financing or significant liabilities. There are no guarantees to subsidiaries other than those disclosed in the notes to the accounts. The Company has access to cash within its subsidiaries should it be required to settle its liabilities.

The Group's financial statements have been prepared using the going concern assumption, having considered a going concern period to 30th September 2022.

Due to the ongoing Covid-19 pandemic, there remain uncertainties regarding the future performance of the Group's subsidiaries. The potential impacts to the cash flows of the Group and its subsidiaries continue to be monitored, including stress testing through a range of potential outcomes, including the possibility of a significant reduction in distributions from operating subsidiaries. Even under extreme stress test scenarios, the Group remains solvent and does not need to draw on its committed credit facilities. The Shareholders entered into a Subscription Agreement with the Company in November 2020 to fund all the equity required for the Temane gas project. This further underpins the funding needs for the Company.

The Directors have therefore concluded that the Group has access to sufficient financial resources to meet its liabilities as they fall due. Further details on the liquidity of the Group are discussed within the notes to the financial statements.

Directors and their Interests

The current Directors are listed on page 90. There were no changes in Directors during the year and to the date of approval of the financial statements.

So far as each of the Directors is aware, and in accordance with section 249 (2) of The Companies (Guernsey) Law, 2008, there is no relevant audit information of which the Company's auditor is unaware, and each has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The Directors passed a resolution to reappoint Ernst & Young LLP as auditors during the period.

Signed on behalf of the Board of Directors on **12th August 2021**:

DocuSigned by:
Michael Scholey
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Michael Scholey
Chief Executive Officer

Independent Auditor's Report to the Members of Globeleq Africa Holdings Ltd

Opinion

We have audited the financial statements of Globeleq Africa Holdings Limited and its subsidiaries (the "Group") for the year ended 31st December 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards issued by the International Accounting Standards Board ('IASB').

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's affairs as at 31st December 2020 and of the Group's profit for the year then ended;
- Have been properly prepared in accordance with International Financial Reporting Standards issued by the IASB; and
- Have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK 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.

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 Group's and Company's ability to continue as a going concern for the period to 30th September 2022.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- Proper accounting records have not been kept by the Company, or proper 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 Company's accounting records and returns; 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 18, 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 Group's and 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 Group or 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relates to the reporting framework (IFRS, The Companies (Guernsey) Law, 2008) and the relevant tax compliance regulations in the jurisdiction in which the Company operates, including the United Kingdom.
- We understood how Globeleq Africa Holdings Limited is complying with those frameworks by making inquiries of Management, those responsible for legal and compliance procedures and those with charged with governance. We corroborated our inquiries through our review of minutes of Board of Directors meetings and the review of various correspondence examined in the context of our audit and noted that there was no contradictory evidence.
- We assessed that revenue was a judgemental area of the audit which might be more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue and tested in particular the existence of the revenue recorded in the financial statements and any manual adjustments to the revenue.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by gaining an understanding of the entity level controls and policies that the Company applies. We performed walkthrough procedures to confirm our understanding of the financial statement close process.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business, enquiries of Management, review of internal audit reports and of the volume and nature of complaints received by the whistleblowing hotline during the year and review of management reports to the Audit Committee of the Group.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

https://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 Section 262 of The Companies (Guernsey) Law 2008. 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.

Ernst & Young LLP

Ernst & Young LLP

London

12th August 2021

Financial Statements

Consolidated Income Statement

For the year ended 31st December

	Notes	2020 $'000	2019 $'000
Operating revenue	3a	**504,350**	532,298
Other income	3b	**8,723**	1,986
Total revenue		**513,073**	534,284
Operating and maintenance expenditure		**(155,823)**	(154,186)
Administrative expenditure	4a	**(43,743)**	(40,463)
Other gains/(losses)	4b	**(13,608)**	(86,759)
Depreciation and amortisation	5	**(79,338)**	(70,098)
Share of profit in associated undertakings	10	**3,123**	2,527
Operating profit before interest and income tax		**223,684**	185,305
Finance income	6	**27,351**	27,142
Finance expense	6	**(112,736)**	(108,750)
Profit before income tax		**138,299**	103,697
Income tax expense	7	**(55,790)**	(58,566)
Profit from continuing operations		**82,509**	45,131
Attributable to:			
Equity holder of the parent		**28,626**	7,864
Non-controlling interests	28	**53,883**	37,267
Profit for the year from all activities		**82,509**	45,131

Consolidated Statement of Comprehensive Income

For the year ended 31st December

	2020 $'000	2019 $'000
Net profit for the year	**82,509**	45,131
Other comprehensive income to be reclassified to the income statement in subsequent periods:		
Exchange differences on translating foreign operations	**21,663**	1,207
Loss on hedging instruments	**(26,249)**	(11,333)
Total recognised income and expense for the year (net of tax)	**77,923**	35,005
Attributable to:		
Equity holder of the parent	**25,547**	(1,466)
Non-controlling interests	**52,376**	36,471

Consolidated Balance Sheet

As at 31st December	Notes	2020 $'000	2019 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	**824,231**	630,691
Right of use assets	20	**26,775**	27,045
Goodwill	9	**6,559**	-
Other intangible assets	9	**424,666**	442,721
Investments in associates	10	**4,377**	4,972
Finance lease receivable	11	**48,999**	45,284
Deferred tax asset	21	**52,957**	60,512
Trade and other receivables	12	**682,558**	567,716
Derivative financial instruments	23	**69,889**	67,052
		2,141,011	1,845,993
Current assets			
Inventories	13	**45,243**	43,089
Trade and other receivables	12	**244,728**	267,128
Derivative financial instruments	23	**3,093**	2,556
Finance lease receivable	11	**1,281**	482
Cash and cash equivalents	14	**370,564**	316,088
		664,909	629,343
TOTAL ASSETS		**2,805,920**	2,475,336
EQUITY AND LIABILITIES			
Attributable to the equity holder of the parent			
Share capital	17	**49,909**	49,909
Hedge reserve		**(26,211)**	(8,235)
Currency translation reserve		**(39,194)**	(54,091)
Other Reserves	30	**64,539**	75,576
Retained earnings		**294,914**	266,021
		343,957	329,180
Non-controlling interests	28	**305,536**	290,269
Total equity		**649,493**	619,449
Non-current liabilities			
Trade and other payables	22	**42,569**	29,814
Deferred income	18	**14,256**	19,780
Interest bearing loans and borrowings	19	**1,012,023**	891,480
Lease liabilities	20	**28,344**	28,587
Provisions	24	**98,022**	78,104
Shareholder loans	29	**50,267**	47,369
Derivative financial instruments	23	**74,955**	39,567
Deferred tax liabilities	21	**244,433**	260,503
		1,564,869	1,395,204
Current liabilities			
Trade and other payables	22	**293,995**	184,134
Deferred income	18	**5,523**	5,523
Current tax liabilities		**22,092**	19,900
Interest bearing loans and borrowings	19	**224,823**	217,525
Lease liabilities	20	**2,745**	2,423
Provisions	24	**16,798**	17,723
Derivative financial instruments	23	**25,582**	13,455
		591,558	460,683
Total liabilities		**2,156,427**	1,855,887
TOTAL EQUITY AND LIABILITIES		**2,805,920**	2,475,336

The accounts were approved by the members of the Board on **12th August 2021** and were signed on their behalf by:

DocuSigned by:
Michael Scholey
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Michael Scholey
Chief Executive Officer

DocuSigned by:
Ian Coxon
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Ian Coxon
Executive Director

Consolidated Statement of Changes in Equity

	Share capital $'000	Currency translation reserve $'000	Cash flow Hedging reserve $'000	Other Reserves $'000	Retained earnings $'000	Total Share-holders' equity $'000	Non-controlling interests $'000	Total equity $'000
At 1st January 2020	**49,909**	**(54,091)**	**(8,235)**	**75,576**	**266,021**	**329,180**	**290,269**	**619,449**
Dividends paid from subsidiary	-	-	-	-	-	-	**(47,970)**	**(47,970)**
Acquisition of subsidiary - GPSN	-	-	-	-	-	-	**3,135**	**3,135**
Acquisition of subsidiary NCI put option (Note 30)	-	-	-	**(11,037)**	-	**(11,037)**	-	**(11,037)**
Sell-down of ownership of subsidiaries	-	-	-	-	**267**	**267**	**7,726**	**7,993**
Loss on hedging instruments	-	-	**(18,081)**	-	-	**(18,081)**	**(8,168)**	**(26,249)**
Exchange differences on translating foreign operations	-	**14,897**	**105**	-	-	**15,002**	**6,661**	**21,663**
Net income recognised directly in equity	-	**14,897**	**(17,976)**	**(11,037)**	**267**	**(13,849)**	**(38,616)**	**(52,465)**
Profit for the year	-	-	-	-	**28,626**	**28,626**	**53,883**	**82,509**
Total movement for the year	-	**14,897**	**(17,976)**	**(11,037)**	**28,893**	**14,777**	**15,267**	**30,043**
At 31st December 2020	**49,909**	**(39,194)**	**(26,211)**	**64,539**	**294,914**	**343,956**	**305,536**	**649,493**

Consolidated Statement of Changes in Equity (*continued*)

	Share capital $'000	Currency translation reserve $'000	Cash Flow hedging reserve $'000	Contributed capital on interest free loans $'000	Retained earnings $'000	Total Share-holders' equity $'000	Non-controlling interests $'000	Total equity $'000
At 1st January 2019	49,909	(52,775)	548	90,727	257,388	345,797	213,937	559,734
Dividends paid from subsidiary	-	-	-	-	-	-	(41,405)	(41,405)
Acquisition of subsidiary Brookfield	-	-	-	-	-	-	81,266	81,266
Fair value Adjustment	-	-	-	(15,151)	-	(15,151)	-	(15,151)
Loss on hedging instruments	-	-	(8,235)	-	-	(8,235)	(3,098)	(11,333)
Exchange differences on translating foreign operations	-	(1,316)	(548)	-	769	(1,095)	2,302	1,207
Net income recognised directly in equity	-	(1,316)	(8,783)	(15,151)	769	(24,481)	39,065	14,584
Profit for the year	-	-	-	-	7,864	7,864	37,267	45,131
Total movement for the year	-	(1,316)	(8,783)	(15,151)	8,633	(16,617)	76,332	59,715
At 31st December 2019	49,909	(54,091)	(8,235)	75,576	266,021	329,180	290,269	619,449

Consolidated Statement of Cash Flows

For the year ended 31st December

	Notes	2020 $'000	2019 $'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		**138,299**	103,697
Non cash adjustments to reconcile profit before tax to net operating cash flows:			
Depreciation and amortisation	5	**79,338**	70,098
Loss on disposal of property, plant and equipment	4b	**3,327**	3,636
Loss on write-off of assets	4b	**1,901**	-
Movement in expected credit loss	4b	**(8,138)**	69,760
Impairment loss on investment in associates	4b	**2,072**	-
Share of profit in associates	10	**(3,123)**	(2,527)
Change in fair value of derivatives	6	**9,882**	13,765
IFRIC 12 non-cash movements		**9,496**	(22,071)
Interest income	6	**(27,351)**	(18,922)
Imputed interest on shareholder loans	6	**4,500**	3,864
Finance expense	6	**90,409**	91,121
Deferred income	18	**(5,523)**	(5,523)
Net foreign exchange differences	6	**7,945**	(8,220)
Net movement in provisions		**8,083**	(52,507)
Cashflow from operations before changes in working capital		**311,117**	246,171
Increase in trade and other receivables		**(54,246)**	(3,957)
Increase in inventories		**(229)**	(5,159)
Increase in trade and other payables		**89,599**	22,213
Cashflow from operations before tax paid		**346,241**	259,268
Tax paid		**(55,366)**	(52,715)
Cashflows from operating activities after tax paid		**290,875**	206,553
CASHFLOWS FROM INVESTING ACTIVITIES			
Investment in property, plant and equipment	8	**(244,697)**	(46,556)
Investment in finite life intangible assets	9	**(4,213)**	(3,201)
Investments in subsidiaries net of cash and cash equivalents acquired		**(4,189)**	(35,618)
Cash received from sell-down of subsidiaries		**7,993**	-
Proceeds from disposal of property, plant and equipment		**1,703**	1,540
Interest received	6	**27,351**	18,922
Dividends received from associates	10	**1,646**	3,274
Cashflows from investing activities		**(214,406)**	(61,639)
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayments of lease liabilities		**(195)**	(4,229)
Non-recourse interest paid and other finance charges		**(83,074)**	(83,743)
Repayment of loans and borrowings		**(94,112)**	(79,178)
Increase in loans and borrowings received		**199,937**	133,747
Repayment of shareholder loans		**(1,602)**	(30,317)
Dividends paid to non-controlling interests	28	**(47,970)**	(41,405)
Cashflows from financing activities		**(27,016)**	(105,125)
Net increase in cash and cash equivalents		**49,453**	39,789
Cash and cash equivalents as at 1 January	14	**316,088**	281,686
Effect of exchange rate changes on cash		**5,023**	(5,387)
Cash and cash equivalents as at 31 December	14	**370,564**	316,088

Notes to the Accounts

1 CORPORATE INFORMATION

The consolidated financial statements of the Company and its subsidiaries, together the Group, for the year ended 31st December 2020 were authorised for issue in accordance with a resolution of the Directors on 12th August 2021.

The Company is a limited company incorporated in Guernsey. The tax residency (but not the country of incorporation) was changed to the UK on 1st January 2018. All issued ordinary shares of the Company are held by Globeleq Limited.

Basis of Preparation
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). The consolidated financial statements have been prepared on a historical cost basis, except for items measured at fair value. The consolidated financial statements have also been prepared in accordance with The Companies (Guernsey) Law, 2008.

Going Concern Assumption
The Directors of the Company have satisfied themselves that it is in a sound financial position, taking into account forecast cash flows of the Company and of its subsidiaries, and access to all means of liquidity. Shareholder loans are not repayable until 2030 and the Company has no other external financing or significant liabilities. There are no guarantees to subsidiaries other than those disclosed in the notes to the accounts. The Company has access to cash within its subsidiaries should it be required to settle its liabilities.

The Group's financial statements have been prepared using the going concern assumption, having considered a going concern period to 30th September 2022.

Due to the ongoing Covid-19 pandemic, there remain uncertainties regarding the future performance of the Group's subsidiaries. The potential impacts to the cash flows of the Group and its subsidiaries continue to be monitored, including stress testing through a range of potential outcomes, including the possibility of a significant reduction in distributions from operating subsidiaries. Even under extreme stress test scenarios, the Group remains solvent and does not need to draw on its committed credit facilities. The Shareholders have entered into a Subscription Agreement with the Company in November 2020 to fund up to all the equity required for the Temane gas project. This further underpins the funding needs for the Company.

It can therefore be considered that the Group has access to sufficient financial resources to meet its liabilities as they fall due. Further details on the liquidity of the Group are discussed within the notes to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Functional and Presentational Currency
The consolidated financial statements are presented in US Dollars ('$') which is the Company's functional currency. All financial information presented in $ has been rounded to the nearest thousand dollars unless otherwise stated.

Judgement used in Applying Accounting Policies and Sources of Estimation Uncertainty
The preparation of financial statements under IFRS requires Management to make judgements, estimates and apply assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The key assumptions concerning the future and other key sources of estimation uncertainty at each balance sheet date that could have a significant risk of causing a material adjustment include intangible assets, financial assets, provisions and deferred tax assets. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised. In particular, information about the significant areas of estimation uncertainty and critical judgements in applying accounting policies that have had a significant effect on the amounts recognised in the financial statements are described below.

Critical judgements made in applying the entity's accounting policies:

(a) Revenue recognition
The timing of customer payments for services does not always coincide with the timing of delivery of services. Billing of customers may be based on estimated usage and differences to actual usage are adjusted for in subsequent periods. Judgement is therefore required in deciding when revenue is to be recognised.

