

**AFRICA OPPORTUNITY FUND LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**The Company**

Africa Opportunity Fund Limited (“AOF” or the “Company”) is a Cayman Islands incorporated closed-end investment company traded on the Specialist Fund Segment (“SFS”) of the London Stock Exchange (“LSE”). AOF’s net asset value as at 31 December 2024 was \$13.8 million (2023: \$9.9 million) and its market capitalisation was \$7.5 million (2023: \$5.9 million).

**Investing objective**

The investing objective of the Company is to earn superior returns by investing in businesses that it believes can flourish in Africa and, in doing so, aiding capital formation and the mobilisation of savings with the intention of growing wealth and productivity in Africa’s economies. The Company may invest in equity, quasi-equity or debt instruments, debt issued by African sovereign states and government entities, and real estate interests.

The Directors and Africa Opportunity Partners LLC (the “Manager”) believe in the long-term attractiveness of investing in Africa, and that the holdings of the Company require a long-term perspective to realise full value and that maintaining an active investment approach will maximise long-term value.

**Summary of Investment Strategy and Investment Policies and Restrictions****New investment policy (Effective 15 July 2024)**

A change in investment strategy was deemed necessary due to the Directors’ and Shareholders’ determination that the Company should reestablish itself as a “going concern” with an indefinite life as opposed to the prior status during the liquidation phase as a “not going concern” with a finite life. Consistent with the 15 July 2024 adoption of the New Investment Policy as approved at the Company’s extraordinary general meeting (“EGM”), the Directors considered it to be in the best interests of the Company and its shareholders to terminate the liquidation strategy adopted effective 1 July 2019 and that the Company’s investment policy be changed to generate capital growth and income through value investments in the continent of Africa. The Company’s investments will be focused on industries and companies that the Investment Manager believes have scope for substantial profitable growth with the capacity to thrive even in stressed macro-economic or macro-political settings. Shareholders approved the adoption of the New Investment Policy effective 15 July 2024.

The Manager adheres to the following policies and restrictions:

**Geographical focus.** The Company makes investments in companies or assets with a material portion of their value derived from or located in Africa. Such companies may be domiciled in Africa or outside Africa or, if listed, listed either on an African stock exchange or a non-African stock exchange. The geographic mix of investments varies over time depending on the relative attractiveness of opportunities among countries and regions.

**Type of investments.** The Company may invest in equity, quasi-equity debt instruments or real estate interests which may or may not represent shareholding or management control, and debt issued by African sovereign states and government entities. Investments may be made directly or through special purpose vehicles, joint venture, nominee or trust structures.

**Borrowings.** The Company may use overdraft and other short-term borrowing facilities to satisfy short-term working capital needs, including to meet any expenses or fees payable by the Company. Borrowings may be utilised for investment purposes with the prior approval of the Board. The Company has no borrowing or gearing limits in its Articles but gearing, represented by borrowings as a percentage of Net Asset Value, will not exceed 30% at the time of drawdown.

**Dividend policy**

The Company has been accepted into the UK Reporting Fund Status regime.

Upon shareholder approval at the 15 July 2024 EGM, the Company initiated a change to the dividend distribution policy. While the Company intends to continue to meet the requirements of the UK Reporting Fund Status regime, it is the current intention of the Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Company’s portfolio. However, the Directors may consider the payment of dividends (or other methods of returning net proceeds to Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of, and investment opportunities available to, the Company.

**Life of the Company**

The Company does not have a fixed life. Consistent with the 15 July 2024 adoption of the New Investment Policy as approved at the Company's EGM, the Company will no longer propose continuation votes.

## **AFRICA OPPORTUNITY FUND LIMITED**

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## **2024 Review**

### **Africa Opportunity Fund Limited Chairperson's Statement**

Africa Opportunity Fund Limited (the "Fund" or "AOF"), pursuant to the votes of a majority of its shareholders during an extraordinary general meeting in July 2024, replaced its realisation investment strategy with a renewed active investment strategy.

2024 was a pleasing year for the Fund as its net asset value rose 39% to \$1.201 per share. To provide some basis for comparison, South Africa rose 9%, Nigeria fell 16%, Kenya rose 76%, and Egypt fell 28%. In non-African emerging markets, China rose 15%, Brazil fell 30% and India rose 6%. In developed markets, Japan rose 9%, the US rose 25%, Europe rose 3%, and the UK rose 7%.<sup>1</sup> African indices and exchange traded funds ('etf') rose, respectively, by: 6% for the MSCI EFM Africa index, 5% for the S&P Africa Top 40 Index, 5% for Amundi Pan-Africa etf, 3% for XMAF LN etf, and 12% for AFK US etf.

