30 September, 2021

Africa Opportunity Fund Limited
("AOF" or the "Company", or the "Fund")
Half Yearly Report for the Six Months ended 30 June 2021

The Board of Directors of Africa Opportunity Fund Limited is pleased to announce its unaudited results for the 6 month period to 30 June 2021. The full half yearly report for the period ended 30 June 2021 will be sent to shareholders and will be available soon on the Company's website: www.africaopportunityfund.com.

Highlights:

- AOF's Ordinary share net asset value per share of US$0.988 as at 30 June 2021, generating a total return of 59% (including redemption proceeds) from the 31 December 2020 net asset value per share of US$0.622.
- As at 30 June 2021, AOF's investment allocation for its Ordinary Shares was all equities.
- AOF's Ordinary Shares net asset value per share as at 17 September 2021 was US$1.012.
- AOF's Ordinary Shares declared an annual dividend per share of $0.0096 for 2020.
- AOF mandatorily redeemed 39.84 million shares for an aggregate consideration of $7.2 million in June 2021.

Manager's Commentary:

Market Conditions

AOF's total return in H1 2021 was 59%. As a reference, during this period in USD the S&P rose 16%, Brazil rose 10%, Russia rose 22%, India rose 9%, and China rose 4%. In Africa, South Africa rose 15%, Egypt rose 1%, Kenya rose 19%, and Nigeria fell 5%. Three Africa-focused exchange traded funds – the Lyxor ETF (PAF FP), the DBX MSCI Africa Top 50 (XMAF LN), and Van Eck Africa Index (AFK US), rose, respectively, 1%, 6%, and 7%.

Ordinary Shares Portfolio Highlights

AOF made progress realizing and distributing the proceeds from its less liquid portfolio holdings during H1 2021. The Covid-19 pandemic and the global outbreak of national lockdowns account for the sharp market declines of H1 and the depreciation of many African currencies. The Zambian kwacha depreciated by 23% against the US Dollar, the Botswana Pula by 10%, and the Kenyan shilling by 5% to cite a few examples. The Fund sold its entire holdings of Misr Duty Free Shops, Sonatel, Standard Chartered Bank Ghana's ordinary shares, Zimplats, and debt of African Bank. Except for the African Bank disposal pursuant to a redemption, all the disposals were made in the market. The worst and best disposals took place in the natural resource's portfolio, in response to the 38% fall of Brent Crude from $66 to $41 and the 18% rise in gold to $1781 at the end of June.

The remaining holdings of the Fund are, as a generalization, illiquid. Three of them accounted for 68% of the Fund's H1 losses. Some commentary on them is in order. We intend to pursue a combination of block trades plus the occasional corporate transaction to effect an orderly realization of the remaining portfolio.

Enterprise Group's shares gained 26% in H1. It released its annual report and its Q1 and Q2 2021 results. Q2 was the first full quarter of Enterprise's Nigerian foray. As a new life assurance operation, Enterprise Nigeria will experience much higher operating and commission expenses and life liabilities than premium growth. For example, the change in life fund liabilities rose 81% from Q1 to Q2 even as net investment income rose only 47% over that period. Group returns on assets and equity will decline for the next few years, until Nigeria's premium growth catches up with its expense and liability growth rate. There is also the unexpected emergence of the Delta variant of Covid-19 in Ghana impairing the ability of its agents to write new business. Operating expenses, Q2-on-Q2, rose 55% versus a 29% increase in net insurance premia in the same period. From a valuation perspective, Enterprise bears all the stigmata of a financial institution distrusted by the stock market, its funders, and its regulators. Its equity trades on a P/B of 0.49x, a Price to Embedded Value (alone) of 0.62x, a P/E of 3.5x, and a dividend yield of 3.5%

Letshego's H1 2021 total return was 33%. It reported respectable results for the 2020 Covid-19 pandemic year. Its fully diluted earnings per share declined 17% to 26 thebe, placing Letshego, at the end of Q1, on a P/E ratio of 2.7x, a P/B ratio of 0.3x, and a net dividend yield of 15%. The profit payout ratio corresponding to this dividend is 44%, but the comprehensive income payout ratio (incorporating the effects of foreign exchange translation losses) was 68%. Crucially, though, the dividend payout for H2 2020, and going forward, was 50% of net profit. Return on average equity was 13%, down from 17% in 2019 and return on average assets was 5%. Its operating income before impairment and taxes fell 19% despite a 9% rise in its gross loans book. Regrettably, its effective corporate tax rate increased from 36.2% in 2019 to 38.9%. However, although employee costs rose 8%, overall costs were flat, year-on-year.

There are disturbing trends in Letshego's costs that bear close scrutiny. Its operating costs, as a % of average gross advances, need to be reduced from the current 10%. Letshego's cost to income ratio of 50% is a harbinger of higher cost to income ratios in the next few years. In fact, management expressed the view on its results call that Letshego's cost to income ratio would top out around 52% before declining to the mid-40s range. The ostensible reason is a 5-year $50 million digital capex program. Previous management justified rising cost to income ratios on the grounds of expanding across Africa and described those costs also as "investment". If a snapshot is taken of Letshego's 2020 gross loan book, interest revenue per loan was 23.6%, non-funded revenue per loan was 1.9%, interest expense per loan was 6.5% (while interest expense per deposit and borrowings was 11.4%), and operating expenses per loan was 10% to give a net pre-credit loss and tax surplus per loan of 9%.