(b) Lease classification – Group as lessor
Accounting for lease contracts requires Management to assess the substance of the contract over its legal form. This includes judgement around whether on balance substantially all the significant risks and rewards of ownership of leased assets reside with the Group or another entity in order to determine whether those assets meet the recognition criteria specified in the Group's accounting policies for finance leases.

(c) Accounting for property, plant and equipment and intangible assets
On initial recognition of items of property, plant, equipment and finite life intangible assets, judgements must be made about whether costs incurred relate to bringing an asset to working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset, or whether they should be expensed as incurred. Thereafter, judgement is required to assess whether subsequent expenditure increases the future economic benefits to be obtained from that asset and is therefore also appropriate for capitalisation or whether such expenditure should be treated as maintenance and expensed.

(d) Accounting for business combinations
Accounting for business combinations requires Management to determine the fair value of the assets and liabilities acquired. Where observable markets for these assets and liabilities are not available, their fair value is determined using discounted cashflows. Judgement is required to determine the projected future cashflows of the assets and liabilities acquired, and the appropriate discount rate to be included in these calculations. Part of this judgement requires considering whether acquisitions are of a business or a group of assets, see note 15 for more details.

Critical accounting estimates and assumptions:
When making accounting estimates, the outcomes in the next financial period may be different to the assumptions made. It is therefore impracticable to predict the impact, but it could result in a material adjustment to the carrying amount.

(a) Accrual accounting

Management must make judgements when making estimates of accrued revenue and expenditure which relate to past transactions occurring within the current financial year but for which the actual revenue or expenditure is not known at the time the financial statements are prepared. Management assesses the available information relating to the period, examine past trends and other external evidence to reach an estimate of the amount to accrue. Actual results may differ from these estimates. Accruals by nature are subject to continually changing assumptions and those assumptions are only valid for a short period of time.

(b) Provision for doubtful debts
The provision for doubtful debts takes into account known commercial factors impacting specific debtor balances. In assessing the provision required, micro and macro-economic factors are taken into account. Given the material trade receivable balances at the year-end date, Management also considers the repayment profile and related discounting required for each receivable balance.

Under IFRS 9, up-front impairments of financial assets (classified as measured at amortised cost) are recognised on an expected loss basis which incorporates forward looking information when assessing credit risk. Movements in the expected loss reserve are recognised in the Consolidated Income Statement.

(c) Accounting for property, plant and equipment and intangible assets
The determination of the appropriate useful life for a particular asset requires Management to make judgements about, among other factors, the expected period of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances and the likelihood of the Group ceasing to use the asset in its business operations. Management reassesses the appropriateness of useful lives applied to property, plant and equipment at least annually and also considers whether any indicators of impairment have occurred which might require impairment testing.

(d) Provisions and contingencies
Preparation of the financial statements requires Management to make estimates in order to provide for potential liabilities. This involves making judgements about the likelihood of an amount becoming payable, estimation of the quantum of the potential obligations based on available information and estimating when such obligations are likely to be settled. Where a variety of possible outcomes exist, Management must apply judgement in assessing the probability that any given outcome may occur.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at 31st December each year. The financial statements of Group entities included in the consolidated financial statements are prepared for the same reporting year as the parent company. Consistent accounting policies are applied, with adjustments being made to bring into line any dissimilar accounting policies.

(a) Subsidiaries
Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(b) Transactions with non-controlling interests
Non-controlling interests represent the equity in a subsidiary not attributable, directly and indirectly, to the parent company. These transactions are presented separately within equity in the Consolidated Balance Sheet, and separately from equity attributable to owners of the parent. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(c) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of associates post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses arising in investments in associates are recognised in the Consolidated Income Statement.

(d) Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of consideration transferred, measured at acquisition fair value and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interest, either at fair value or at the proportionate share of the acquiree's identifiable net assets is determined on a transaction-by-transaction basis. Acquisition costs incurred are expensed and included in administrative costs.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 in profit or loss.

Impairment of goodwill is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in the income statement.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Revenue
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group is eligible for, and therefore applies, the practical expedient available in IFRS 15 and has not disclosed information related to the transaction price allocated to the remaining performance obligations. The right to receive consideration from a customer is at an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

(a) Sale of goods - power generation
The Group generates and sells electricity to its customers. Revenue from the sale of the energy, including any transportation revenue, is recognised in the period when the energy is delivered to its customers. The revenues from the generation business are recorded based upon output delivered and capacity provided at rates as specified under contract terms.

(b) Construction
Construction revenue is recognised during the period of construction in accordance with IFRS 15 when there is a long term legally enforceable contract and it is possible to reliably estimate revenues, costs and the percentage of the project completed.

(c) Deferred income
Deferred income represents prepayments received for future capacity charges. It is released over the life of the applicable Power Purchase Agreement ('PPA').

(d) Interest income
Interest income is recognised in finance income and is recognised on a time-proportion basis using the effective interest method.

(e) Insurance income
Insurance income resulting from an insurable event is recognised at the fair value of the consideration received or expected to be received.

Financial Income and Expenses
Finance income comprises interest income on funds invested.

Finance expenses comprise of interest expense on borrowings, net foreign currency gains and losses, changes in the value of financial assets held at fair value through profit and loss, impairment losses recognised on financial assets (except for trade and other receivables) and net gains and losses on hedging instruments or elements of hedging instruments that have not been designated for hedge accounting. Borrowing costs other than those capitalised to qualifying property, plant and equipment are recognised in the income statement using the effective interest rate method.

Income tax
Income tax expense for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

Income tax assets and liabilities are the expected tax payable or receivable on the taxable income for the year based on tax rates and laws that are enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable or receivable in respect of previous years.

Income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment.

Foreign Currency Translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in $, which is the Company's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency of the underlying reporting entity using the exchange rate prevailing at the dates of the transactions or valuation measurement. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents are presented in the income statement as finance income or expense. All other foreign exchange gains and losses are presented in the income statement as other losses or gains.

(c) Subsidiaries
The results and financial position of all subsidiaries (none of which operate in a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate applicable on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component in equity.

When a foreign operation is disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, Plant and Equipment
Property, plant and equipment is comprised of tangible assets expected to be used during more than one financial period by the Group. Property includes land and buildings which comprise mainly power station structures and related offices. Plant and equipment include major plant items, critical spares, vehicles, IT equipment, and fixtures and fittings.

The initial cost of purchased property, plant and equipment is the value of the consideration given to acquire the item and the value of other directly attributable costs, which have been incurred in bringing the property, plant and equipment to the location and condition necessary for the intended use.

The initial cost of self-constructed property, plant and equipment includes the cost of all materials used in construction, direct labour on the project, financing costs that are attributable to the project, costs of ultimately dismantling and removing the items and restoring the site on which they are located (where an obligation exists to do so), and an appropriate proportion of the other directly attributable overheads incurred in bringing the items to working condition for the intended use. Financing costs that would have been avoided if the expenditure on the qualifying asset had not been made are capitalised while construction activities are in progress. Costs cease to be capitalised as soon as the property, plant and equipment is ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Major maintenance or overhaul items are capitalised and depreciated over the expected useful lives. The carrying amount of the replaced part is derecognised. Routine repairs and maintenance are charged to the income statement in the period in which they are incurred.

Land is shown at historical cost and all other buildings, property, plant and equipment are shown at historical cost less accumulated depreciation and where applicable accumulated impairment losses. Historical cost includes expenditure directly attributable to the acquisition of these items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

The cost of improvements to leasehold property are capitalised and depreciated over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

Property, plant and equipment in use by the Group is depreciated on a straight-line basis to allocate the difference between the cost and estimated residual value over the estimated useful lives of those assets, with the following exceptions:

- Freehold land and assets under construction are not depreciated; and
- Gas turbines at Songas, which are depreciated according to gas fired hours.

Depreciation starts when an asset is available for use.

The following useful lives apply (shown on an average basis) across the Group:

Buildings	Up to 20 years
Plant and equipment:	
Power generating assets	Up to 20 years (life of project), or running hours (for gas turbines) up to 4 years
Other plant and equipment	Up to 10 years
Major overhaul parts in power plants	Up to 7 years

Residual values and useful life of assets are reviewed and adjusted if appropriate at each balance sheet date.

The carrying amount of property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset are recognised in the period of de-recognition. Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains and losses in the income statement.

Project Development Assets

Project related costs are capitalised as an asset if they satisfy relevant criteria. In general the two criteria which must be met are (i) the project for which the expenditures have been made is in a very advanced stage of development and / or construction as of the financial reporting date; and (ii) the expenditures are directly attributable to the project.

Costs incurred in and directly attributable to the development of greenfield projects controlled by the Group are initially expensed until Board project approval and funding is in place generally at "financial close". From this date to commercial operations date certain expenses are capitalised as work in progress. At commercial operations date such capitalised costs are reclassified from work in progress to plant and machinery. These assets are carried at the amount initially recognised less any accumulated depreciation. Depreciation is calculated using the straight-line method over the useful life, which does not exceed the life of the PPA or applicable contractual terms governing each project.

Costs that are directly attributable include project development employee costs and an appropriate portion of relevant overheads. Expenditures that do not meet the criteria for recognition are recognised as an expense as incurred, including those associated with conducting initial research. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Leases

(a) The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The useful life of the underlying asset is used if the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in administrative expenditure.

(b)The Group as lessor
The Group enters into lease agreements as a lessor with respect to some of its plant and equipment.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Intangible Assets

(a) Acquired as part of a business combination
Intangible assets acquired as part of a business combination are recognised outside of goodwill if the assets are separable or arise from contractual or other legal rights and fair value can be measured reliably. Following initial recognition, intangible assets are carried at the amount initially recognised less any accumulated amortisation for finite life intangibles and any accumulated impairment losses. Amortisation is calculated using the straight-line method over the useful life, which does not exceed the life of the PPA or applicable contractual arrangements governing each project.

(b)Software
Computer software that is not integral to the functionality of the related hardware is recognised as an intangible asset on the balance sheet. Software assets which are integral to the operation of the related hardware are classified as computer equipment within property, plant and equipment.

The initial cost of purchased software is the value of the consideration given to acquire the item and of other directly attributable costs incurred in bringing the software to working condition necessary for the intended use. Other directly attributable costs include those incurred in the design and testing of identifiable and unique software products controlled by the Group, related employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet the criteria for recognition are recognised as an expense as incurred. Cost associated with maintaining computer software programmes are recognised as an expense as incurred.

Computer software costs recognised as assets are amortised over estimated useful life, not exceeding 3 years.

(c) Licences
Acquired computer software licences are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised over the contracted licence period.

Service Concession Arrangements
The activities of Azito, Dibamba and Kribi are accounted for by the Group under IFRIC 12 Service Concession Arrangements.

At Azito, a lease and assignment agreement exists between Azito and the State of Côte d'Ivoire whereby the State, as grantor, regulates what service Azito (as operator) must provide with the power generation facilities, to whom and at what price. The arrangement is administered by Compagnie Ivoirienne d'Electricité ('CIE'), a privately owned company incorporated in Côte d'Ivoire holding a concession allowing it to operate the transmission and distribution infrastructure in that country in return for a fee from the State. CIE also controls through ownership and beneficial entitlement any significant residual interest in the infrastructure upon expiry of the lease and assignment agreement.

Offtake arrangements at Dibamba and Kribi are governed by twenty-year arm's length tolling and PPAs respectively with ENEO, who is the sole off taker of electricity produced by both entities. The projects are structured as build, own, operate and transfer projects.

For both Dibamba and Kribi, similar to Azito, the grantor regulates what services Dibamba and Kribi (as operator) must provide with the power generation facilities. The arrangements are backed by a Government of Cameroon Support Agreement, and under certain events there is a contractual guarantee which applies to yield an 18% return to the equity investor. The Government of Cameroon controls through ownership and beneficial entitlement any significant residual interest in the power generation facilities upon expiry of the agreements.

These arrangements have been accounted for in the financial statements as follows:

Deferred capacity payments under the service concession arrangements are recognised as a financial asset within other receivables in accordance with the requirements of IFRIC12 as they represent unconditional contractual rights for the Group to receive cash from the respective grantors. The finance income calculated on the basis of the effective interest rate, equivalent to the project's internal rate of return, is recognised within operating revenue.

In the case of an expansion, construction revenue is recognised during the construction period and is equal to the cost of construction plus a profit margin. Interest income on the resulting financial asset is recognised within revenue and the financial asset is reduced as capacity payments under the PPA are received.

Impairment of Non-Financial Assets
The carrying amount of the Group's assets is reviewed at each balance date to determine whether there is any indicator of impairment. An analysis is then conducted to determine whether an actual impairment exists. Where assets are deemed to be impaired, the impairment loss is the amount that the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement.

An impairment loss in respect of all assets other than goodwill is reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised or if there has been a change in the estimates used to calculate the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Inventories
Inventories, including consumable spares, are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each item to its present location and condition as follows:

- Raw materials are determined using either the first in, first out (FIFO) method or the weighted average cost method; and
- Work in progress is determined using the weighted average cost method.

The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs, spare parts and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other Receivables
Trade receivables, loans and other receivables are initially recorded at fair value plus transaction costs (where applicable), then subsequently measured at amortised cost less impairment. Under IFRS9, an expected credit loss is recognised up-front based on customer credit risk, see note 12. Trade receivable amounts are written off when the probability of recovery is assessed as being remote. When a trade receivable is uncollectable it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against the income statement.

Cash and Cash Equivalents
Cash and cash equivalents include cash in hand held at banks and short term deposits with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade Payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Employee Benefits

(a) Defined Contribution Plans
The Group provides defined contribution pension schemes for the benefit of its employees. The schemes are funded by contributions, partly from employees and partly from the Group, to separately administered funds. The Group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Group contributions to the schemes are recognised in the income statement in the period in which they became payable.

(b) Short Term Benefits
Short term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided.

An accrual is recognised for accumulated benefits which remain unused at the balance sheet date.

An accrual is recognised for the amount expected to be paid under short term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised if there is a present obligation, whether legal or constructive, which has arisen as a result of a past event, payment is more likely than not, and the amount can be reliably measured. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Contingent liabilities are disclosed in relation to possible obligations depending on uncertain future events or in relation to present obligations where payment is not probable or there is uncertainty over the amount. Where the likelihood is remote, there is neither recognition nor disclosure.

Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable. Disclosure will arise in relation to possible assets arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more probable, but uncertain future events not wholly within the control of the enterprise.

Decommissioning Provisions

A provision is recognised where there is a legal obligation to decommission a power plant and reinstate the land to its former state under the PPA. An estimate of future decommissioning costs is discounted back to the balance sheet date and included in the cost of the plant and equipment. The capitalised decommissioning cost is depreciated over the life of the PPA, and the unwinding of the discount is recognised within finance costs.

Interest Bearing Loans and Borrowings

Contractual obligations, excluding derivative financial instruments, to deliver cash or another financial asset to another entity are initially recognised at the fair value of the consideration received net of transaction costs incurred. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is the difference between the proceeds, net of transaction costs, and the redemption value. Gains and losses are recognised in the income statement through the amortisation process.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Loan's Receivable and Payable from/to Parent Group Companies

Loans with Globeleq Limited are non-interest bearing and are non-current in nature. In accordance with IFRS 9 Financial Instruments: Recognition and Measurement imputed interest is recognised on these loans. The interest rate used is comparable to the interest rate applicable to loans the Company could obtain from third parties.

Derivative Instruments

The Group has elected to apply hedge accounting in accordance with IFRS 9.

The Group enters into derivative financial instruments to manage its risks associated with interest rate by using interest rate swaps, and manages its risks associated with foreign exchange using foreign exchange forward contracts or options.

All interest rate swap derivative transactions are undertaken, or maintained, to provide a commercial hedge of the interest rate risks associated with the Group's underlying business activities and the financing of those activities. Interest rate exposure arises from the variability in future interest payments on assets and liabilities which bear interest at variable rates.

Interest rate swaps are maintained, and designated as hedge accounted cash flow hedges, where they qualify, to manage this exposure. Derivatives are carried in the balance sheet at their fair value.

Fair value changes on designated cash flow hedges are initially recognised directly in the cash flow hedge reserve, as gains or losses recognised in equity. Amounts are transferred from equity and recognised in the income statement as the income or expense is recognised on the hedged asset or liability.

To qualify for hedge accounting the hedge relationship must be designated and documented at inception. Documentation must include the Company's risk management objective and strategy for undertaking the hedge and formal allocation to the item or transaction being hedged. The Company also documents how it will assess the effectiveness of the hedge and carries out assessments on a regular basis to determine whether it has been, and is likely to continue to be, highly effective.

The gains and losses on ineffective portions of such derivatives are recognised immediately in re-measurements within the income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement or on the balance sheet. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to re-measurements within the income statement.

Financial Instruments

IFRS 9 provides a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. The Group's financial assets are classified as measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income.

Under IFRS 9, up-front impairments of financial assets classified as measured at amortised cost are recognised on an expected loss basis which incorporates forward-looking information when assessing credit risk. Movements in the expected loss reserve are recognised in the consolidated Income Statement.

Credit adjustments on trade receivables, accrued income and IFRIC 12 financial assets are calculated by multiplying the probability of default by the likely loss should a default occur. Sovereign Credit Default Swap ("CDS") rates have been used as a proxy for probability of default, given the Group's contracts to sell electricity are guaranteed by the governments of the jurisdictions where the power stations are located. The quantum of the probable loss in an event of default is considered to be 100%.

New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year. The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st January 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business
The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29th March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions
On 28th May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1st June 2020. Earlier application is permitted.

This amendment had no impact on the consolidated financial statements of the Group.

New and Amended Standards Issued but not yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standards not yet effective for the financial statements for the year ended 31st December 2020	Effective for annual periods beginning on or after
IFRS 17 "Insurance Contracts"	1st January 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1st January 2023
Reference to the Conceptual Framework – Amendments to IFRS 3	1st January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1st January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1st January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1st January 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1st January 2022
IAS 41 Agriculture – Taxation in fair value measurements	1st January 2022

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

3 OPERATING REVENUE AND OTHER INCOME

	2020 $'000	2019 $'000
3a. Operating revenue		
Power generation	**338,929**	337,236
Concession revenue (1)	**165,421**	195,062
Total operating revenue	**504,350**	532,298

(1) Income relating to the concession arrangement at Azito, Dibamba and Kribi (refer to note 16), $ 82.9m of which relates to interest income on the financial asset balance at the effective interest rate (2019: $ 113.6m).

	2020 $'000	2019 $'000
3b. Other income		
Gas transportation income (1)	**7,211**	1,242
Other operating income	**1,512**	744
Total other income	**8,723**	1,986

(1) $ 1.0m from Songas and $ 6.2m from Kribi & Dibamba due to changes in 2020 relating to transmission network fees from Sonatrel charged to the plants and recovered as pass-through income to the off taker ENEO.

Disaggregation of Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segment Revenue

	2020 $'000	2019 $'000
Energy revenue (recognised at a point in time)	**338,929**	337,236
IFRIC12 revenue (recognised over time)	**165,421**	195,062
	504,350	532,298

4 EXPENDITURE

	2020 $'000	2019 $'000
4a. Administrative expenses		
Salaries and wages (1)	**(13,480)**	(15,676)
Social security costs	**(1,692)**	(1,844)
Post-employment benefits	**(883)**	(794)
Other staff related expenses	**(1,295)**	(1,529)
Travel and related costs	**(911)**	(3,181)
Consultants expenses (2)	**(20,751)**	(14,415)
Communications costs	**(2,172)**	(1,317)
Auditors' remuneration	**(919)**	(854)
Office premises expenses	**(428)**	(423)
Other administrative expenses	**(1,212)**	(430)
Total administrative expenditure	**(43,743)**	(40,463)

(1) Employee benefits totalling $ 22.0m (2019: $ 21.4m) are included within operating and maintenance expenditure.
(2) Increase predominately due to Temane project ($ 4.3m), South Africa risk mitigation tender ($ 0.6m) and GPSN acquisition in Nigeria ($ 1.0m).

	2020 $'000	2019 $'000
4b. Other gains / (losses)		
Gain/ (loss) on disposal of property, plant and equipment	**(3,327)**	(3,636)
Impairment charge on PP&E	**(1,901)**	-
Impairment of investment in associates	**(2,072)**	
Gain / (loss) on impairment and write off receivables (1)	**8,138**	(69,760)
Cameroon Transaction Taxes (2)	**(14,446)**	(13,363)
Total gains / (losses)	**(13,608)**	(86,759)

(1) Balance relates to expected credit losses and provisions for doubtful debts recognised under IFRS 9, see note 12.
(2) Includes $ 8.0m of payments made in settlement with the Cameroon Tax Administration (CTA) regarding capital gains tax and registration duties in relation to CDC and Norfund's acquisition of Globeleq in 2015. The remaining $ 6.0m relates to a provision for a local tax payment also relating to the settlement. Prior year includes $ 5.9m capital gains tax and registration duties paid together with $ 7.5m provision relating to deposits required to be paid to appeal tax claims.

5 DEPRECIATION AND AMORTISATION

	2020 $'000	2019 $'000
Depreciation expense		
Property, plant and equipment	**(51,239)**	(48,325)
Right of use assets	**(2,976)**	(2,784)
Total depreciation expense	**(54,215)**	(51,109)
Amortisation expense		
Intangible assets	**(25,123)**	(18,989)
Total amortisation expense	**(25,123)**	(18,989)
Total depreciation and amortisation expense	**(79,338)**	(70,098)

6 NET FINANCE EXPENSE

	2020 $'000	2019 $'000
Finance income		
Interest income	**15,195**	6,892
Finance income receivable under finance leases (1)	**12,156**	12,030
Net foreign exchange gain	**-**	8,220
Total finance income	**27,351**	27,142
Finance expenses		
Interest payable on loans (2)	**(88,364)**	(89,011)
Imputed interest on shareholder loans	**(4,500)**	(3,864)
Net foreign exchange loss (3)	**(7,944)**	-
Loss on fair value movement of derivative financial instruments	**(9,883)**	(13,765)
Finance charges payable under leases (4)	**(2,045)**	(2,110)
Total finance expense	**(112,736)**	(108,750)
Net finance expense	**(85,385)**	(81,608)

(1) Refer to note 11 for further details.
(2) Includes $ 0.4m relating to unwind of discount on provisions (2019: $ 1.7m).
(3) Includes $ 4.0m net foreign exchange loss on a USD denominated loan in Boshof.
(4) Refer to note 20 for further details.

7 TAXATION

Analysis of income tax expense for the year

	2020 $'000	2019 $'000
Current tax:		
Current tax on profits for the year	**52,663**	44,154
Under provision for current tax for prior years	**171**	2,665
Total current tax	**52,834**	46,819
Deferred tax (note 21):		
Origination and reversal of temporary differences	**2,956**	11,747
Total deferred tax	**2,956**	11,747
Income tax expense for the year	**55,790**	58,566

Reconciliation between the income tax expense and the theoretical amount that would arise using the weighted average domestic tax rate applicable to profits of the Group:

Total profit before tax	**138,299**	103,697
Tax at domestic tax rate applicable to profits in the respective countries	**40,695**	28,738
Income not taxable	**(15,215)**	(5,419)
Expenses not deductible	**4,935**	3,445
Net under provision for prior years	**171**	2,665
Unremitted overseas earnings of subsidiaries	**7,998**	19,126
Withholding tax on group dividends	**3,744**	3,714
Unrecognised tax losses	**12,544**	6,393
Amounts relating to non-IFRS profits	**8,477**	3,322
Unwind of acquisition intangibles	**(6,184)**	(3,418)
Unremitted overseas earnings of associates	**83**	-
Impact due to tax rate change	**(1,458)**	
Income tax expense for the year	**55,790**	58,566

Profits arising in the Company for the 2020 year of assessment will be subject to UK tax at the standard corporation tax rate of 19%. No taxable profit was made by the Company in 2020, and given no taxation is expected in the foreseeable future, no deferred tax assets have been recognised on accumulated losses.

8 PROPERTY, PLANT AND EQUIPMENT

				2020				2019
	Land and buildings	**Plant and equipment**	**Work in Progress**	**Total**	Land and buildings	Plant and equipment	Work in Progress	Total
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Cost, at 1st January	**11,939**	**964,402**	**27,679**	**1,004,020**	10,599	730,131	7,577	748,307
Additions (1)	**24**	**8,610**	**239,238**	**247,872**	154	2,751	43,651	46,556
Disposals (2)	**-**	**(10,398)**	**(642)**	**(11,040)**	-	(19,848)	-	(19,848)
Acquired with subsidiaries (3)	**1,365**	**25,776**	**364**	**27,505**	1,021	225,673	-	226,694
Exchange adjustment	**(25)**	**(27,662)**	**(45)**	**(27,732)**	132	27,586	4	27,722
Transfer to right-of-use assets (4)	**(631)**	**-**	**-**	**(631)**	-	(25,092)	(319)	(25,411)
Transfer	**313**	**6,380**	**(6,693)**	**-**	33	23,201	(23,234)	-
Assets write-off	**-**	**(2,389)**	**-**	**(2,389)**	-	-	-	-
Cost, at 31st December	**12,985**	**964,719**	**259,901**	**1,237,605**	11,939	964,402	27,679	1,004,020
Accumulated depreciation and impairment, at 1st January	**(6,026)**	**(367,303)**	**-**	**(373,329)**	(5,316)	(335,494)	-	(340,810)
Depreciation charge for the year	**(608)**	**(50,631)**	**-**	**(51,239)**	(680)	(47,645)	-	(48,325)
Assets write-off	**-**	**488**	**-**	**488**				
Acquired with Subsidiaries	**(22)**	**(786)**		**(808)**				
Transfer to right-of-use assets (4)	**32**	**-**	**-**	**32**	-	7,430	-	7,430
Exchange adjustment	**2**	**5,470**	**-**	**5,472**	(30)	(6,266)	-	(6,296)
Depreciation disposals	**-**	**6,010**	**-**	**6010**	-	14,672	-	14,672
Accumulated depreciation and impairment, at 31st December	**(6,622)**	**(406,752)**	**-**	**(413,374)**	(6,026)	(367,303)	-	(373,329)
At 1st January								
Cost	**11,939**	**964,402**	**27,679**	**1,004,020**	10,599	730,131	7,577	748,307
Accumulated depreciation and impairment	**(6,026)**	**(367,303)**	**-**	**(373,329)**	(5,316)	(335,494)	-	(340,810)
Net carrying amount at 1 January	**5,913**	**597,099**	**27,679**	**630,691**	5,283	394,637	7,577	407,497
At 31st December								
Cost	**12,985**	**964,719**	**259,901**	**1,237,605**	11,939	964,402	27,679	1,004,020
Accumulated depreciation and impairment	**(6,622)**	**(406,752)**	**-**	**(413,374)**	(6,026)	(367,303)	-	(373,329)
Net carrying amount at 31st December	**6,363**	**557,967**	**259,901**	**824,231**	5,913	597,099	27,679	630,691

(1) In the current year the $ 239.2m (2019: $ 43.4m) work in progress additions primarily relate to the Songas assets. Azito expansion project and Malindi Solar projects. Plant and equipment additions also include the cost of a decommissioning liability recognised for Songas amounting to $ 3.2 (2019: $ 0.0m).

(2) In 2020, $ 10.4m (2019: $ 19.2m) of disposals relate to disposal of engines at Songas during the year.

(3) During the year the Group acquired Globeleq Power Solutions Limited, subsequently renamed Globeleq Power Solutions Nigeria Limited – GPSN (see note 15). The net carrying amount of property plant and acquired was $ 26.7m.

(4) In November 2018, Malindi Solar Group acquired land on a 99-year lease, with a subsequent option to renew. This land was classified as property, plant and equipment in 2019 but has been transferred to right of use assets at its net carrying amount during the 2020 financial year (see note 20).

8 PROPERTY, PLANT AND EQUIPMENT (*continued*)

The net carrying amount of property, plant and equipment is allocated by type as follows:

	2020	2019
	$'000	$'000
Gas fired generation	**342,832**	132,743
Wind generation	**134,295**	150,082
Solar generation	**342,270**	342,722
Oil fired generation	**3,619**	3,133
Other	**1,215**	2,011
Net carrying amount	**824,231**	630,691

In addition to the above balances, a financial asset with a value of $ 341.9m (2019: $ 341.5m) before IFRS 9 Expected Credit Loss (ECL) adjustments at Azito, accounted for in accordance with IFRIC 12 Service Concession Arrangements, is recognised within non-current and current receivables.

Similarly, financial assets with a value of $ 172.9m for Kribi (2019: $ 162.9m) and $ 53.9m for Dibamba (2019: $ 51.6m), before ECL adjustments, are also recognised within non-current and current receivables.

9 GOODWILL AND INTANGIBLE ASSETS

	2020			2019
	$'000	$'000	$'000	$'000
	Goodwill	Other intangible assets	Total	Other intangible assets
Cost, at 1st January	-	527,803	527,803	296,681
Additions (1)	-	4,213	4,213	3,201
Acquired with subsidiaries (2)	-	2,266	2,266	221,307
Revaluation of contingent consideration (3)	-	1,717	1,717	(1,969)
Exchange adjustment (4)	-	5,911	5,911	8,583
Acquisition of a subsidiary (5)	6,559	-	6,559	-
Cost, at 31st December	6,559	541,910	548,469	527,803
Amortisation, at 1st January	-	(85,082)	(85,082)	(66,449)
Amortisation charge for the year	-	(25,123)	(25,123)	(18,989)
Exchange adjustment	-	(7,039)	(7,039)	356
Amortisation, at 31st December	-	(117,244)	(117,244)	(85,082)
Net carrying amount, at 31st December				
Cost	6,559	541,910	548,469	527,803
Accumulated amortisation	-	(117,244)	(117,244)	(85,082)
Net carrying amount at 31st December	6,559	424,666	431,225	442,721

Intangible assets primarily relate to the value of licenses, planning permissions, PPAs and tolling agreements recognised upon acquisition of the South African, Nigerian and Cameroonian businesses. Intangible assets are amortised to the end of the PPAs, ending between 2033 and 2044.

(1) Additions include $ 3.7m (2019: $ 3.1m) for the corporate ERP system.
(2) Relates to the acquisition of the Nigerian assets Globeleq Power Solutions Limited (GPSN) acquired in the year. The assets will be amortised on a straight-line basis over the expected remaining terms of the corresponding PPAs. See note 15. In 2019, the amount is related to the South African (ex-Brookfield) assets acquired.
(3) The 2020 estimate for contingent consideration and the corresponding intangible asset balance increased by $ 1.7m (2019: reduced by $ 2.0m). The intangible asset represents the value of the PPA, land rights and other regulatory approvals held as result of the acquisition of the QIPP project.
(4) Loss of $ 12.4m (2019: gain of $ 10.9m) relates to exchange differences of intangible assets recognised in relation to the acquisition of South African (ex-Brookfield) assets. This was partially offset by a gain of $ 18.1m (2019: $ 3.8m loss) related to exchange differences of intangible assets recognised in the acquisition of Dibamba and Kribi which are denominated in Euros. The remainder relates to exchange differences in translation between opening and closing intangible asset cost balances in Azito, Kribi, Dibamba and corporate offices.
(5) Goodwill acquired through business combination has been allocated to the cash generating unit of GPSN (note 15).

10 INVESTMENTS IN ASSOCIATES

CDC Financial Services (Mauritius) Limited ('CDCFS'), a subsidiary of CDC, holds 30% interest in Tsavo, a power generation company based in Kenya. Under a total return swap the Group holds the beneficial interest in CDCFS whereby it is entitled to all returns generated by the investment, and a Management Agreement confers decision making control of the interest to the Group. As a result, the Group equity accounts the interests in Tsavo as if it was a directly held associate of the Group.