Letshego faces the challenges of lowering expenses, credit costs, and taxes over the next few years so it can pass some of those savings to its customers by slashing the revenue per loan. Currently, Letshego remains vulnerable to lower cost competitors, and, worse, a high-cost structure also limits its capacity to shield borrowers from the scourge of financial distress. Reports have begun to emerge of competitors in markets like Kenya, aided by artificial intelligence-informed algorithms, plunging their borrowers into practical insolvency. We shall be monitoring these trends.

On the positive side, Letshego's grant of loans via the digital route (principally WhatsApp) soared from 1% at the beginning of 2020 to 69% at the end of December. Ghana became the first market outside Southern Africa to earn more than 100 million Pula in profit before tax and grant more than 1 billion Pula of gross loans. Its new digital platform is being tested in pilot in Nigeria and Botswana. Development financial institutions and depositors continued to increase their share of Letshego's funding, thus extending the term of its funding and lowering slightly its cost of borrowed funds. Importantly, Letshego's liquidity and capital positions remain strong. The efficiency of its digital investment program will have to be scrutinized. Nevertheless, its rapid effort to become a digital first financial institution is in the right direction. The troubling trends notwithstanding, we believe that Letshego's results do not justify its low valuation. It deserves a rerating.

First Mutual Properties garnered a lot of interest in Q2. Average daily trading volume rose 640% from Q1 to Q2. Perspective is in order, though, since average daily value traded remained less than $100,000. First Mutual went from a deeply illiquid share to a less illiquid share. The Fund's property holdings preserve purchasing power in the long run in an economy suffering from foreign currency shortages and hyperinflation. 2021 is a relatively decent year for the Zimbabwean economy. Hyperinflation is receding as annual inflation declined from 349% in January to 107% in June. In the wake of good rains, Zimbabwe expects to be self-sufficient in maize, curbing its import needs. However, Zimbabwe's economy remains in distress, as evidenced by the widening gap between the official exchange rate and its so-called "parallel rate". To account conservatively for this widening trend in the valuation of our Zimbabwe holdings, we use an internally calculated Dollar exchange rate based on the inflation rate differentials between the USA and Zimbabwe. Our methodology implied an exchange rate of ZWL 156/$ versus an official exchange rate of ZWL 85/$ and parallel rates that ranged between ZWL 120/$ and ZWL 142/$ at the end of June 2021.

Strategy

The Fund is in the process of realizing its holdings. One distribution wase made during H1 2021 in the form of compulsory share redemptions worth a total of $7.2 million. The portfolio is now comprised of less liquid holdings and we are looking to the next 1 year to effectuate a realizing of the remaining portfolio.

On Behalf of the Investment Manager, Africa Opportunity Partners LLC.

Responsibility Statements:

The Board of Directors confirm that, to the best of their knowledge:

a. The financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

b. The Interim Investment Manager Report, and Condensed Notes to the Financial Statements include:

   i. a fair review of the information required by DTR 4.2.7R (indication of important events that have occurred during the first six months and their impact on the financial statements, and a description of principal risks and uncertainties for the remaining six months of the year); and

   ii. a fair review of the information required by DTR 4.2.8R (confirmation that no related party transactions have taken place in the first six months of the year that have materially affected the financial position or performance of the Company during that period).

Per Order of the Board

30 September, 2021

AFRICA OPPORTUNITY FUND LIMITED
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	Notes	For the period ended 30 June 2021	For the period ended 30 June 2020
		USD	USD
Income			
Net gains on investment in subsidiaries at fair value through profit or loss	6(a)	**9,437,363**	-
		9,437,363	-
Expenses			
Net losses on investment in subsidiaries at fair value through profit or loss	6(a)	**-**	3,149,501
Management fee		**149,395**	405,569
Custodian fees, brokerage fees and commissions		**-**	18,900
Other operating expenses		**44,590**	78,111
Directors' fees		**35,000**	8,750
Audit and professional fees		**67,228**	34,433
		296,213	3,695,264
Total comprehensive income/(loss) for the period		**9,141,150**	(3,695,264)

AFRICA OPPORTUNITY FUND LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30 June 2021	30 June 2020
		USD	USD
ASSETS			
Cash and cash equivalents	8	**39,604**	31,057
Other receivables and prepaids	7	**1,257**	70,180
Loan receivable from related party	7	**116,675**	11,387
Investment in subsidiaries	6(a)	**24,557,221**	19,271,879
Total assets		**24,714,757**	19,384,503
EQUITY AND LIABILITIES			
LIABILITIES			
Trade and other payables	10	**221,833**	111,726
Total liabilities		**221,833**	111,726
Net assets attributable to shareholders		**24,492,924**	19,272,777
Ordinary share capital		247,878	350,062
Share premium		6,440,920	13,553,259
Retained earnings		17,804,126	5,369,456
Total equity		**24,492,924**	19,272,777
Net assets value per share:			
- Ordinary shares		0.988	0.551

AFRICA OPPORTUNITY FUND LIMITED
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	Share Capital	**Share Premium**	**Retained Earnings**	**Total**
	USD	**USD**	**USD**	**USD**
At 1 January 2021	350,062	13,553,258	8,662,976	22,566,296
CAPITAL TRANSACTIONS:				
Redemption of ordinary shares	(102,184)	(7,112,338)	-	(7,214,522)
OPERATIONS:				
Total comprehensive income for the period	-	-	9,141,150	9,141,150
At 30 June 2021	**247,878**	**6,440,920**	**17,804,126**	**24,492,924**

AFRICA OPPORTUNITY FUND LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	For the period ended 30 June 2021	For the period ended 30 June 2020
	USD	USD
Operating activities		
Total comprehensive income/(loss0 for the period	**9,141,150**	(3,695,264)
Adjustment for non-cash items:		
Unrealised (gain)/loss on investment in subsidiaries at		
fair value through profit or loss	**(9,437,363)**	3,149,501
Cash used in operating activities	**(296,213)**	(545,763)
Net changes in operating assets and liabilities		
Proceeds from investment in subsidiaries at fair value through profit or loss	**7,453,896**	25,466,628
Repayment of loan receivable from related party	**(33,346)**	-
Increase/(decrease) in trade and other receivables	**6,259**	(3,476)
Decrease/(increase) in trade and other payables	**74,016**	(222,772)
Net cash generated from operating activities	**7,500,825**	25,240,380
Financing activities		
Redemption of ordinary shares	**(7,203,973)**	(24,000,000)
Dividend Payment	**-**	(766,627)
Cash used in financing activities	**(7,203,973)**	(24,766,627)
Net increase/(decrease) in cash and cash equivalents	**639**	(72,010)
Cash and cash equivalents at 1 January	**38,965**	103,067
Cash and cash equivalents at 30 June	**39,604**	31,057

1. GENERAL INFORMATION

Africa Opportunity Fund Limited (the "Company") was launched with an Alternative Market Listing "AIM" in July 2007 and moved to the Specialist Funds Segment "SFS" in April 2014.

Africa Opportunity Fund Limited is a closed-ended fund incorporated with limited liability and registered in Cayman Islands under the Companies Law on 21 June 2007, with registered number MC-188243. The Company is exempted from registering with CIMA under the Private Funds Act of the Cayman Islands given that it is listed on the Specialist Funds Segment of the London Stock Exchange which is approved by CIMA.

The Company aims to achieve capital growth and income through investment in value, arbitrage, and special situations investments in the continent of Africa. The Company may therefore invest in securities issued by companies domiciled outside Africa which conduct significant business activities within Africa. The Company has the ability to invest in a wide range of asset classes including real estate interests, equity, quasi-equity or debt instruments and debt issued by African sovereign states and government entities.

The Company's investment activities are managed by Africa Opportunity Partners Limited, a limited liability company incorporated in the Cayman Islands and acting as the investment manager pursuant to an Amended and Restated Investment Management Agreement dated 12 February 2014.

To ensure that investments to be made by the Company and the returns generated on the realisation of investments are both effected in the most tax efficient manner, the Company has established Africa Opportunity Fund L.P. as an exempted limited partnership in the Cayman Islands. All investments made by the Company are made through the limited partnership. The limited partners of the limited partnership are the Company and AOF CarryCo Limited. The general partner of the limited partnership is Africa Opportunity Fund (GP) Limited. Africa Opportunity Fund Limited includes 100% of Africa Opportunity Fund (GP) Limited.

The financial statements for the Company for the half year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Directors on **27 September 2021.**

Presentation currency

The financial statements are presented in United States dollars ("USD"). All figures are presented to the nearest dollar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied from the prior period to the current period for items which are considered material in relation to the financial statements.

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

The Company satisfies the criteria of an investment entity under IFRS 10: Consolidated Financial Statements. As such, the Company does not consolidate the entities it controls. Instead, its interest in the subsidiaries has been classified as fair value through profit or loss and measured at fair value. This consolidation exemption has been applied prospectively and more details of this assessment are provided in Note 4 "significant accounting judgements, estimates and assumptions." The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention except for financial assets and financial liabilities measured at fair value through profit or loss. The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on management's knowledge of current events and actions, actual results ultimately may differ from those estimates. In additional to the following: All assets including the investment in subsidiaries have been assessed for impairment regardless of whether any indicators for impairment were identified; and all possible liabilities that might arise from the winding up of the Company have been accrued for. Following the assessment, no assets were identified which were subject to impairment. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

As the entity is not a going concern due to the limited life, the directors have considered an alternative basis of preparation but believe that IFRS as a basis for preparation best reflects the financial position and performance of the entity. The carrying value of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment and changes which have occurred since the year end and consideration has been given to whether any additional provisions are necessary as a result of the decision to deregister. It is expected that all assets will realise at least at the amounts at which they are included in the statement of financial position and there will be no material additional liabilities.

The Company presents its statement of financial position in order of liquidity.

The Company's financial statements include disclosure notes on the Master Fund, Africa Opportunity Fund L.P given that the net asset value of the Master Fund is a significant component of the Investment in subsidiaries of the Company. These additional disclosures are made in order to provide the users of the financial statements with an overview of the Master Fund performance.

Foreign currency translation

(i) Functional and presentation currency

The Company's financial statements are presented in USD which is the functional currency, being the currency of the primary economic environment in which both the Company operates. The Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is USD. The Company chooses USD as the presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of the exchange ruling at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Classification

The Company classifies its financial assets and liabilities in accordance with IFRS 9 into the following categories:

(i) Financial assets and liabilities at fair value through profit or loss

For the Company, financial assets classified at fair value through profit or loss upon initial recognition include investment in subsidiaries.

Investment in subsidiaries

In accordance with the exception under IFRS 10 Consolidated Financial Statements, the Company does not consolidate subsidiaries in the financial statements. Investments in subsidiaries are accounted for as financial assets at fair value through profit or loss in accordance with IFRS 9-Financial Instruments.