	2020 $'000	2019 $'000
Carrying amount of associates		
At 1st January	**4,972**	5,719
Impairment of Investment in associate undertaking	**(2,072)**	-
Equity accounted earnings of associates	**3,123**	2,527
Dividends received from associates during the year	**(1,646)**	(3,274)
At 31st December	**4,377**	4,972

The Group's interest in Tsavo is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Tsavo:

	2020 $'000	2019 $'000
Current assets	**21,038**	15,420
Non-current assets	**9,475**	10,240
Current liabilities	**(4,152)**	(3,222)
Non-current liabilities	**(2,805)**	(1,082)
Equity	**23,556**	21,536
Group's share in equity – 30% (2019: 30%)	**7,067**	6,407

	2020 $'000	2019 $'000
Revenue	**35,309**	36,522
Cost of sales	**(19,873)**	(21,036)
Administrative expenses	**(1,892)**	(2,045)
Finance Costs	**117**	(102)
Profit before tax	**13,661**	13,339
Income tax expense	**(3,252)**	(4,917)
Profit for the year (continuing operations)	**10,409**	8,422
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year (continuing operations)	**10,409**	8,422
Group's share of profit for the year – 30% (2019 :30%)	**3,123**	2,527

A list of principal subsidiaries and associates is included in note 27.

11 FINANCE LEASE RECEIVABLE

Finance leases - Globeleq as lessor

	2020 $'000	2019 $'000
Amounts receivable under finance leases:		
Year 1	**13,998**	12,436
Year 2	**13,998**	12,436
Year 3	**13,953**	12,436
Year 4	**13,706**	12,436
Year 5	**13,638**	12,436
Later than five years	**98,879**	102,598
Total receivable	**168,172**	164,778
Less unearned finance income	**(117,893)**	(119,012)
Present value of minimum lease payments receivable	**50,280**	45,766
Undiscounted lease payments analysed as:		
Recoverable within 12 months	**13,998**	12,436
Recoverable after 12 months	**154,174**	152,342
Total present value of minimum lease payments receivable	**168,172**	164,778
Net investment in the lease analysed as:		
Recoverable within 12 months	**1,281**	482
Recoverable after 12 months	**48,999**	45,284
Total present value of minimum lease payments receivable	**50,280**	45,766

The Group's finance lease arrangements do not include variable payments.

Finance lease receivables represent payments due from the Government of Cameroon under finance leases for electricity transmission lines constructed by the Group at Dibamba and Kribi.

The average effective interest implicit in the leases are 26.2% (2019: 26.2%).

The Directors estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime Expected Credit Loss (ECL). None of the finance lease receivables at the end of the reporting period are past due and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables, the Directors consider that the finance lease receivable is not impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

12 TRADE AND OTHER RECEIVABLES

	2020 $'000	2019 $'000
Current		
Net trade receivables (1)	**129,156**	110,910
Prepayments and accrued income (2)	**37,786**	109,534
Other receivables (3)	**77,786**	46,684
Total current trade and other receivables	**244,728**	267,128
Non-current		
Net trade receivables (1)	**148,941**	77,533
Prepayments and accrued income (2)	**30,836**	-
Other receivables (4)	**502,781**	490,183
Total non-current trade and other receivables	**682,558**	567,716
Total trade and other receivables	**927,286**	834,844

(1) Net trade receivables include expected credit losses and provisions for doubtful debts recognised under IFRS 9 of $ 28.0m (2019: $ 22.2m). In both the current year and prior year, the balances primarily relate to expected credit losses on trade receivables and late payment interest at Kribi and Dibamba due to the increase in arrears observed over the years, and the challenges faced in the Cameroon electricity sector.

Non-current trade receivable balances relate to trade receivables of $ 30.8m at Songas (2019: $ 29.8m), $ 100.0m at Kribi (2019: $ 35.6m) and $ 18.1m at Dibamba (2019: $ 12.1m) respectively, which are expected to be received greater than twelve months from the reporting date. The assumptions made are based on Management's best estimate considering current developments and agreed repayment plans.

(2) Accrued income by subsidiaries includes material balances at Kribi $ 19.7m (2019: $ 26.9m), Dibamba $ 5.0m (2019: $ 3.6m), Songas $ 7.4m (2019: $ 8.4m) and Azito $ 11.9m (2019: $ 13.5m). These primarily relate to the December 2020 revenue not yet invoiced. This was resolved in January 2021. The accrued income balances include expected credit losses of $ 9.3m (2019: $ 7.2m). Accrued interest by subsidiaries includes material balances in Kribi $ 19.2m (2019: $ 17.5m), Dibamba $ 3.7m (2019: $ 3.6m) and Azito $ 15.9m (2019: $ 12.8m) before deducting expected credit losses of $ 27.8m (2019: $ 24.6m) recognised in Kribi $ 19.2m (2019: $ 17.5m), Dibamba $ 3.7m (2019: $ 3.6m) and Azito $ 15.9m (2019: $ 12.8m).

(3) The current portion of financial assets under IFRIC12 are Azito $ 25.2m (2019: $ 17.0m), Dibamba $ 2.9m (2019: $ 2.3m) and Kribi $ 6.9m (2019: $ 5.7m), refer to note 16. The 2020 balances for IFRIC 12 include expected credit losses of $ 0.9m. In the prior year $ 1.8m related to promissory notes received as repayment of arrears at Azito Energie.

(4) Includes the financial assets under IFRIC12 recognised at Azito $ 306.9m (2019: $ 321.1m), Dibamba $ 46.8m (2019: $ 39.8m) and Kribi $ 146.5m (2019: $ 126.3m). The numbers are stated after applying expected credit losses of $ 32.6m which were primarily recognised at Kribi and Dibamba.

Non-current trade receivables are recognised based upon all available information, including past trends and external information, which indicate it is probable the receivable balance will not be collected within twelve months of the year end date.

Trade receivables are generally non-interest bearing and are on thirty days' terms.

12 TRADE AND OTHER RECEIVABLES *(continued)*

As at 31st December, the ageing analysis of net trade receivables (including non-current) after applying expected credit losses under IFRS 9 is as follows:

	Total	Neither past due nor impaired	Past due but not impaired < 30 days	30-60 days	60-90 days	90-365 days	>365 days
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2020	**278,097**	**47,578**	**40,744**	**40,271**	**16,017**	**98,911**	**34,576**
2019	188,443	37,669	29,658	25,066	17,670	45,985	32,395

The significant debtors of the Group at the 2020-year end are:

(i) $ 39.7m (2019: $ 39.5m): TANESCO in Tanzania. Revenue earned is under a long term PPA which also requires a liquidity facility to be provided by the Government of the United Republic of Tanzania. The facility is currently unfunded (refer to note 23). $ 26.1m (2019: $ 15.7m) of this balance is past due by more than ninety days.

(ii) $ 34.1m (2019: $ 15.8m): CI Energie in Côte d'Ivoire. Revenue earned is under a long term PPA. nil (2019: nil) of this balance is past due by more than ninety days.

(iii) $ 99.7m (2019: $ 93.4m): ENEO in Cameroon, of which $ 82.9m relates to Kribi (2019: $ 63.9m) and $ 16.8m (2019: $ 29.5m) relates to Dibamba. Revenue earned is under two long term PPAs. $ 68.6m (2019: $ 62.7m) of this balance is past due by more than ninety days.

As at 31st December, the maturity profile of net financial assets under IFRIC 12 after applying expected credit losses under IFRS 9 is as follows:

	2020 $'000	2019 $'000
Year 1	**35,012**	24,925
Year 2	**42,096**	32,464
Year 3	**31,027**	40,374
Year 4	**34,765**	29,491
Year 5	**40,252**	34,391
Later than five years	**352,020**	349,981
IFRIC 12 receivables	**535,172**	511,626

The net financial assets under IFRIC12 after applying expected credit losses under IFRS 9 were recognised at Azito $ 274.7m (2019: $ 338.0m), Dibamba $ 49.6m (2019: $ 41.8m) and Kribi $ 152.8m (2019: $ 131.7m). The numbers are stated after applying expected credit losses of $ 33.2m which were primarily recognised at Kribi and Dibamba.

Expected Credit Losses

The following three key elements are considered by the Group in calculating the credit adjustments on trade receivables and IFRIC 12 financial assets:

1. Sovereign Credit Default Swap ("CDS") rates have been used as a proxy for probability of default, given the Group's contracts to sell electricity are guaranteed by the governments of the jurisdictions in which the power stations are located. In applying the rate to calculate ECL, consideration has been taken on the estimated or agreed repayment period for those receivables. In respect of Cote D'Ivoire and Tanzania where no CDS rate is available, countries with quoted CDS rates which have the same credit ratings have been used.

12 TRADE AND OTHER RECEIVABLES (continued)

2. Where the CDS is not considered to fully reflect the credit risk of the off-taker, such as in Cameroon, the risk of default is evaluated using CCC rated energy companies as an approximation.

3. In respect of the IFRIC12 balances, MIGA (Multilateral Investment Guarantee Agency) insurance cover for breach of contract has been considered for those applicable assets (Cote D'Ivoire and Cameroon) and applied to reduce the finance asset balance at risk, thereby reducing the overall ECL provision.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the approach set out in IFRS 9.

	2020 $'000	2019 $'000
Balance as at 1st January	**(99,171)**	(29,423)
Net remeasurement of loss allowance	**8,138**	(69,760)
Foreign exchange (losses) and gains	**(7,259)**	12
Balance as at 31st December	**(98,292)**	(99,171)

The impact on the Group's profit before tax due to a reasonably possible change in CDS rates and discount rates on trade receivables and financial assets recognised under IFRIC 12 at the reporting date is demonstrated in the table below:

Movement in CDS rates	100 basis points increase $'000	100 basis points decrease $'000
At 31st December 2020	**(661)**	**661**
At 31st December 2019	(687)	687

Movement in discount rates	100 basis points increase $'000	100 basis points decrease $'000
At 31st December 2020	**(48)**	**48**
At 31st December 2019	(57)	57

13 INVENTORIES

	2020 $'000	2019 $'000
Spare Parts	**40,916**	38,581
Fuel and Lubricants	**4,327**	4,508
Inventories	**45,243**	43,089

Spare parts inventories represent consumable spares held at the lower of cost or net realisable value.

14 CASH AND CASH EQUIVALENTS

	2020 $'000	2019 $'000
Cash at bank and in hand	**368,322**	296,604
Short term deposits receivable within 90 days	**2,242**	19,484
Cash and cash equivalents	**370,564**	316,088

The fair value of cash and deposits is $ 370.6m (2019: $ 316.1m). Cash and cash equivalents earn interest at a commercial floating rate on daily deposit rates. Short term deposits are made for periods of up to ninety days, depending on the immediate requirements of the Group. The total cash and cash equivalents balance includes $ 158.8m, coincidently identical to 2019 (2019: $ 158.8m) of cash which is considered to be restricted as it is primarily to fund maintenance and debt service reserves required by project finance agreements.

15 ACQUISITIONS

December 2020 Globeleq Power Solutions Nigeria Limited Acquisition

On 24th December 2020, the Group acquired Globeleq Power Solutions Limited, a company based in Nigeria, for a consideration of $ 15.5m. This was achieved through the acquisition of 74% of the holding company, Globeleq Power Solutions Limited, a company incorporated in the UK, which had 100% ownership in Globeleq Power Solutions Limited. At acquisition, the business had a 57 MW portfolio of operating power stations supplying power to commercial and industrial customers under power purchase agreements, with a further three plants under construction. The acquisition supports the growth strategy of the Group by establishing a presence in the largest economy on the African continent with the objective of supplying reliable power to private off-takers.

The acquisition qualifies as a business as defined by IFRS 3. Goodwill recognised arising from the acquisition was $ 6.6m. The following table provides summary information on the consideration, the fair value of assets acquired, and liabilities assumed at the acquisition date:

	Fair value recognised on acquisition $'000
Assets	
Property, plant and equipment	**26,697**
Identifiable intangible assets	**2,266**
Receivable under finance lease	**603**
Inventory	**213**
Trade receivables	**10,607**
Cash and cash equivalents	**1,173**
	41,559
Liabilities	
Loans and borrowings	**(21,720)**
Loan from minority shareholder	**(2,837)**
Deferred tax liabilities	**(680)**
Trade and other payables	**(4,264)**
	(29,501)
Total identifiable assets acquired, and liabilities assumed	**12,058**
Non-controlling interest in net assets acquired (26 per cent)	**(3,135)**
Value of net assets attributable to controlling shareholders	**8,923**
Total consideration	**(15,482)**
Goodwill on acquisition	**6,559**
Satisfied by:	
Cash	5,362
Fair value of deferred and contingent consideration	10,120
Net cash outflow arising on acquisition:	
Cash consideration	**5,362**
Less: cash and cash equivalent balances acquired	**(1,173)**
	4,189

15 ACQUISITIONS (continued)

The initial accounting for the acquisition of Globeleq Power Solutions Limited has been provisionally determined at the end of the reporting period based on the Director's best estimates. It will be finalised within twelve months of the acquisition date.

Intangible assets represent the value of licences and PPAs, determined based on discounted future cash flows using a 13.19% pre-tax discount rate.

Acquisition-related costs (included in administrative expenses) amounted to $ 1.3m in 2020 (2019: $ 0.3m).

The Company entered into a lease agreement as a lessor with respect to some of its plant and equipment. Lease receivable was classified as a finance lease because the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset.

Deferred tax liabilities mainly comprises the tax effect of the accelerated depreciation of intangible assets.

Deferred and contingent consideration of $ 10.1m is included in trade and other payables.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The Goodwill recognised is not expected to be deductible for income tax purposes.

The business was acquired at the end of the financial year, and consequently did not contribute to the Group's revenues or underlying profits in the period between the date of acquisition and the reporting date.

If the acquisition had been completed on 1st January 2020, revenue from continuing operations for the year would have been $ 11.1m and loss before tax would have been $3m.

Decreased Ownership in Aries Solar Power (RF) (Pty) Limited and Konkoonsies Solar Power (RF) (Pty) Limited

During the year, the Group sold a 19% interest in Aries Solar Power (RF) (Pty) Limited and Konkoonsies Solar Power (RF) (Pty) Limited taking its ownership interest to 51% for both entities. Cash consideration of $ 8.0m was received from the non-controlling shareholders:

	$'000
Cash received from non-controlling shareholders	7,993
Carrying value of the sold interest	(7,726)
Difference recognised in retained earnings	(267)

Acquisitions in 2019

May 2019 South Africa Renewables Acquisitions

During the prior year, the Group acquired 65% in a wind energy company Klipheuwel Wind Farm (RF) Pty Ltd ("Klipheuwel"); 70% in two solar power generating companies, Aries Solar Power (RF) Pty Ltd ("Aries"), and Konkoonsies Solar Power (RF) Pty Ltd ("Konkoonsies"), and 51% in Soutpan Solar Power (RF) (Pty) Ltd ("Soutpan"), a solar power generating company.

15 ACQUISITIONS *(continued)*

The Group also acquired 100% of the issued share capital of Globeleq South Africa Operations (Pty) Limited (formerly TerraForm Global Africa Operating (Pty) Ltd) a company that provides operations and management services to the acquired entities as well as various holding companies (the "Acquisitions"). The Acquisitions qualified as a business as defined in IFRS 3. The Acquisitions enabled the Group to increase its fleet of renewables assets which was a strategic objective and leveraged its existing asset management, operations and maintenance platform in South Africa.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed at the date of acquisition were:

Assets	**Fair value recognised on acquisition $'000**
Property, plant and equipment	106,726
Identifiable intangible assets	187,453
Other investments	76
Right-of-use assets	631
Deferred tax assets	156
Inventory	104
Trade receivables	7,099
Cash and cash equivalents	36,832
	339,077
Liabilities	
Loans and borrowings	(121,000)
Lease liabilities	(631)
Derivative financial instruments	(2,536)
Deferred tax assets/(liabilities)	(62,410)
Trade and other payables	(6,320)
Total identifiable assets acquired, and liabilities assumed	(192,897)
Non-controlling interest in:	
35 per cent in Klipheuwel	(6,639)
30 per cent in Aries	(10,177)
30 per cent in Konkoonsies	(6,519)
49 per cent in Soutpan	(29,631)
Total consideration	93,214
Satisfied by:	
Cash	93,214
Net cash outflow arising on acquisition:	
Cash consideration	93,214
Less: cash and cash equivalent balances acquired	(36,832)
	56,382

15 ACQUISITIONS *(continued)*

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

The deferred tax assets and liabilities mainly comprised the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets, provisions, carry-forward of assessed losses and hedge reserves.

Acquisition-related costs (included in administrative expenses) amounted to $ 1.7m in 2019.

The fair value of the non-controlling interest in Klipheuwel, Aries, Konkoonsies and Soutpan all non-listed companies, were estimated by applying a discounted earnings technique. The fair value measurements were based on significant inputs that were not observable in the market. The fair value estimate was based on an assumed pre-tax discount rate of 14.76%.

The Acquisitions contributed $ 23.8m revenue and $ 9.3m to the Group's profit before tax for the period between the date of acquisition to 31st December 2019.

If the Acquisitions had been completed on 1st January 2019, revenues from continuing operations would have been $ 40.7m and profit before tax would have been $ 16.0m.

Acquisition of Boshof

On 31st August 2019, the Group acquired 51 per cent of the issued share capital in Boshof Solar Power (RF) (Pty) Ltd ("Boshof"), a solar power generating company as well as various holding companies. The acquisition qualified as a business as defined in IFRS 3. The acquisition of Boshof enabled the Group to increase its fleet of renewables assets which was a strategic objective and leveraged its existing asset management, operations and maintenance platform in South Africa.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed at the date of acquisition were:

15 ACQUISITIONS *(continued)*

Assets	Fair value recognised on acquisition $'000
Property, plant and equipment	119,968
Derivative financial instruments	77,235
Identifiable intangible assets	33,854
Inventory	223
Trade receivables	4,413
Cash and cash equivalents	42,851
	278,544
Loans and borrowings	(168,901)
Derivative financial instruments	(34,613)
Deferred tax assets/(liabilities)	(10,468)
Trade and other payables	(3,393)
	(217,375)
Total identifiable assets acquired, and liabilities assumed	61,169
Non-controlling interest in 49 per cent in Boshof	(28,300)
Total consideration	32,869
Satisfied by:	
Cash	32,869
Net cash inflow arising on acquisition:	
Cash consideration	32,869
Less: cash and cash equivalent balances acquired	(42,851)
	(9,982)

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

The deferred tax assets and liabilities mainly comprised the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets, provisions, carry-forward of assessed losses and hedge reserves.

$ 11.7m of deferred consideration was included within Trade and other payables in 2019. The consideration was fully settled in October 2020. No outstanding amount was recognised as at 31st December 2020.

Acquisition-related costs (included in administrative expenses) amounted to $ 0.6m in 2019.

15 ACQUISITIONS *(continued)*

The fair value of the non-controlling interest in Boshof, an unlisted company, was estimated by applying a discounted earnings technique. The fair value measurements were based on significant inputs that were not observable in the market. The fair value estimate was based on an assumed pre-tax discount rate of 13.73%.

Boshof contributed $ 10.5m revenue and $ 5.6m to the Group's profit before tax for the period between the date of acquisition and 31st December 2019.

If the acquisition of Boshof had been completed on 1st January 2019, revenues from continuing operations for the year would have been $ 31.6m and profit before tax would have been $ 16.9m.

16 SERVICE CONCESSION ARRANGEMENTS (IFRIC 12)

Azito

The activities of Azito are accounted for by the Group as a Service Concession Arrangement under IFRIC 12. A lease and assignment agreement exists between Azito and the State of Côte d'Ivoire (the 'State') whereby the State as grantor, regulates what service Azito as operator, must provide with the power generation facilities, to whom and at what price. In addition, legal title to the plant will transfer to the State upon expiry of the agreement. The State has appointed CIE to administer the arrangement.

Azito, having undertaken the construction of the project, also undertakes to operate and maintain the power plant. At the end of the concession agreement, title to the assets is required to be delivered to the State in good working order after taking account of the normal use of the equipment and following an adequate maintenance programme recommended by manufacturers and in compliance with industry standards.

Deferred contract revenue payments are recognised as a financial asset within other receivables for the service concession arrangements.

Dibamba and Kribi

Offtake arrangements at Dibamba and Kribi are governed by twenty-year arm's length tolling and PPAs respectively with ENEO, the sole off-taker of electricity produced by both entities. The projects are structured as build, own, operate and transfer projects.

For both Dibamba and Kribi, similar to Azito, the grantor regulates what services Dibamba and Kribi (as operator) must provide with the power generation facilities. The arrangements are backed by a Government of Cameroon Support Agreement, and under certain events there is a contractual guarantee which applies to yield an 18% return to the equity investor. The Government of Cameroon controls through ownership and beneficial entitlement any significant residual interest in the power generation facilities upon expiry of the agreement.

Dibamba and Kribi, having undertaken the construction of the project, also undertake to operate and maintain the power plant. At the end of the Dibamba tolling agreement in May 2031 and the Kribi PPA in April 2033, title to the assets is required to be delivered to the State in good working order after taking account of the normal use of the equipment and following an adequate maintenance programme recommended by manufacturers and in compliance with industry standards.

17 EQUITY

49,909,098 $1 ordinary shares are in issue at par value and fully paid. The sole shareholder is Globeleq Limited. The amount of authorised ordinary shares of $1 is unlimited (2019: unlimited).

18 DEFERRED INCOME

	2020 $'000	2019 $'000
At 1st January	**25,302**	30,825
Credit for the year to the income statement	**(5,523)**	(5,523)
At 31st December	**19,779**	25,302
Non-current deferred income	**14,256**	19,780
Current deferred income	**5,523**	5,523
Total deferred income	**19,779**	25,303

Deferred income principally represents prepayments received for future capacity charges related to Songas, released to the income statement over the life of Songas' PPA of twenty years.

19 LOANS AND BORROWINGS

The Group satisfied all obligations under the terms of all loans and borrowings during the year with exceptions at Kribi and Dibamba where the companies were in breach of lending covenants and were therefore in default. As a result, all third-party Kribi loans are disclosed in current loans and borrowings as at 31st December 2020 and 31st December 2019, and all third-party Dibamba loans are disclosed in current loans and borrowings as at 31st December 2020. The default remains due to late payment of invoices by the off-taker which commenced during 2016. At the date of signing no lenders have expressed an interest to call in the debt and all debt service payments have been made as they fall due.

Details of interest-bearing loans and borrowings are as follows:

Unsecured loans and borrowings			**2020**		2019	
	Interest Rate	**Maturity Date**	**Current $'000**	**Non-current $'000**	Current $'000	Non-current $'000
Government of United Republic of Tanzania (on-lending arrangement from the European Investment Bank)	6.00% fixed	Jan 2022	**3,908**	**1,971**	5,902	3,908
Government of United Republic of Tanzania (on-lending arrangement from the World Bank – International Development Association)	7.10% fixed	Jan 2022	**8,032**	**6,987**	9,137	16,908
Total unsecured loans and borrowings			**11,940**	**8,958**	15,039	20,816

19 LOANS AND BORROWINGS *(continued)*

Secured loans and borrowings			2020		2019	
	Interest Rate	Maturity Date	Current $'000	Non-current $'000	Current $'000	Non-current $'000
Standard Bank	86% of Prime	Dec 2026	**6,887**	**47,826**	11,369	51,478
ABSA Bank	86% of Prime	Dec 2026	**3,665**	**25,441**	6,049	27,391
DEPFIN Investments	86% of Prime	Dec 2026	**2,443**	**16,961**	4,033	18,260
AfDB	7.40% fixed	Jun 2023	**5,561**	**-**	7,033	-
FMO	7.20% fixed	Jun 2023	**5,561**	**-**	7,033	-
IFC	7.20% fixed	Jun 2023	**5,561**	**-**	7,033	-
AfDB	Euribor + 4.50%	Nov 2025	**13,795**	**-**	15,021	-
BDEAC	8.00% fixed	Nov 2025	**4,830**	**-**	5,021	-
EIB	Euribor + 3.53%	Nov 2025	**13,565**	**-**	14,799	-
IFC	Euribor + 4.50%	Nov 2025	**18,393**	**-**	20,157	-
FMO	Euribor + 4.50%	Nov 2025	**8,277**	**-**	8,861	-
PROPARCO	Euribor + 4.50%	Nov 2025	**4,598**	**-**	4,750	-
Cameroon lenders	TIAO + 4.50%	Nov 2025	**28,040**	**-**	30,992	-
BOAD	10.25% fixed	Feb 2028	**3,983**	**26,486**	3,735	29,064
FMO	Libor + 4.75%	Feb 2028	**2,751**	**21,087**	2,864	23,242
DEG	Libor + 4.75%	Feb 2028	**2,596**	**14,758**	2,596	16,209
IFC	Libor + 4.00%	Feb 2028	**5,423**	**33,932**	5,493	37,430
EAIF	Libor + 4.75%	Feb 2028	**2,404**	**17,566**	2,329	18,824
BIO	Libor + 4.75%	Feb 2028	**1,476**	**13,066**	1,363	14,406
PROPARCO	Libor + 4.75%	Feb 2028	**4,394**	**31,399**	4,261	34,603
OFID	Libor + 4.00%	Feb 2028	**1,987**	**13,694**	1,927	15,156
BAD	Libor + 4.00%	Feb 2028	**3,177**	**22,723**	3,078	25,053
FMO	Euribor + 4.25%	Dec 2034		**17,824**		
DEG	Euribor + 4.25%	Dec 2034		**17,824**		
IFC	Euribor + 4.25%	Dec 2034		**29,600**		
EAIF	Euribor + 4.25%	Dec 2034		**17,824**		
BIO	Euribor + 4.25%	Dec 2034		**9,652**		
PROPARCO	Euribor + 4.25%	Dec 2034		**19,304**		
BOAD	6.58%	Dec 2034		**22,416**		
OFID	Euribor + 4.25%	Dec 2034		**13,835**		
BAD	Euribor + 4.25%	Dec 2034		**21,878**		
ABSA	Jibar + 3.00%	Apr 2029	**3,951**	**49,892**	3,684	56,520
ABSA	Jibar + 3.00%	May 2029	**8,156**	**102,308**	7,606	115,552
ABSA	Jibar + 3.00%	Apr 2029	**3,870**	**48,865**	3,609	55,356
Republic of Cameroon	TIAO + 2%	Sep 2032	**20,109**	**38,291**	-	50,561
Nedbank Limited	Jibar + 2.4%	Dec 2028	**451**	**5,310**	416	6,020
IDCSA	12%	Dec 2028	**464**	**5,389**	429	6,116
DFC (previously OPIC)	Libor + 2%	Sep 2031	**9,662**	**147,116**	8,064	156,778
Standard Bank	3 Month Jibar%	Dec 2028	**1,568**	**16,959**	1,248	19,358
IDC	3 Month Jibar%	Dec 2028	**672**	**7,268**	535	8,296
Nedbank Limited	Jibar + 2.4%	Dec 2028	**448**	**5,280**	414	5,985
IDCSA	12%	Dec 2028	**461**	**5,358**	426	6,081
Standard Bank	Jibar +3.9%	Mar 2031	**3,503**	**36,699**	3,200	40,779
Standard Bank	12%	Mar 2031	**677**	**6,954**	601	7,727
Standard Bank	Jibar +3.9%	Mar 2031	**799**	**8,343**	727	9,273

CDC	6%	May 2035	**2,416**	**26,105**	-	9,310
DEG	6%	May 2035	**1,515**	**16,363**	-	5,836
Malindi Minority Shareholder AEDC	12%	On demand	**1,730**	**-**	1,730	-
Chapel Hill Denham	9.07%	Sep 2028	**1,224**	**18,632**		
Chapel Hill Denham	9.07%	Jun 2021	**1,840**			
Clean Energy Limited	0.0%	Mar 2025		**2,837**		
Total secured loans and borrowings			**212,883**	**1,003,065**	202,486	870,664

All secured loans and borrowings are non-recourse to the Group and are subject to standard non-recourse project finance terms, secured on the total assets of the subsidiary to which they relate. Assets are released immediately following the maturity date of each loan.

Total loans and borrowings	**2020**		2019	
	Current	**Non-current**	Current	Non-current
	$'000	**$'000**	$'000	$'000
Unsecured loans and borrowings	**11,940**	**8,958**	15,039	20,816
Secured loans and borrowings	**212,883**	**1,003,065**	202,486	870,664
Total loans and borrowings	**224,823**	**1,012,023**	**217,525**	891,480

At 31st December 2020 the loan facilities available to the Group were:

Loan Facilities			**2020**		2019	
	Purpose	**Counterparty**	**Total facility**	**Amount drawn**	**Total facility**	**Amount drawn**
			$'000	**$'000**	**$'000**	**$'000**
Globeleq Africa Holdings Ltd	Working capital	Standard Bank	**20,000**	**-**	**20,000**	**-**

The Group also had $ 14.5m (2019: $ 7.9m) of bonds in issue under a Barclays $ 30.0m facility, to cover new projects and office rental.

20 LEASES

The Group has lease contracts for various items of plant, machinery, vehicles, land and other equipment used in its operations. Leases of land generally have lease terms of at least fifteen years, while leases of plant and machinery generally have lease terms between three and fifteen years; motor vehicles and other equipment generally between three and five years and leases of office and residential buildings between three and five years. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group does not have lease contracts that include extension and termination options. However, the Group has lease contracts that have variable lease payments linked to revenue, which are further discussed below.

The Group also has certain leases of motor vehicles and residential buildings with lease terms of twelve months or less and leases of office equipment with low value. The Group applies the 'short term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Lease Liabilities – Globeleq as Lessee

	2020 $'000	2019 $'000
Maturity Analysis		
Year 1	**4,783**	4,335
Year 2	**4,671**	4,288
Year 3	**4,513**	4,292
Year 4	**4,202**	4,228
Year 5	**3,822**	3,929
Onwards	**22,806**	24,863
Total minimum lease payments	**44,797**	45,935
Less: Unearned Interest	**(13,708)**	(14,925)
Lease liabilities	**31,089**	31,010
Analysed as:		
Non-current	**28,344**	28,587
Current	**2,745**	2,423
	31,089	31,010

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

20 LEASES (continued)

Right of use assets

Cost	Land and Buildings $'000	Plant $'000	Vehicles $'000	Total $'000
At 1st January 2020	11,982	25,039	110	37,131
Additions	536		404	940
Adjustments	110	4		114
Disposals	(337)			(337)
Transfer from property, plant and equipment (1)	599	-	-	599
Exchange differences	(198)	2,402	39	2,243
Total	12,692	27,445	553	40,690

Accumulated depreciation	Land and Buildings $'000	Plant $'000	Vehicles $'000	Total $'000
At 1st January 2020	1,511	8,540	35	10,086
Charge for the year	1,475	1,275	226	2,976
Disposals	(118)			(118)
Exchange differences	26	922	23	971
Total	2,894	10,737	284	13,915

Carrying amount	Land and Buildings $'000	Plant $'000	Vehicles $'000	Total $'000
At 1st January 2020	10,471	16,499	75	27,045
At 31st December 2020	9,798	16,708	269	26,775

(1) In November 2018, Malindi Solar Group acquired land on a 99-year lease, with a subsequent option to renew. This land was classified as property, plant and equipment in 2019 but has been transferred from property, plant and equipment to right of use assets at its net carrying amount during the 2020 financial year (see note 8).