Management concluded that the Company meets the definition of an investment entity as it invests solely for returns from capital appreciations, investment income or both, and measures and evaluates the performance of its investments on a fair value basis. Accordingly, consolidated financial statements have not been prepared.

(ii) Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost comprise 'trade and other receivables' and 'cash and cash equivalents in the statement of financial position.

(iii) Other financial liabilities

This category includes all financial liabilities, other than those classified as fair value through profit or loss. The Company includes in this category amounts relating to trade and other payables and dividend payable.

(b) Initial Recognition

The Company recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised directly on the trade date, i.e., the date that the Master Fund commits to purchase or sell the asset.

(c) Initial measurement

Financial assets and liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Derivatives embedded in other financial instruments are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself classified as held for trading or designated at fair value though profit or loss. Embedded derivatives separated from the host are carried at fair value.

Financial assets at amortised cost and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus or minus any directly attributable incremental costs of acquisition or issue.

(d) Subsequent measurement

The Company measures financial instruments which are classified at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets and liabilities at fair value through profit or loss. Interest earned elements of such instruments are recorded separately in 'Interest revenue'.

Financial assets at amortised costs are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Determination of fair value

The Company measures it investments in subsidiaries at fair value through profit or loss at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measured is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible. An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 6.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets and 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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets measured at amortised cost. When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the entity would expect to receive, taking into account cash flows from credit enhancements. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At the reporting date, the trade and other receivables and cash and cash equivalents are de minimis. As a result, no ECL has been recognised as any amount would have been insignificant.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Net gain or loss on financial assets and liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as ‘at fair value through profit or loss’ and excludes interest and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of prior year’s unrealised gains and losses for financial instruments which were realised in the reporting period.

Shares that impose on the Company, an obligation to deliver to shareholders a pro-rata share of the net asset of the Company on liquidation classified as financial liabilities

The shares are classified as equity if those shares have all the following features:

(a) It entitles the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation.

The Company's net assets are those assets that remain after deducting all other claims on its assets. A pro rata share is determined by:

(i) dividing the net assets of the Company on liquidation into units of equal amount; and
(ii) multiplying that amount by the number of the shares held by the shareholder.

(b) The shares are in the class of instruments that is subordinate to all other classes of instruments. To be in such a class the instrument:

   (i) has no priority over other claims to the assets of the Company on liquidation, and
   (ii) does not need to be converted into another instrument before it is in the class of instruments that is subordinate to all other classes of instruments.

(c) All shares in the class of instruments that is subordinate to all other classes of instruments must have an identical contractual obligation for the issuing Company to deliver a pro rata share of its net assets on liquidation.

In addition to the above, the Company must have no other financial instrument or contract that has:

(a) total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company (excluding any effects of such instrument or contract); and

(b) the effect of substantially restricting or fixing the residual return to the shareholders.

The shares that meet the requirements to be classified as a financial liability have been designated as at fair value through profit or loss on initial recognition.

Dividend expense

Dividend expense relating to equity securities sold short is recognised when the shareholders' right to receive the payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments applied for the first time in 2020, they did not have a material impact on the financial statements of the Company.

3.1. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. The Company would adopt these standards, if applicable, when they become effective. No early adoption of these standards and interpretations is intended by the Board of Directors.

	Effective for accounting period beginning on or after
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Reference to the Conceptual Framework - Amendments to IFRS 3	1 January 2022
Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16	1 January 2022
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IAS 41 Agriculture - Taxation in fair value measurements	1 January 2022
Amendments to IFRS 16 Covid-19 Related Rent Concessions	1 June 2020

The above standards and interpretations issued but not effective are not expected to have material impact on the Company.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Going concern

In June 2019, the Directors convened an Annual General Meeting and an Extraordinary General Meeting where the following was passed:

- Ordinary resolution that the requirement of the Company to propose the realisation opportunity be and is hereby waived.
- Ordinary resolution that the continuation of the existence of the Company be and is hereby approved.
- The text set out under "New Investing Policy" in paragraph 2 of Part III of the Company's circular to Shareholders dated 5 June 2019 (the "Circular") be and is hereby adopted as the new investment policy of the Company;
- The terms of the Amended and Restated Investment Management Agreement (as defined in the Circular) be and are hereby approved;
- The memorandum and the articles of association in the form initialled by the Chair of the meeting be adopted as the memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association; and
- Any variation to the rights attaching to the Ordinary Shares in the Company pursuant to the adoption of the new memorandum and articles of association, and in particular the right for the Company to redeem the Ordinary Shares (including any redemptions made of 15 per cent. or more of the Company's issued share capital), be and is hereby approved.

Below is a brief synopsis of the "New Investing Policy" as per the Company's Circular dated 5 June 2019:

For a period of up to three years following the Extraordinary General Meeting (the "Return Period"), the Company will make no new investments (save that it may invest in, or advance additional funds to, existing investments within the Company's portfolio to maximise value and assist in their eventual realisation). The Company will adopt the New Investment Policy whereby the Company's existing portfolio of investments will be divested in a controlled, orderly and timely manner to facilitate a staged return of capital. It should be appreciated that there is no time horizon in terms of the implementation of the New Investment Policy. Although the Company's portfolio is comprised of largely liquid equity holdings, the Company has some illiquid investments and it may take the Investment Manager some time to realise these. Shareholders will be provided with an opportunity to reassess the investment policy and distribution policy at the end of the Return Period. To that end, a further ordinary resolution for the Company's continuation will be proposed at an extraordinary general meeting to be convened at the end of the Return Period (the "Second Continuation Vote"). Subsequent to the disposal of the investments, the Company will be liquidated, which indicates that it will no longer be a going concern. IAS 1 - Presentation of Financial Statements and IAS 10 - Events after the reporting period require that the financial statements should not be prepared on a going concern basis if management determines that it intends to liquidate the entity. The directors have considered an alternative basis of preparation but believe that International Financial Reporting Standards ("IFRS") as a basis for preparation best reflects the financial position and performance of the Company.

Other than financial assets at fair value through profit or loss, the carrying value of the remaining assets, which were determined in accordance with the accounting policies, have been reviewed for any possible impairment, and consideration has been given to whether any additional provision is necessary as a result of the Directors' intention to wind up the Company at the end of the Return Period that is in June 2022. It is expected that all assets will realise at least at the amounts at which they are presented in the statement of financial position and that there will be no material additional liabilities. It should be noted that due to events after finalisation of the interim financials, the final amounts to be received could vary from the amount shown in the statement of financial position due to circumstances which arise subsequent to preparation of the financial statement and these variations could be material.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

Assessment for an investment entity

An investment entity is an entity that:

(a) Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
(b) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
(c) Measures and evaluates the performance of substantially all of its investments on a fair value basis.

An investment entity must demonstrate that fair value is the primary measurement attribute used. The fair value information must be used internally by key management personnel and must be provided to the entity's investors. In order to meet this requirement, an investment entity would:

- Elect to account for investment property using the fair value model in IAS 40 Investment Property
- Elect the exemption from applying the equity method in IAS 28 for investments in associates and joint ventures, and
- Measure financial assets at fair value in accordance with IFRS 9.

In addition, an investment entity should consider whether it has the following typical characteristics:

- It has more than one investment, to diversify the risk portfolio and maximise returns;
- It has multiple investors, who pool their funds to maximise investment opportunities;
- It has investors that are not related parties of the entity; and
- It has ownership interests in the form of equity or similar interests.

The Board considers that the Company meets the definition of an investment entity as it invests solely for returns from capital appreciations, investment income or both, and measures and evaluates the performance of its investments in subsidiaries on a fair value basis. In addition, the Company has more than one investor and the major investors are not related parties of the Company. The Company also has an exit strategy given that it is a limited life entity, realising its investments at the end of the Return Period of 3 years as per the 'New Investment Policy'. Accordingly, consolidated financial statements have not been prepared. IFRS 10 allows the application of this change to be made prospectively in the period in which the definition is met. IFRS 10 Consolidated Financial Statements provides 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measures the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments.

Assumptions and Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of mathematical models.

Fair value of financial instruments

The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy.

The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data. An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 6.

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety as provided in Note 6. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. To assess the significance of a particular input to the entire measurement, the Company performs sensitivity analysis or stress testing techniques.

5. AGREEMENTS

Investment Management Agreement

Effective 1 July 2019, the Company and the Investment Manager have, upon the approval of the Reorganisation Resolution at the EGM in June 2019, entered into the Amended and Restated Investment Management Agreement which amends the fees payable to the Investment Manager as follows:

Management fees

The management fee shall be reduced to 1 per cent of the Net Asset Value per annum for the first two years of the Return Period (the period of up to three years following the EGM held in June 2019) and then further reduced to 0 per cent in the last year of the Return Period.

The Investment Manager's entitlement to future performance fees (through AOF CarryCo Limited) will be cancelled and AOF CarryCo Limited's limited partnership interest in the Limited Partnership will be transferred to the Company for nominal value in the last year of the Return Period, that being 2022.

Realisation fees

The Investment Manager shall be entitled to the following realisation fees during the Return Period from the net proceeds of all portfolio realisations (including any cash returned by way of a Compulsory Redemption):

On distributions of cash to Shareholders where the applicable payment date is on or prior to 30 June 2020: 2 per cent of the net amounts realised.

On distributions of cash to Shareholders where the applicable payment date is 1 July 2020 or later: 1 per cent of the net amounts realised.

The revisions to the arrangements with the Investment Manager, constitute a related party transaction under the Company's related party policy, and in accordance with that policy, the Company was required to obtain: (i) the approval of a majority of the Directors who are independent of the Investment Manager; and (ii) a fairness opinion or third-party valuation in respect of such related party transaction from an appropriately qualified independent adviser.

The management fee for the financial period under review amounts to **USD 149,395** (2020: USD 405,569) of which **USD 32,500** (2020: USD 99,585) relates to accrued realisation fees and the performance fees for the financial period under review was nil (2020: nil).

Administrative Agreement

SS&C Technologies is the Administrator for the Company. Administrative fees are expensed at the Master Fund level and have been included in the NAV of the subsidiary.

Custodian Agreement

A Custodian Agreement has been entered into by the Master Fund and Standard Chartered Bank (Mauritius) Ltd, whereby Standard Chartered Bank (Mauritius) Ltd would provide custodian services to the Master Fund and would be entitled to a custody fee of between 18 and 25 basis points per annum of the value of the assets held by the custodian and a tariff of between 10 and 45 basis points per annum of the value of assets held by the custodian. The custodian fees are expensed at the Master Fund level and have been included in the NAV of the subsidiary.

Prime Brokerage Agreement

Under the Prime Brokerage Agreement, the Master Fund appointed Credit Suisse Securities (USA) LLC as its prime broker for the purpose of carrying out the Master Fund's instructions with respect to the purchase, sale and settlement of securities. Custodian fees are expensed at the Master Fund level and have been included in the NAV of the subsidiary.