The Group leases assets including buildings, plant and equipment, and motor vehicles. The average remaining lease term is nine years.

Amounts recognised in profit and loss	Land and Buildings $'000
Depreciation expense on right-of-use assets	2,976
Interest expense on lease liabilities	2,019
Expense relating to short-term leases	535
Expense relating to leases of low value assets	1,028
Expense relating to variable lease payments not included in the measurement of the lease liability	533
Total	7,091

20 LEASES (continued)

Some of the leases for land in which the Group is the lessee contain variable lease payment terms that are linked to sales. Variable payment terms are used to link rental payments to cash flows. The breakdown of lease payments for these leased assets for the year ended 31st December 2020 is as follows:

Carrying amount	Fixed payments $'000	Variable payments $'000	Total $'000
Variable rent with minimum rent payment	164	122	286
Variable rent only	-	442	442
Total	164	564	728

A 5% increase in revenue would increase total lease payments by 1%.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Power Purchase Agreements Classified as Operating Leases

The power purchase arrangements for the Group's power generating company in Tanzania have been reported as an operating lease in accordance with IFRS 16 'Leases'. These arrangements are non-cancellable leases with a remaining term of fourteen years assuming a ten year extension of the power purchase agreement from July 2024 to July 2034. The leases include clauses which could lead to amendment of the lease rentals if certain conditions occur.

Future minimum rentals receivable under the non-cancellable operating lease as at 31st December are:

Carrying amount	2020 $'000	2019 $'000
Year 1	40,462	57,427
Year 2	29,289	63,509
Year 3	29,167	53,787
Year 4	28,644	33,459
Year 5	25,676	35,332
Onwards	231,546	23,184
Total	384,784	266,698

21 DEFERRED TAX

The deferred tax position is reflected in the statement of financial position as follows:

	2020 $'000	2019 $'000
Deferred tax assets	**52,957**	60,512
Deferred tax liabilities	**(244,433)**	(260,503)
Net deferred tax liability	**(191,476)**	(199,991)

The net deferred tax position relates to the following:

	2020 Deferred tax asset/(liability) $'000	2019 Deferred tax asset/(liability) $'000
Losses	**32,079**	48,083
Other assets (1)	**51,792**	45,529
Total assets	**83,871**	93,612
Property, plant and equipment	**(128,687)**	(146,362)
Unremitted overseas profits of subsidiaries	**(55,655)**	(45,524)
Unremitted overseas profits of associates	**-**	83
Other liabilities	**(91,005)**	(101,800)
Total liabilities	**(275,347)**	(293,603)
Net deferred tax liabilities	**(191,476)**	(199,991)

(1) Primarily relates to provisions at Boshof and Kribi.

21 DEFERRED TAX (*continued*)

Movement in temporary differences during the year:

	Accelerated tax depreciation	Tax Losses	Other assets	Unremitted overseas profits	Other liabilities	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1st January 2019	(103,871)	44,642	29,823	(26,677)	(56,805)	(112,888)
(Charged) / credited to the income statement	10,029	(21,106)	16,064	(19,124)	2,391	(11,746)
Acquired through Business Combination	(60,507)	40,964	2,579	-	(55,758)	(72,722)
Deferred tax on a cash flow hedge fair value movement recognised through equity (1)	-	-	-	-	1,925	1,925
Exchange differences on translation	7,987	(16,417)	(2,937)	360	6,447	(4,560)
At 31st December 2019	(146,362)	48,083	45,529	(45,441)	(101,800)	(199,991)
At 1st January 2020	**(146,362)**	**48,083**	**45,529**	**(45,441)**	**(101,800)**	**(199,991)**
(Charged) / credited to the income statement	**6,018**	**(12,648)**	**6,555**	**(8,081)**	**5,233**	**(2,923)**
Acquired through Business Combination	-	-	-	-	**(680)**	**(680)**
Deferred tax on a cash flow hedge fair value movement recognised through equity (1)	-	-	-	-	**5,991**	**5,991**
Exchange differences on translation	**11,658**	**(3,357)**	**(293)**	**(2,134)**	**253**	**6,127**
At 31st December 2020	**(128,686)**	**32,078**	**51,791**	**(55,656)**	**(91,003)**	**(191,476)**

(1) This $ 4.6m increase (2019: $ 1.9m increase) relates to the interest rate swaps held by De Aar, Droogfontein and Jeffreys Bay businesses.

22 TRADE AND OTHER PAYABLES

	2020		2019	
	Current	**Non-Current**	Current	Non-Current
	$'000	**$'000**	$'000	$'000
Trade payables (1)	**102,900**	-	89,450	-
Social security	**4,192**	-	2,757	-
Accruals (2)	**92,309**	-	34,318	-
Deferred and contingent consideration (3)	**505**	**31,532**	11,979	29,814
Acquisition of Subsidiary – NCI Put Option (Refer to Note 30)		**11,037**	-	-
Other payables (4)	**94,089**	-	45,630	-
Total trade and other payables	**293,995**	**42,569**	184,134	29,814

(1) 2020 includes $ 58.6m (2019: $ 35.8m) payable by Kribi, an element is due to SNH in relation to fuel delivery. $ 8.1m in Azito substantially due to amounts payable to GE with respect to the MXL2 upgrade. $ 19.5m (2019: $ 14.8m) payable by Songas to TPDC in relation to gas supply.
(2) 2020 includes $ 53.0m (2019: $ 0.0m) accruals for the construction of Azito Phase 4.
(3) $ 0.0m (2019: $ 11.7m) relates to Boshof deferred consideration, refer to note 15. $ 0.5m (2019: $ 0.5m) and $ 31.5m (2019: $ 29.8m) relate to contingent consideration payable on Malindi, QIPP assets acquisitions
(4) 2020 includes $ 10.2m (2019: $ 9.0m), $ 30.6m (2019: $ 10.6m), $ 7.1m (2019: $ 6.8m) VAT payable at Azito, Kribi and Dibamba respectively.

The terms and conditions of the trade payables are non-interest bearing and are usually settled on thirty-day terms, other payables are non-interest bearing.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS

Globeleq's principal financial assets (as defined in IAS 32) are comprised of cash, short term deposits, short term loans, trade receivables, service concession receivables, cross currency swaps and interest rate swaps. Financial liabilities comprise of trade and other payables, interest and non-interest-bearing loans and borrowings and interest rate swaps. The main purpose of these financial instruments is to raise finance for the Group's operations and investments. The benchmark rate for floating rate assets and liabilities is based on daily to six-month LIBOR and JIBAR rates. None of the Group's trade receivables or deferred income are interest bearing.

Capital Management

The Group defines capital as the total equity of the Group plus subordinated debt instruments supporting its investments in subsidiaries and associate. Globeleq's objective for managing capital is to target sustainable and appropriate risk adjusted commercial returns in support of its key objectives. The Group works towards international best practices in plant operations, business integrity, social responsibility, environment, and health and safety. Globeleq is not subject to any externally imposed capital requirements.

When selecting investments, the Group conducts appropriate levels of due diligence within established investment guideline procedures, including extensive review of all commercial and operational aspects of a target project, and detailed quantitative analysis. Investments are contractually structured to provide strong risk mitigation. The Group monitors performance by regularly measuring financial indicators such as rates of return and performance against predetermined forecast returns.

Operating Businesses

For operating businesses (subsidiaries and associates) the Group's strategy is to utilise non-recourse/limited recourse debt where appropriate to achieve a gearing ratio (net debt divided by total capital plus net debt) within a 60-80% range. This achieves the isolation of operational and financial risk at the operating business level and limits the exposure of the holding companies and the Group. In certain instances, the Group further protects equity by obtaining insurances related to political risk, including breach of contract and/or expropriation as appropriate.

The third-party debt facilities utilised are highly structured and include financial covenants which must be satisfied in order to allow distributions. The covenants include gearing ratios appropriate for the type of investment and on commercially available terms, debt service coverage ratio, debt service reserve accounts and major maintenance reserves. The total debt outstanding for the Group at 31st December 2020 was $ 1,287.1m (2019: $ 1,156.4m).

The Group satisfied all obligations under the terms of all loans and borrowings during the year with exceptions at Kribi and Dibamba where the companies were in breach of lending covenants as a result of arrears from the off-taker and were therefore in technical default. All scheduled debt service payments at Kribi and Dibamba were made in 2020 no debt payments were overdue. All third-party Kribi loans were disclosed in current loans and borrowings as 31st December 2020 and 31st December 2019, and all third-party Dibamba loans were disclosed in current loans and borrowings as at 31st December 2020 and 31st December 2019.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

Group / Holding Companies

At the Group level the intention is that a prudent level of debt is maintained to minimise the cost of capital and manage liquidity.

Foreign Currency Risk

Foreign currency risk is the risk that the Group suffers financial loss due to changes in the value of an asset or liability or in the value of future cash flows due to movements in foreign exchange rates.

The Group's exposure to foreign currency risk in part relates to Aries, Klipheuwel, Konkoonsies, Soutpan, Boshof, De Aar, Droogfontein and Jeffreys Bay in South Africa which have PPAs denominated in South African Rand. The tariff receivable under the PPAs is escalated by the South African inflation index annually, providing mitigation against depreciation of the Rand.

A portion of the debt to fund the Azito expansion project has been taken out in Central Africa Francs ('CFA') which are pegged to the Euro. Another portion of the debt to fund the Azito Phase IV expansion project has been taken out in Euro.

The debt in Dibamba and Kribi is split between CFAs and Euros. These entities receive CFAs under the PPA arrangements, and there is an agreed mechanism with the government to convert CFA to Euro in order for the entities to repay the Euro element of the debt.

Throughout the Group, intercompany lending occurs in currencies other than the functional currency of the entity providing or receiving the loan. Primarily the Group is exposed to Euro denominated loans held in USD functional currency entities. These transactions expose the Group to potential foreign currency gains and losses even though the principal value of the lending is eliminated upon consolidation.

Boshof's functional currency is the South African Rand, which has a US dollar denominated debt facility extended by the Overseas Private Investment Corporation ('OPIC'), now called U.S. International Development Finance Corporation ('DFC'). The outstanding loan as at 31st December 2020 is $ 156.8m (2019: $ 164.8m). Boshof entered into a cross-currency swap with the OPIC in June 2013. The swap matures in 2031. The fair value of the cross-currency swap asset as at 31st December 2020 is $ 73.0m (2019: $ 68.6m).

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

Currency Exposures

Foreign currency risk arises when certain transactions are denominated in a currency that is not a subsidiary's functional currency. The table below shows the Group's currency exposures that give rise to exchange rate gains and losses that are recognised in the consolidated income statement. Such exposures comprise those monetary assets and liabilities of Group subsidiaries that are not denominated in their functional currency.

Functional Currencies	**USD $'000**	**Euro $'000**	**CFA $'000**	**Others $'000**	**Total $'000**
	2020	**2020**	**2020**	**2020**	**2020**
USD	**-**	**(169,976)**	**446,988**	**(52,243)**	**224,769**
Euro	**1,715**		**-**	**239**	**1,954**
CFA	**(39)**	**181,029**	**-**	**(311)**	**180,679**
Other currencies (1)	**(157,430)**	**1**	**-**	**-**	**(157,429)**
Total	**(155,754)**	**11,054**	**446,988**	**(52,315)**	**249,973**

	2019	2019	2019	2019	2019
USD	-	387,402	10,970	5,059	403,431
Euro	(58,297)	-	-	-	(58,297)
CFA	(245)	133,198	-	(940)	132,013
Other currencies	(164,909)	7	-	-	(164,902)
Total	(223,451)	520,607	10,970	4,119	312,245

(1) Other currencies are mainly represented by ZAR.

There are no significant currency risks on cash balances held in Group subsidiaries. All Group Subsidiaries apart from eleven (2019: ten) held during the reporting period have a functional currency of USD, the same functional currency of their immediate parent entities, the exceptions being the eight (2019: eight) power projects in South Africa which were held in South African Rand, the two (2019: two) power projects in Cameroon which were held in Cameroon Central Africa CFA Franc, and one (2019: zero) power project in Nigeria which were held in Nigeria Naira.

The Group monitors the valuation of the USD closely against other currencies held by the Group. If a significant currency risk arises in the future, the Group would consider using hedging instruments which are widely and readily available.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

Interest Rate Risk

Interest rate risk is the risk that the Group suffers financial loss due to changes in the value of an asset or liability or in the value of future cash flows due to movements in interest rates.

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings and short term deposits with floating interest rates. To manage the Group's interest rate risk in relation to its borrowings (cash flow risk) it uses interest rate derivatives where necessary. When eligible these are designated as cash flow hedges. As at the 2020 year end the Group holds the following interest rate swaps to manage such risk:

(1) De Aar entered into an interest rate swap with ABSA Group ("ABSA") in November 2012. The swap currency is South African Rand and matures in 2029 with a fixed swap rate of 7.92%. The fair value of the transaction at year end was a liability of $ 6.2m (2019: $ 1.5m) and the outstanding notional loan value was $ 49.7m (2019: $ 55.3m).

(2) Droogfontein entered into an interest rate swap with ABSA in November 2012. The swap currency is South African Rand and matures in 2029 with a fixed swap rate of 7.92%. The fair value of the transaction at year end was a liability of $ 6.1m (2019: $1.5m) and the outstanding notional loan value was $ 48.4m (2019: $ 54.0m).

(3) Jeffreys Bay entered into an interest rate swap with ABSA in November 2012. The swap currency is South African Rand and matures in 2029 with a fixed swap rate of 7.99%. The fair value of the transaction at year end was a liability of $ 12.6m (2019: $ 3.3m) and the outstanding notional loan value was $ 117.0m (2019: $ 114.0m).

(4) Azito entered into an interest rate swap with the International Finance Corporation (IFC) in February 2013. The swap currency is USD and matures in 2028 with a fixed swap rate of 2.59%. The fair value of the transaction at period end was a liability of $ 17.3m (2019: $ 7.4m) and the outstanding notional loan value was $ 200.0m (2019: $ 208.7m).

(5) Azito entered into an interest rate swap with IFC in January 2020. The swap currency is EUR and matures in 2034 with a fixed swap rate of 0.8695%. The fair value of the transaction at period end was a liability of $ 10.3m (2019: $ 0.0m) and the outstanding notional loan value was $ 89.8m (2019: $ 0.0m).

(6) Aries entered into an interest rate swap with Nedbank Limited in November 2012. The swap currency is ZAR and matures in 2025 with a fixed swap rate of 9.0%. The fair value of the transaction at period end was a liability of $ 0.5 (2019: $ 0.3m) and the outstanding notional loan value was$ 3.2 (2019: $ 3.4m).

(7) Klipheuwel entered into an interest rate swap with the Standard Bank of South Africa Limited in November 2012. The swap currency is ZAR and matures in 2028 with a fixed swap rate of 9.50%. The fair value of the transaction at period end was a liability of $ 1.5m (2019: $ 0.9m) and the outstanding notional loan value was $ 8.4m (2019: $ 9.0m).

(8) Konkoonsies entered into an interest rate swap with Nedbank Limited in November 2012. The swap currency is ZAR and matures in 2025 with a fixed swap rate of 9.0%. The fair value of the transaction at period end was a liability of $ 0.5m (2019: $ 0.3m) and the outstanding notional loan value was $ 3.2m (2019: $ 3.4m).

(9) Soutpan entered into an interest rate swap with the Standard Bank of South Africa Limited in November 2012. The swap currency is USD and matures in 2024 with a fixed

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

swap rate of 8.11%. The fair value of the transaction at period end was a liability of $ 4.5m (2019: $ 1.7m) and the outstanding notional loan value was $ 36.5m (2019: $ 39.9m).

(10) Boshof entered into an interest rate swap with the OPIC (now known as DPC) in June 2013. The swap currency is ZAR and matures in 2031 with a fixed swap rate of 13.03%. The fair value of the transaction at period end was a liability of $ 14.4m (2019: $ 7.1m) and the outstanding notional loan value was $ 107m (2019: $ 117.7m).