Brokerage Agreement

Under the Broker Agreement revised during 2016, the Master Fund appointed Liberum, a company incorporated in England to act as Broker to the Company. The broker fee is payable in advance at six-month intervals. The broker fees are expensed at the Master Fund level and have been included in the NAV of the subsidiary.

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

6(a). Investment in subsidiaries at fair value

The Company has established Africa Opportunity Fund L.P., an exempted limited partnership in the Cayman Islands to ensure that the investments made and returns generated on the realisation of the investments made and returns generated on the realisation of the investments are both effected in the most tax efficient manner. All investments made by the Company are made through the limited partner which acts as the master fund. The limited partners of the limited partnership are the Company and AOF CarryCo Limited. The general partner of the limited partnership is Africa Opportunity Fund (GP) Limited. Africa Opportunity Fund Limited hold 100% of the Africa Opportunity Fund (GP) Limited.

	2021
	USD
Investment in Africa Opportunity Fund L.P.	**24,553,680**
Investment in Africa Opportunity Fund (GP) Limited	**3,541**
Total investment in subsidiaries at fair value	**24,557,221**
Fair value at 01 January	**22,584,303**
Distribution income*	**(7,464,445)**
Net gain on investment in subsidiaries at fair value	**9,437,363**
Fair value at 30 June 2021	**24,557,221**

*"Distribution income" relates to the distribution of cash to the Company from Africa Opportunity Fund L.P. in order to enable the Company to pay expenses, compulsory redemptions and dividends.

6(b). Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted) market prices in active markets for identical assets and 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.

Note: The assets and liabilities of the Master Fund have been presented but do not represent the assets and liabilities of the Company as the Master Fund has not been consolidated.

	30 June 2021	Level 1	Level 2	Level 3
COMPANY		**USD**	**USD**	**USD**
I nvestment in subsidiaries	24,557,221	-	24,557,221	-
MASTER FUND				
Financial assets at fair value through profit or loss				
Equities	24,360,497	10,771,030	13,589,467	-
Debt securities	161,102	161,102	-	-
	24,521,599	10,932,132	13,589,467	-

The valuation technique of the investment in subsidiaries at Company level is as follow:

The Company's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Given that there has been no such adjustments made to the NAV of the underlying subsidiaries and given the simple structure of the subsidiaries investing principally in quoted funds, the Company classifies these investment in subsidiaries as Level 2.

The valuation techniques of the investments at master fund level are as follows:

Equity and debt securities

These pertain to equity and debt instruments which are quoted for which there is a market price. As a result, they are classified within level 1 of the hierarchy except for the valuation of listed on the Zimbabwe Stock Exchange which have been classified as level 2 given that their quoted share price has been discounted as at 30 June 2021 as follows:

Valuation of investments listed on the Zimbabwe Stock Exchange

Since June 2020, the Zimbabwe authorities suspended Old Mutual shares from the Zimbabwe Stock Exchange, necessitating the Company to devise an alternative transparent discount factor rather than continuing the Old Mutual Implied rate. The new discount factor is based on the official Zimbabwe Dollar exchange rate at the end of June 2019, when the Zimbabwe Dollar, became the sole legal tender in Zimbabwe, modified by the inflation differential between Zimbabwe and the United States captured in their respective monthly Consumer Price Indices (the US Consumer Price Index is that for urban consumers), then adjusted by the proportion of export proceeds that must be surrendered by Zimbabwean exporters to the Zimbabwe Reserve Bank. The initial surrender requirement was 20% of export proceeds, but the Company uses a 5% surrender requirement to reflect subsequent exemptions from this surrender requirement granted to some export industries. This discount factor changes every month. The consequence of applying this discount factor is that the Zimbabwe Dollar prices of the Company's investments listed on the Zimbabwe Stock Exchange were converted into US Dollars, on June 30, 2021 at a rate of ZWL 156.81 versus an official Zimbabwe exchange rate of ZWL 85.42. The discount rate applied at June 30, 2021 was 45.53% and the fair value of the Zimbabwe investments recorded in the books of the Master Fund was USD 9,963,667.

Unquoted debt and equity investments

African Leadership University ("ALU") is a network of tertiary institutions, currently with operations in both Mauritius and Rwanda. The Investment Manager valued ALU on the basis of an observable arms-length transaction between an existing shareholder selling a portion of their shares and an unaffiliated third party. The economics of this transaction were agreed to in December 2020, and thus were utilized as the basis of the valuation as at 30 June 2021.

6(c). Statement of Comprehensive Income of the Master Fund for the period from 1 January 2021 to 30 June 2021

The net gains on investments in subsidiaries at fair value through profit or loss for the period from 1 January 2021 to 30 June 2021 amounted to USD 9,437,363, and net losses on investments in subsidiaries at fair value through profit or loss for the period from 1 January 2020 to 30 June 2020 amounted to USD 3,149,501 arising at the Master Fund and can be analysed as follows:

	For the period ended 30 June 2021
	USD
Income	
Interest revenue	39,820
Dividend revenue	306,306
Other income	-
Net gains on financial assets and liabilities at fair value through profit or loss	9,289,279
Net foreign exchange gain	48,475
	9,683,880
Expenses	
Custodian fees, brokerage fees and commission	38,056
Other operating expenses	49,869
	87,925
Operating gain before tax	9,595,955
Less withholding tax	(17,976)
Total Comprehensive gain for the period	9,577,979
Attributable to:	
AOF Limited (direct interests)	9,436,261
AOF Limited (indirect interests through AOF (GP) Ltd)	1,102
	9,437,363
AOF CarryCo Limited (minority interests)	140,616
	9,577,979

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(i) Net gains/(losses) on financial assets and liabilities at fair value through profit or loss held by Africa Opportunity Fund L.P.