With regards to the Group's interest rate risk on deposits, it would take an additional 25 basis points decrease in all interest rates, with all other variables held constant, to adversely impact the Group's profit before tax by $ 0.5m (2019: 26 basis points to impact by $ 0.5m).

With regards to the Group's interest rate risk on interest bearing loans and borrowings, it would take an additional 6 basis points increase in all interest rates, with all other variables held constant, to adversely impact the Group's profit before tax by $ 0.5m (2019: 7 basis points to impact by $ 0.5m).

The amount of fixed and floating rate debt of the Group is as follows:

Interest rate exposures	Fixed rate	Floating rate	No interest	Total	Weighted average interest rate	Weighted average period to full maturity
	$'000	$'000	$'000	$'000	%	Years
2020 Financial assets: Cash and short-term deposits	**131,611**	**121,506**	**117,447**	**370,564**	**1.3**	**0**
2019 Financial assets: Cash and short-term deposits	44,333	143,153	128,602	316,088	1.42	0
2020 Financial assets: Trade and other receivables	**-**	**-**	**924,930**	**924,287**	**0.0**	**0**
2019 Financial assets: Trade and other receivables	-	-	834,844	834,844	0.0	0
2020 Financial assets: Finance lease receivable	**50,279**	**-**	**-**	**50,279**	**26.20**	**12.3**
2019 Financial assets: Finance lease receivable	45,766	-	-	45,766	26.2	13.3
2020 Financial liabilities: Trade and other payables	**-**	**-**	**336,564**	**336,564**	**0.0**	**-**
2019 Financial liabilities: Trade and other payables	-	-	213,948	213,948	0.0	-
2020 Financial liabilities: Obligations under finance lease	**31,065**	**-**	**-**	**31,089**	**6.90**	**10.86**
2019 Financial liabilities: Obligations under finance lease	31,010	-	-	31,010	8.24	9.0
2020 Financial liabilities: Interest bearing loans & borrowings	**162,729**	**1,074,117**	**50,267**	**1,287,113**	**5.68**	**8.1**
2019 Financial liabilities: Interest bearing loans & borrowings	122,976	986,029	47,369	1,156,374	7.3	8.4

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

The following table reflects the maturity profile of the financial assets and (liabilities) that are subject to interest rate risk:

2020 **Financial Assets and (Liabilities): maturity profile**	**Interest bearing loans & borrowings** **$'000**	**Cash and short-term deposits** **$'000**
Due on demand	**(92,229)**	**-**
Due within one year, but not on demand	**(87,893)**	**121,506**
Due within one to two years	**(82,958)**	**-**
Due within two to three years	**(102,988)**	**-**
Due within three to four years	**(94,510)**	**-**
Due within four to five years	**(137,032)**	**-**
Due after five years	**(476,506)**	**-**
Total	**(1,074,116)**	**121,506**

2019 **Financial Assets and (Liabilities): maturity profile**	**Interest bearing loans & borrowings** $'000	**Cash and short-term deposits** $'000
Due on demand	(94,580)	-
Due within one year, but not on demand	(180,646)	143,153
Due within one to two years	(69,793)	-
Due within two to three years	(69,003)	-
Due within three to four years	(73,318)	-
Due within four to five years	(69,727)	-
Due after five years	(428,962)	-
Total	(986,029)	143,153

Liquidity Risk

Liquidity risk is the risk that the Group will not have sufficient funds to meet its liabilities. The Group monitors its risk to shortage of funds through use of cash forecasts which identify the liquidity requirements of the Group; these are produced and reviewed regularly to ensure sufficient financial headroom exists for at least a twelve-month period. It actively manages and maintains its cash flows and obtains financial support from its stakeholders should it be required.

To allow flexibility in management of short term liquidity requirements the Group entered into a revolving credit facility of $ 20.0m (2019: $ 20.0m) with Standard Bank of South Africa Limited on 18th December 2019, expiring in November 2022. Additionally, there is an open ended $ 30.0m (2019: $ 20.0m) letter of credit facility from Barclays Bank plc which was initially entered into on 23rd March 2016 and increased most recently to $ 50.0m on 28th April 2021. As at 31st December 2020 utilisation of the Standard Bank facility was $ Nil (2019: $ Nil) and utilisation of the Barclays facility was $ 14.5m (2019: $ 7.9m).

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

The following table shows projected cash outflows to service Group debt.

2020 Financial Liabilities: maturity profile	Interest bearing loans & borrowings (1) $'000	Interest rate swaps (1) (2) $'000	Cross Currency Interest rate swaps (2) $'000	Cross currency Swap $'000
Due on demand	161,284	-	-	-
Due within one year, but not on demand	184,181	21,975	4,065	-
Due within one to two years	169,767	19,505	3,814	-
Due within two to three years	180,099	14,531	3,899	-
Due within three to four years	158,439	7,577	-	-
Due within four to five years	184,641	7,354	6,592	-
Due after five years	552,735	5,323	7,794	-
Total	**1,591,146**	**76,265**	**26,164**	**-**

2020 Financial Liabilities: maturity profile	Lease obligations (1) $'000	Trade and other payables $'000
Due on demand	-	-
Due within one year, but not on demand	4,786	293,995
Due within one to two years	4,668	31,531
Due within two to three years	4,513	-
Due within three to four years	4,202	-
Due within four to five years	3,822	11,038
Due after five years	22,806	-
Total	**44,797**	**336,564**

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

2019 Financial Liabilities: maturity profile	Interest bearing loans & borrowings (1) $'000	Interest rate swaps (2) $'000	Cross Currency Interest rate swaps (2) $'000	Cross currency Swap $'000
Due on demand	120,701	-	-	-
Due within one year, but not on demand	150,321	6,860	5,650	1,543
Due within one to two years	160,182	7,079	4,940	1,190
Due within two to three years	147,366	5,179	4,357	816
Due within three to four years	129,510	2,360	-	-
Due within four to five years	107,740	3,094	6,346	954
Due after five years	519,766	1,262	6,846	901
Total	1,335,586	25,834	28,139	5,404

2019 Financial Liabilities: maturity profile	Lease obligations (1) $'000	Trade and other payables $'000
Due on demand	-	-
Due within one year, but not on demand	4,335	184,134
Due within one to two years	4,288	29,814
Due within two to three years	4,292	-
Due within three to four years	4,228	-
Due within four to five years	3,929	-
Due after five years	24,863	-
Total	45,935	213,948

(1) All financial liabilities described in this table are non-recourse to the wider Group except for the Shareholder loans.

(2) The total interest rate and cross currency interest rate swap liabilities above are greater than the liabilities shown on the face of the balance sheet. This is because the interest rate swap asset on the balance sheet includes offset for a number of liabilities. In each instance a legal right of set-off exists as the assets and liabilities relate to the same derivative contract.

Credit Risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on their obligations under the contract. This includes any cash amounts owed to the Group by those counterparties, less any amounts owed to the counterparty by the Group where a legal right of set-off exists.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

The Group's primary exposure is to performance at its operating businesses:

(1) Approximately 88% (2019: 85%) of Songas' reported revenue relates to transactions between Songas and TANESCO; 6% (2019: 7%) from Tanzania Portland Cement Company Limited ('TPCC') and 6% (2019: 8%) from Pan African Energy Tanzania Limited.

In the event TANESCO does not make remittances within terms, Songas is automatically released from its obligations, and has the right to draw from a government funded liquidity facility maintained with a reputable commercial bank equal to approximately four months equivalent of subordinated obligations. As at the date of writing the liquidity facility is unfunded and Songas is exposed to the extent of its delivered but unpaid supplies.

At 31st December 2020, before adjusting for expected credit losses under IFRS 9, TANESCO owed Songas a total of $ 41.7m (2019: $ 44.3m), $ 35.4m (2019: $ 35.7) of which was overdue.

In excess of $ 71.6m (2019: $ 94.0m) was received from TANESCO during the year. This has enabled Songas to continue to meet its debts as and when they fall due and maintain an adequate level of cash at the project level.

When payment is delayed for thirty days or more supply of gas may be stopped and/or the sales agreement terminated.

Taking into account the economic importance of the provision of electricity, the recent history of payments and the recovery of historical balances, Management considers there is adequate mitigation against credit risk.

(2) Azito receives tariff payments under a Concession Agreement with the Ivorian State from CI Energie. CI Energie is a privately owned company incorporated in the Ivory Coast holding, a concession allowing it to operate the transmission and distribution infrastructure in Côte d'Ivoire in return for a fee from the State. CI Energie collects payments from retail customers and remits revenue to the State.

Strong collections continued through 2020 and no trade receivables are due for more than sixty days as at 31st December 2020 (2019: nil).

(3) Kribi receives its revenue payments under a PPA with ENEO. ENEO is a privately owned company incorporated in Cameroon and is now owned by the partnerships which are together known as Actis Energy 3 ('Actis Energy 3'). Before adjusting for expected credit losses under IFRS 9, the total owed at 31st December 2020 is $ 155.5m which has deteriorated from $ 128.3m since 2019. A repayment plan with ENEO was signed in 2020.

(4) Dibamba receives its revenue payments under a Tolling Agreement with ENEO, and at 31st December 2020 was owed $ 31.6m before adjusting for expected credit losses under IFRS 9 (2019: $ 44.0m). A repayment plan with ENEO was signed in 2020.

(5) Boshof, Klipheuwel, Aries, Konkoonsies, Soutpan, De Aar, Droogfontein and Jeffreys Bay receive revenue payments under a PPA with the national utility company ('Eskom'). Eskom is a public limited liability company incorporated in South Africa and wholly owned by the South African Government. Invoices have been settled on time since the first invoices issued by project companies in early 2014 and this has continued to be the case in 2021 despite the Covid-19 pandemic.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

Power Generation and Distribution Businesses

Counterparty credit exposures arise in the normal course of operations as a result of the potential for a customer defaulting on their payable balance. The Group has a limited number of customers to which it provides services in return for revenue, and credit risk is managed by analysing credit worthiness and financial strength during the negotiation of PPAs and during the life of the contract. Where the creditworthiness of the customer is deemed to be below standards, various contractual agreements and structures are negotiated (such as letters of credit, liquidity facilities, government guarantees and political risk insurance) to provide the required credit support.

Fair Value of Financial Assets and Liabilities

Financial Assets

Unquoted equity investments are included in the balance sheet at fair value. There is no material difference between the fair value and the book value of the Group's cash and cash equivalents, short term deposits, loans or trade and other receivables.

The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value and the book value of other financial assets is as follows:

	Fair value hierarchy	**2020**		2019	
		Book value $'000	**Fair value $'000**	Book value $'000	Fair value $'000
Cross-currency swap	2	**72,983**	**72,983**	69,608	69,608

The fair values are based upon:
(1) Valuation technique level 2: Interest rate curves, risk-free rates, and counterparty risk.

Financial Liabilities

The fair value and the book value of financial liabilities is as follows:

	Fair value hierarchy	**2020**		2019	
		Book value $'000	**Fair value $'000**	Book value $'000	Fair value $'000
Interest bearing loans and borrowings (1)	2	**1,236,859**	**1,267,314**	1,109,005	1,120,827
Non-interest-bearing loans and borrowings (1)	2	**50,267**	**50,267**	47,369	47,369
Loans payable to parent group companies		**-**	**-**	63	63
Interest rate swaps (2)	2	**100,537**	**100,537**	53,022	53,022

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND FINANCIAL INSTRUMENTS *(continued)*

The fair values are based upon:
(1) Valuation technique level 2: Discounting cash flows at prevailing market rates of interest.
(2) Valuation technique level 2: Interest rate curves, risk-free rates, and counterparty risk.

Interest Rate Swap Counterparties

Counterparty credit exposures in relation to interest rate swap instruments were monitored by individual counterparty and by category of credit rating. The interest rate swaps entered into by the Group's South African subsidiaries are with ABSA bank which has a credit rating of BBB, which is similar to the country's sovereign credit rating. The counterparty to the Group's other interest rate swaps are the IFC and the DFC which both have AAA credit ratings.

24 PROVISIONS

	2020			2019		
	Maintenance $'000 (1)	**Other $'000 (2)**	**Total $'000**	Maintenance $'000 (1)	Other $'000 (2)	Total $'000
Current						
At 1st January	**9,474**	**8,249**	**17,723**	80,562	658	81,220
Provided in the year	**130**	**6,362**	**6,492**	-	8,093	8,093
Utilised	**-**	**-**	**-**	(70,879)	-	(70,879)
Unused amounts reversed	**-**	**(7,786)**	**(7,786)**	-	-	-
Exchange difference	**795**	**470**	**1,265**	(784)	(51)	(835)
Reclassification	**-**	**-**	**-**	425	(425)	-
Transferred to non-current (3)	**(400)**	**(496)**	**(896)**	-	(26)	(26)
Transferred from non-current	**-**	**-**	**-**	150	-	150
At 31st December	**9,999**	**6,799**	**16,798**	9,474	8,249	17,723
Non-current						
At 1st January	**59,422**	**18,682**	**78,104**	53,669	9,293	62,962
Acquired with subsidiary	**-**	**-**	**-**	-	4,771	4,771
Provided in the year	**10,154**	**3,369**	**13,523**	6,435	964	7,399
Decommissioning provision	**-**	**-**	**-**	-	1,145	1,145
Unwinding of discount	**-**	**-**	**-**	1,735	-	1,735
Unused amounts reversed	**(229)**	**-**	**(229)**	-	-	-
Reclassification	**-**	**-**	**-**	(1,989)	1,756	(233)
Exchange difference	**6,004**	**(276)**	**5,728**	(278)	494	216
Transferred from current (3)	**400**	**496**	**896**	-	259	259
Transferred to current	**-**	**-**	**-**	(150)	-	(150)
At 31st December	**75,750**	**22,272**	**98,022**	59,422	18,682	78,104

(1) Relates to provisions recognised under IFRIC 12 for expected future maintenance which is required over the remaining life of the Azito, Dibamba and Kribi PPAs but not refunded under the existing concession agreement. Of the balance $ 8.7m (2019: $ 2.7m) relates to Azito, $ 65.2m (2019: $ 54.2m) to Kribi and $13.7m (2019: $ 11.4m) to Dibamba.
(2) Includes decommissioning provisions for the South African projects of $ 14.3m (2019: $ 13.4m). Also $ 6.3m (2019: $ 7.7m) in relation to Dibamba and Kribi tax provisions and $ 0.8m (2019: $ 0.8m) in relation to an Azito pension provision. Non-current decommissioning provision represents $3.1m provided in the year for Songas.
(3) Transfers from non-current to current represent provisions for maintenance at Dibamba.

25 COMMITMENTS

Capital Commitments entered into during the year but not provided for are as follows:

	2020 $'000	2019 $'000
Azito – Construction of Phase IV	**80.0**	189.0
Malindi – Construction of Malindi Solar Power Plant	**8.5**	39,5
Songas – Maintenance services, estimated termination fee payable	**8.0**	8.0
Total current Commitments	**96.5**	236.5

26 CONTINGENT LIABILITIES

At 31st December 2020 the Group had the following contingent liabilities incurred in the ordinary course of business, arising out of letters of credit and other transactions in respect of which in the opinion of the Directors, no material losses are expected to arise:

- The Group and its subsidiaries have entered into various letters of credit in respect of contract performance, working capital facilities, technical services and plant maintenance, in the ordinary course of business. The likelihood of utilisation is considered remote.

- During 2017, Songas received revised assessments from the Tanzania Revenue Authority ("TRA") in relation to the exchange rate used in submitting the 2010 to 2016 taxation returns totalling approximately $ 10.9m (2019: $ 10.9m). Similar to prior assessments received, these are considered wholly arbitrary and without basis and have been disputed in full. The TRA Appeals Board found in favour of Songas in March 2020 and we are awaiting final resolution with the TRA.