	For the period ended 30 June 2021	For the period ended 30 June 2020
	USD	USD
Net gains/(losses) on fair value of financial assets at fair value through profit or loss	**9,289,279**	(4,741,144)
Net gains on fair value of financial liabilities at fair value through profit or loss	-	1,172,214
Net (losses)/gains	**9,289,279**	(3,568,930)

(ii) Financial asset and liabilities at fair value through profit or loss held by Africa Opportunity Fund L.P.

	For the period ended 30 June 2021	For the period ended 30 June 2020
	USD	USD
Held for trading assets:		
At 1 January	**19,480,476**	38,372,508
Additions	**-**	212,755
Disposal	**(4,248,156)**	(15,760,495)
Net (losses)/gains on financial assets at fair value through profit or loss	**9,289,279**	(4,741,144)
At 30 June (at fair value)	**24,521,599**	18,083,624
Analysed as follows:		
- Listed equity securities	**20,734,697**	14,778,432
- Listed debt securities	**161,102**	155,590
- Unlisted equity securities	**3,625,800**	2,361,193
- Unlisted debt securities	**-**	788,409
	24,521,599	18,083,624

Other receivables, cash at bank and other payables are not included above.

(iii) Net changes on fair value of financial assets at fair value through profit or loss

	For the period ended 30 June 2021	For the period ended 30 June 2020
	USD	USD
Realised	(1,295,832)	(3,230,197)
Unrealised	10,585,111	(1,510,947)
Total gains/(losses)	9,289,279	(4,741,144)

(iv) Net changes on fair value of financial liabilities at fair value through profit or loss

	For the period ended 30 June 2021	For the period ended 30 June 2020
	USD	USD
Realised	-	1,209,326
Unrealised	-	(37,112)
	-	1,172,214

7. OTHER RECEIVABLES

	30 June 2021	30 June 2020
	USD	USD
Amounts due from Africa Opportunity Fund L.P.	116,675	78,930
Other receivables	183	-
Prepayments	1,074	2,637
	117,932	81,567

8. CASH AND CASH EQUIVALENTS

	30 June 2021	30 June 2020
	USD	USD
Other bank accounts	39,604	31,057

9(a). ORDINARY SHARE CAPITAL

	30 June 2021	**30 June 2021**	30 June 2020	30 June 2020
	Number	**USD**	Number	USD
Authorised share capital				
Ordinary shares with a par value of USD 0.01	**1,000,000,000**	**10,000,000**	1,000,000,000	10,000,000
Issued share capital				
Ordinary shares with a par value of USD 0.01	**24,787,758**	**247,878**	35,006,160	350,062

The directors have the general authority to repurchase the ordinary shares in issue subject to the Company having funds lawfully available for the purpose. However, if the market price of the ordinary shares falls below the Net Asset Value, the directors will consult with the Investment Manager as to whether it is appropriate to instigate a repurchase of the ordinary shares.

9(b). NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	Ordinary Shares
	USD
At 1 January 2021	**22,566,296**
Changes during the period:	
Total comprehensive income for the period	9,141,150
Redemption of ordinary shares	(7,214,522)
At 30 June 2021	**24,492,924**
Net asset value per share at 30 June 2021	**0.988**

10. TRADE AND OTHER PAYABLES

	30 June 2021	30 June 2020
	USD	USD
Directors Fees Payable	**17,500**	-
Other Payables	**204,333**	111,726
	221,833	111,726

Other payables are non-interest bearing and have an average term of six months.

11. EARNING PER SHARE

The earnings per share is calculated by dividing the decrease in net assets attributable to shareholders by number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

The Company's diluted earnings per share are the same as basic earnings per share, since the Company has not issued any instrument with dilutive potential.

		Period from 1 January 2021 to 30 June 2021	Period from 1 January 2020 to 30 June 2020
		Ordinary shares	Ordinary shares
\Change in net assets attributable to shareholders	USD	\ 9,141,150	(3,695,264)
Number of shares in issue		24,787,758	35,006,160
Change in net assets attributable to shareholders per share	USD	0.369	(0.106)

12. ANALYSIS OF NAV OF MASTER FUND ATTRIBUTABLE TO ORDINARY SHARES

12(a). STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	30 June 2021
ASSETS	
Cash and cash equivalents	853,233
Trade and other receivables	225,154
Financial assets at fair value through profit or loss	24,521,599
Total assets	25,599,986
EQUITY AND LIABILITIES	
Liabilities	
Trade and other payables	474,296
Due to AOF Ltd	116,675
Total liabilities	590,971
Net assets attributable to shareholders	25,009,015

The earnings per share is calculated by dividing the decrease in net assets attributable to shareholders by number of shares outstanding

13. TAXATION

Under the current laws of Cayman Islands, there is no income, estate, transfer sales or other Cayman Islands taxes payable by the Company. As a result, no provision for income taxes has been made in the financial statements.

14. SEGMENT INFORMATION

For management purposes, the Çompany is organised in one main operating segment, which invests in equity securities, debt instruments and relative derivatives. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

15. PERSONNEL

The Company did not employ any personnel during the period (2018: the same).

16. COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies at the reporting date.

17. SIGNIFICANT EVENTS

MANDATORY REDEMPTION

The Directors, at their sole discretion, can effect a compulsory redemption of the Ordinary Shares on an ongoing basis and will therefore undertake a staged return of capital to shareholders. On 24 May 2021, the Board of Directors of Africa Opportunity Fund Limited approved the mandatory redemption of 10,218,402 Ordinary shares. On 1 June 2021, the mandatory redemption was completed and AOF redeemed the 10,218,402 Ordinary Shares, on a pro rata basis, at the prevailing NAV per Ordinary Share of $0.705 as at 30 April 2021. Such shares were cancelled automatically following their redemption. Fractions of shares produced by the applicable redemption ratios have not been redeemed and so the number of shares redeemed in respect of each shareholder has been rounded down to the nearest whole number of shares. Payments of redemption proceeds were effected either through Euroclear or Clearstream (in the case of shares held in uncertificated form) or by cheque (in the case of shares held in certificated form) on or around 7 June 2021. Following the Mandatory Redemption, the Company has 24,787,758 Ordinary Shares in issue. As a result of the Mandatory Redemption described above, Robert Knapp and Myma Belo-Osagie, Directors of the Company now hold 4,001,616 and 33,117 Ordinary Shares, respectively. The redemption was funded through proceeds received from realising the assets of the Company.

During the year ended 31 December 2020, the Directors approved 2 partial mandatory redemptions of the Company's Ordinary Shares. On 10 March 2020, the Board of Directors of Africa Opportunity Fund Limited approved the mandatory redemption of 30,278,230 Ordinary shares. On 16 March 2020, the mandatory redemption was completed and AOF redeemed the 30,278,230 Ordinary Shares, on a pro rata basis, at the prevailing NAV per Ordinary Share of $0.611 as at 29 February 2020. On 22 June 2020, the Company redeemed another 9,565,216 ordinary shares, on a pro rata basis, at the prevailing NAV per Ordinary Share of $0.5750 as at 31 May 2020.

COVID-19 PANDEMIC

The Board of Directors and Investment Manager continue to assess the impact of the recent outbreak of a novel and highly contagious form of coronavirus ("Covid-19"), which the World Health Organization has officially declared a pandemic. Covid-19, has resulted in numerous deaths across the globe, adversely impacted global commercial activity, interrupted normal business and social activities and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel, restrictions on imports and exports, and the closure of offices, businesses, schools, retail stores and other public venues. Businesses, including the Investment Manager and key vendors of the Company are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of Covid-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. The impact of Covid-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As Covid-19 continues to spread, the impacts, including a potential global, regional or other economic recession, are increasingly uncertain and difficult to assess. Public health emergencies, including outbreaks of Covid-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the Company, including the fair value of its investments.

The Directors consider the emergence of the Covid-19 pandemic to be a non-adjusting post balance sheet event and hence any future impact is likely to be in connection with the assessment of the fair value of investments at future valuation dates. The Fund's portfolio of investments may see a range of impacts due to Covid-19, the specifics of which will depend on a variety of factors, including geographic location, industry sector, the effectiveness of governmental actions and country specific infection rates, amongst others. The Board and the Investment Manager are actively working towards assessing and minimizing risks to the Fund’s portfolio, however, given the degree of uncertainty around the potential future course of Covid-19, it is not possible to accurately quantify the future impact on the portfolio at this.

Except as stated above, there are no other events after the reporting date which require amendments to and/or disclosure in these financial statements.

18. LIFE OF THE COMPANY

The Company does not have a fixed life but, as stated in the Company’s admission document published in 2007, the Directors consider it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, Shareholders passed an ordinary resolution at an extraordinary general meeting of the Company on 28 February 2014 that the Company continues in existence.

In June 2019, the Directors convened an Annual General Meeting and an Extraordinary General Meeting where the following was passed:

Ordinary resolution that the requirement of the Company to propose the realisation opportunity be and is hereby waived.

- Ordinary resolution that the continuation of the existence of the Company be and is hereby approved.
- The text set out under "New Investing Policy" in paragraph 2 of Part III of the Company's circular to Shareholders dated 5 June 2019 (the "Circular") be and is hereby adopted as the new investment policy of the Company;
- The terms of the Amended and Restated Investment Management Agreement (as defined in the Circular) be and are hereby approved;
- The memorandum and the articles of association in the form initialled by the Chair of the meeting be adopted as the memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association; and
- Any variation to the rights attaching to the Ordinary Shares in the Company pursuant to the adoption of the new memorandum and articles of association, and in particular the right for the Company to redeem the Ordinary Shares (including any redemptions made of 15 per cent. or more of the Company's issued share capital), be and is hereby approved.

In summary, shareholders voted to give AOF three years during which the Investment Manager will realize the portfolio in an orderly manner and distribute the proceeds to the shareholders.

A brief synopsis of the “New Investing Policy” is below: (Please review the Company’s Circular dated 5 June 2019 for a detailed and comprehensive description of the Policy):

For a period of up to three years following the EGM (the "Return Period"), the Company will make no new investments (save that it may invest in, or advance additional funds to, existing investments within the Company's portfolio to maximise value and assist in their eventual realisation). The Company will adopt the New Investment Policy whereby the Company's existing portfolio of investments will be divested in a controlled, orderly and timely manner to facilitate a staged return of capital.

It should be appreciated that there is no time horizon in terms of the implementation of the New Investment Policy. Although the Company's portfolio is comprised of largely liquid equity holdings, the Company has some illiquid investments and it may take the Investment Manager some time to realise these.