- In line with the previous year, there is a $ 12.3m (VAT exclusive) Pan African dispute for well workover costs incurred at the Songo Songo island gas processing plant. Songas' position remains unchanged; they had not requested the work be carried out and believes it is in contrary to the well workover and operatorship agreements between the two parties. In addition, Songas does not benefit from the increased capacity generated from the work. Therefore all costs are disputed in full.

27 PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Country of incorporation	Company	Class of share	Percentage share of results included in the financial statements 2020	2019	Principal activities
Subsidiaries					
Cameroon	Dibamba Power Development Company SA	Ordinary	**56.0%**	56.0%	Oil fired generation
Cameroon	Kribi Power Development Company SA	Ordinary	**56.0%**	56.0%	Gas fired generation
Cameroon	Globeleq Cameroon Management Services SA	Ordinary	**100.0%**	100.0%	Advisory services
Côte d'Ivoire (1)	Azito Energie SA	Ordinary	**76.9%**	76.9%	Gas fired generation
Kenya	Globeleq Kenya Limited	Ordinary	**100.0%**	100.0%	Advisory services
Kenya (1)	Malindi Solar Group	Ordinary	**90.0%**	90.0%	Solar generation
South Africa	Jeffreys Bay Wind Farm (RF) (Pty) Limited	Ordinary	**59.0%**	59.0%	Wind generation
South Africa	De Aar Solar Power (RF) (Pty) Limited	Ordinary	**56.8%**	56.8%	Solar generation
South Africa	Droogfontein Solar Power (RF) (Pty) Limited	Ordinary	**56.8%**	56.8%	Solar generation
South Africa	Globeleq South Africa Management Services (Pty) Limited	Ordinary	**80.0%**	80.0%	Advisory services
South Africa	Klipheuwel Wind Farm (RF) Pty Ltd	Ordinary	**65.0%**	65.0%	Wind generation
South Africa (2)	Aries Solar Power (RF) Pty Ltd	Ordinary	**51.0%**	70.0%	Solar generation
South Africa (2)	Konkoonsies Solar Power (RF) Pty Ltd	Ordinary	**51.0%**	70.0%	Solar generation
South Africa	Soutpan Solar Power (RF) Pty Ltd	Ordinary	**51.0%**	51.0%	Solar generation
South Africa	Boshof solar Power (RF) Pty Ltd	Ordinary	**51.0%**	51.0%	Solar generation
Tanzania	Songas Limited	Common	**-**	54.1%	Gas fired generation
United Kingdom	Globeleq Africa Ltd	Ordinary	**100.0%**	100.0%	Advisory services
Nigeria	Qua Iboe Power Company Limited	Ordinary	**85.0%**	85.0%	Gas fired generation
Nigeria (3)	Globeleq Power Solutions Limited	Ordinary	**100.0%**	0.0%	Gas Fire generation
Associates					
Kenya	Tsavo Power Company Ltd	Ordinary	**30.0%**	30.0%	Oil fired generation

(1) Globeleq owns 100% of the related operations and maintenance companies.
(2) During 2020, Globeleq sold 19% share in Konkoonsies and Aries.
(3) Acquired in the year, see note 15.

28 NON-CONTROLLING INTERESTS

Financial information of subsidiaries that have material non-controlling interests are:

Dividends paid to non-controlling interests:	**2020**	2019
	$'000	$'000
Azito	**5,770**	4,530
Songas	**4,584**	6,885
Kribi	**-**	-
Dibamba	**-**	-
Aries	**742**	483
Konkoonsies	**790**	441
Boshof	**13,744**	-
Soutpan	**1,709**	3,814
De Aar	**4,308**	6,957
Droogfontein	**3,859**	6,681
Temane	**-**	-
Malindi	**-**	-
Jeffreys Bay	**10,995**	10,994
Klipheuwel	**1,305**	429
GSAMS	**164**	191
Total	**47,970**	41,405

Profit/(loss) allocated to non-controlling interests:	**2020 $'000**	2019 $'000
Azito	**11,811**	20,504
Songas	**7,283**	10,078
Kribi	**12,901**	(10,658)
Dibamba	**6,825**	(2,142)
Aries	**479**	328
Konkoonsies	**471**	347
Boshof	**2,293**	1,019
Soutpan	**(731)**	668
De Aar	**4,218**	4,652
Droogfontein	**3,893**	4,423
Temane	**(1,689)**	-
Malindi	**(6)**	1
Jeffreys Bay	**6,184**	7,074
Klipheuwel	**(127)**	780
GSAMS	**80**	193
GPSN	**-2**	-
Total	**53,883**	37,267

28 NON-CONTROLLING INTERESTS *(continued)*

Accumulated non-controlling interests of the subsidiary:	2020 $'000	2019 $'000
Azito	**55,862**	52,301
Songas	**36,405**	33,706
Kribi	**82,086**	63,527
Dibamba	**54,639**	43,547
Aries	**16,600**	13,205
Konkoonsies	**16,556**	13,267
Boshof	**10,341**	22,879
Soutpan	**14,760**	18,599
De Aar	**79**	1,475
Droogfontein	**394**	1,666
Temane	**(1,689)**	
Malindi	**379**	386
Jeffreys Bay	**1,752**	9,432
Klipheuwel	**14,001**	15,953
GSAMS	**238**	326
GPSN	**3,133**	-
Total	**305,536**	290,269

28 NON-CONTROLLING INTERESTS *(continued)*

Summarised statements of profit and loss for 2020 based on underlying audited financial statements for the principal operating subsidiaries:

	Jeffreys Bay $'000	De Aar $'000	Droog-fontein $'000	Azito $'000	Songas $'000
Total revenue	**47,901**	**26,735**	**25,480**	**135,709**	**87,964**
Operating and maintenance	**(6,401)**	**(3,541)**	**(3,623)**	**(38,686)**	**(34,134)**
Administrative and other income / (expense)	**(7,749)**	**(3,678)**	**(3,567)**	**(908)**	**(25,484)**
Net finance (costs) / income	**(11,331)**	**(5,441)**	**(5,325)**	**(36,205)**	**(7,647)**
Profit before income tax	**22,421**	**14,075**	**12,964**	**59,909**	**20,698**
Income tax expense	**(6,414)**	**(4,016)**	**(3,690)**	**(10,165)**	**(3,951)**
Profit from continuing operations	**16,007**	**10,060**	**9,275**	**49,744**	**16,747**

	Kribi $'000	Dibamba $'000	Aries $'000	Boshof $'000	Malindi $'000
Total revenue	**95,358**	**27,821**	**5,755**	**23,365**	**42**
Operating and maintenance	**(58,058)**	**(17,504)**	**(800)**	**(2,984)**	
Administrative and other income / (expense)	**(1,565)**	**(365)**	**(997)**	**(6,369)**	**(57)**
Net finance (costs) / income	**4,031**	**9,178**	**(1,175)**	**(16,019)**	**(62)**
Profit before income tax	**39,765**	**19,130**	**2,783**	**(2,007)**	**(77)**
Income tax benefit / (expense)	**(14,981)**	**(7,228)**	**(835)**	**7,556**	
(Loss)/ profit from continuing operations	**24,784**	**11,902**	**1,947**	**5,549**	**(77)**

	Klipheuwel $'000	Soutpan $'000	Konkoonsies $'000
Total revenue	**8,297**	**13,313**	**5,822**
Operating and maintenance	**(2,146)**	**(2,107)**	**(754)**
Administrative and other income / (expense)	**(1,767)**	**(2,242)**	**(990)**
Net finance costs	**(2,657)**	**(8,495)**	**(1,179)**
Profit before income tax	**1,728**	**469**	**2,899**
Income tax expense	**(589)**	**(169)**	**(865)**
Profit from continuing operations	**1,139**	**300**	**2,034**

28 NON-CONTROLLING INTERESTS *(continued)*

Summarised statements of profit and loss for 2019 based on underlying audited financial statements for the principal operating subsidiaries:

	Jeffreys Bay $'000	De Aar $'000	Droog-fontein $'000	Azito $'000	Songas $'000
Total revenue	55,576	29,748	28,664	160,439	95,136
Operating and maintenance	(6,800)	(1,838)	(1,807)	(39,090)	(39,503)
Administrative and other income/ (expense)	(11,243)	(6,483)	(6,286)	(4,727)	(29,061)
Net finance (costs) / income	(13,451)	(6,422)	(6,275)	(10,043)	293
Profit before income tax	24,082	15,005	14,296	106,579	26,865
Income tax expense	(6,827)	(4,235)	(4,059)	(6,462)	(4,892)
Profit from continuing operations	17,255	10,770	10,237	100,117	21,973

	Kribi $'000	Dibamba $'000	Aries $'000	Boshof $'000	Malindi $'000
Total revenue	88,604	27,103	3,691	10,538	-
Operating and maintenance	(50,729)	(7,670)	(454)	(315)	-
Administrative and other income / (expense)	(8,867)	(3,394)	(786)	(536)	(25)
Net finance (costs) / income	(56,194)	(17,447)	(803)	(4,335)	33
Profit before income tax	(27,186)	(1,408)	1,648	5,352	8
Income tax expense	7,228	(315)	(555)	(3,271)	-
(Loss)/profit from continuing operations	(19,958)	(1,723)	1,093	2,081	8

	Klipheuwel $'000	Soutpan $'000	Konkoonsies $'000
Total revenue	6,788	9,075	3,704
Operating and maintenance	(658)	(924)	(404)
Administrative and other income / (expense)	(1,410)	(1,773)	(784)
Net finance costs	(2,019)	(3,894)	(785)
Profit before income tax	2,701	2,484	1,731
Income tax expense	(472)	(1,122)	(574)
Profit from continuing operations	2,229	1,362	1,157

28 NON-CONTROLLING INTERESTS *(continued)*

Summarised balance sheets as at 31st December 2020 based on underlying audited financial statements for the principal operating subsidiaries:

	Jeffreys Bay $'000	De Aar $'000	Droog-fontein $'000	Azito $'000	Songas $'000
Current assets	**28,514**	**17,328**	**17,507**	**225,259**	**36,051**
Non-current assets	**117,944**	**54,154**	**52,605**	**548,389**	**139,306**
Current liabilities	**(15,629)**	**(7,659)**	**(7,397)**	**(165,005)**	**(52,683)**
Non-current liabilities	**(143,698)**	**(68,070)**	**(66,525)**	**(396,906)**	**(35,066)**
Net assets	**(12,868)**	**(4,248)**	**(3,810)**	**211,736**	**87,609**

	Kribi $'000	Dibamba $'000	Aries $'000	Boshof $'000	Malindi $'000
Current assets	**203,296**	**65,400**	**3,829**	**27,578**	**6,134**
Non-current assets	**346,444**	**77,080**	**13,245**	**189,963**	**51,436**
Current liabilities	**(296,725)**	**(47,361)**	**(1,877)**	**(20,169)**	**(15,573)**
Non-current liabilities	**(138,857)**	**(14,560)**	**(13,886)**	**(178,931)**	**(42,468)**
Net assets	**114,158**	**80,559**	**1,312**	**18,441**	**(472)**

	Klipheuwel $'000	Soutpan $'000	Konkoonsies $'000
Current assets	**7,138**	**12,295**	**3,835**
Non-current assets	**24,308**	**58,746**	**13,160**
Current liabilities	**(2,843)**	**(7,028)**	**(1,868)**
Non-current liabilities	**(30,913)**	**(62,323)**	**(13,927)**
Net assets	**(2,309)**	**1,690**	**1,200**

28 NON-CONTROLLING INTERESTS *(continued)*

Summarised balance sheets as at 31st December 2019 based on underlying audited financial statements for the principal operating subsidiaries:

	Jeffreys Bay $'000	De Aar $'000	Droog-fontein $'000	Azito $'000	Songas $'000
Current assets	30,687	15,684	15,500	181,114	72,890
Non-current assets	133,540	62,430	60,752	372,457	117,010
Current liabilities	(11,751)	(5,778)	(5,718)	(73,156)	(52,354)
Non-current liabilities	(149,671)	(74,625)	(72,616)	(224,268)	(56,522)
Net assets	2,805	(2,289)	(2,082)	256,147	81,024

	Kribi $'000	Dibamba $'000	Aries $'000	Boshof $'000	Malindi $'000
Current assets	176,663	40,313	3,924	55,689	6,988
Non-current assets	222,096	72,200	14,831	196,198	16,393
Current liabilities	(341,122)	(62,965)	(1,293)	(16,764)	(8,649)
Non-current liabilities	(17,109)	-	(15,611)	(193,075)	(15,146)
Net assets	40,528	49,548	1,851	42,048	(414)

	Klipheuwel $'000	Soutpan $'000	Konkoonsies $'000
Current assets	9,507	14,280	3,883
Non-current assets	26,929	62,861	14,726
Current liabilities	(2,411)	(5,565)	(1,167)
Non-current liabilities	(33,084)	(66,459)	(15,648)
Net assets	941	5,117	1,794

29 RELATED PARTY TRANSACTIONS

During the current, and prior year, the Group conducted transactions with the following related parties which are not members of the Group:

- Globeleq Limited is the current sole Shareholder, itself owned by CDC and Norfund. The Group provided advisory services to Globeleq Limited during the year and Globeleq Limited provided a shareholder loan to the Group.
- CDC is a current Shareholder of Globeleq Limited. CDC provided short term loan facilities and credit guarantees to certain Group subsidiaries and associates.
- CDC has provided a direct loan of $ 28.5m on an arms-length basis to the Malindi solar project. The interest rate is 6% with a maturity date of May 2035.

The financial impact of transactions between the Group and related parties who are not members of the Group for the periods discussed above is as follows:

		2020		2019
	Incomes booked by the Group	**Expenses incurred by the Group**	Incomes booked by the Group	Expenses incurred by the Group
	$'000	**$'000**	$'000	$'000
Income statement				
CDC	**30**	**-**	30	-
Globeleq Limited	**-**	**4,500**	-	3,864
Total	**30**	**4,500**	30	3,864

	Net receivable/ (payable) $000	Net receivable/ (payable) $000
Balance sheet		
CDC – long term	**68**	38
Globeleq Limited	**(50,267)**	(47,369)
Total (net)	**(50,199)**	(47,331)

Remuneration of Key Management Personnel

Key Management personnel numbered sixteen individuals as at 31st December 2020 (2019: twelve, including direct reports to the Chief Executive Officer. The amounts in relation to remuneration of key Management personnel are as follows:

	2020	2019
	$'000	$'000
Short-term employee benefits	**5,792**	6,795
Post-employment benefits	**173**	185
Total remuneration	**5,965**	6,980

30 OTHER RESERVES

	2020 $'000	2019 $'000
Contributed capital on interest free loans	**75,576**	75,576
Acquisition of Subsidiary- NCI Put Option (1)	**(11,037)**	-
Total other reserves	**64,539**	75,576

(1) In accordance with the Shareholder Agreement dated 24th December 2020 entered into in connection with the acquisition of Globeleq Power Solutions Limited, Clean Energy Holdings Limited is entitled to exercise a put option over its 24% shareholding in Globeleq Power Solutions Limited and any associated shareholder loans for a ninety-day period from 1st April 2025. The fair value of the put option liability has been recognised within non-current liabilities with this corresponding entry in other reserves.

31 POST BALANCE SHEET EVENTS

In February 2021 Kribi and Dibamba paid a total of XAF 5bn ($ 9m) in settlement of the disputed tax notices from the Cameroon Tax Administration. See note 4b.

In April 2021 the existing Barclays bond facility was increased from $ 30.0m to $ 50.0m.

On 30th July the business reached financial close on the refinancing of three South African assets, Jeffreys Bay, De Aar and Droogfontein.

On 2nd August the 66 MW ARC solar project at Benban in Egypt was acquired by the Globeleq Group.

Company information

Registered No. 55574

Current Directors

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Stephen Ramsay	Executive Director
Ian Coxon	Executive Director

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Stephen Ramsay

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