Africa's macro-economy experienced subdued economic growth in 2024 as the cost of living rose significantly for African consumers. The UN Food and Agricultural Organization World Food Price index rose 7% in 2024. Brent crude oil fell slightly from \$77 per barrel at the end of 2023 to \$75 per barrel at the end of 2024 while the gold price rose 27%.<sup>2</sup> In the economies in which the Fund is invested sovereign debt burdens remain heavy. Natural disasters also disrupted a lot of economic activity in some of the economies. In Kenya, for example, after the withdrawal of its original 2024 Finance Bill induced by the June riots resulted in an increase in the domestic borrowing needs, Kenya experienced a rise in its debt service-to-revenue and grant ratio from 61% in December 2023 to 64% in December 2024<sup>3</sup>. This ratio will remain, on average, above 60% until the end of 2028<sup>4</sup>. At that level, the Kenya government's capacity to support the growth of Kenya's economy is severely circumscribed. The recent mutual decision of the International Monetary Fund and Kenya to replace the ninth review of Kenya's current Extended Fund Facility with a new Fund program was a sobering sign of its inability to meet the Facility's benchmarks. Nevertheless, the Fund's investment - Kenya Power - benefited from a long overdue electricity tariff increase in 2023 and an appreciation of the Kenyan shilling - illustrating the value of government policy support for cost-reflective tariffs.

Zimbabwe, as another example, suffered intense power outages and low economic growth from a severe El Nino-induced drought that sharply reduced the generation capacity of the Kariba dam and constrained agricultural production. Commercial real estate in Zimbabwe, though, remains a hedge against high inflation and an imperfect hedge against devaluations. Most tenants of Zimbabwean commercial real estate pay rentals in either Dollars or their local currency equivalent. The aggregate market capitalization of the Fund's property portfolio, in US Dollars ("Dollars"), rose 171% in spite of the 91% official devaluation of the Zimbabwean currency against Dollars<sup>5</sup>.

AOF's 2024 modest disposals took place in the Zimbabwean property portfolio in the public market.

Ghana experienced some progress on both its economic and debt restructuring fronts. At 5.7%, Ghana's GDP growth rate was solid, as its construction and mining sectors grew, 9.6% and 9.4%, respectively. The Ghana government completed 93% of its restructuring program, leaving it with the task of restructuring \$2.7 billion of debt owed to commercial bank creditors.<sup>6</sup> Debt distress stalks Ghana as it faces both large repayments and high nominal interest rates for the balance of this decade.<sup>7</sup> Its inflation rate stagnated at 23% throughout 2024. Ghana's GDP growth rate gives the Fund sufficient terrain to hunt for ignored and profitable investment targets.

1 Reference indices are calculated in US Dollars using: Nigeria NSE Allshare Index, South Africa FTSE/JSE Africa Allshare Index, Nairobi NSE Allshare Index, Egypt Hermes Index, Moex Russia Index (previously known as Russia MICEX Index), Brazil IBOV Index, the Shanghai Shenzhen 300 CSI Index, the India SENSEX Index, the S&P 500, the Stoxx Europe 600 Index, the FTSE 100 and the Nikkei 225.

2 Bloomberg.

3 Republic of Kenya, Medium Term 2025 Budget Policy Statement. Table 2, p.111.

4 IMF Kenya Country Report No. 24/316-November 2024, p. 22.

5 Zimbabwe had two local currencies in 2024. The first one was the Zimbabwe Dollar ("ZWL"). It was replaced in April by the Zimbabwe investment Gold currency (known as the "ZiG"). 6104.59 ZWL=\$1 on December 31, 2023; 2498.72 ZWL=1ZiG in April 2024. 25.8ZiG=\$1 on December 31, 2024; therefore \$1=25.82\*2498.72=64467.08ZWL=\$1.

6 Ghana 2025 Budget Speech, by Dr. Cassiel Ato Forson, MP Minister for Finance, para. 102, p. 24.

7 For example, Ghana must repay 150.3 billion Cedis representing 11.6% of its GDP in the next four years-Ghana 2025 Budget Speech, para. 64, p.15.

## **2025 Outlook**

Africa faces a global economy marked by fragmenting trade relations among the largest economies, as the United States imposes tariffs on the rest of the world. Consequently, the Fund's outlook is shrouded in high levels of uncertainty with significant downside risks. The International Monetary Fund forecast Sub-Saharan Africa's 2025 gross domestic product to rise by 3.8% while inflation continues to decline in the region.<sup>8</sup> Despite regional growth and inflation trending in the right direction, growth in GDP per capita among African countries is insufficient to stimulate a rapid decline in poverty. A major reason for that insufficiency is the low public savings ratios of African governments which constrain publicly funded investments. As one example, Nigeria has not enjoyed public savings since 2014, thus constricting the possible quantum of public investments in Africa's most populous country.<sup>9</sup> In recent years, Nigeria has taken steps to boost its public savings rate by taking the difficult action of cutting its fuel subsidies.

Nigeria, like Benin and Senegal, has joined Cote d'Ivoire and Kenya in regaining access to the Eurobond market, albeit at high real interest rates. Foreign exchange liquidity continues to improve for portfolio investors across Africa. Market valuations, as captured by indices like the MSCI EFM Africa Index, have continued their recovery from post Global Financial Crisis historical lows.<sup>10</sup> In sum, 2025 should be a year in which the market capitalisations of African companies continue to rise.<sup>11</sup> The Fund will target investments among companies that generate hard currency-denominated revenues, raise the productivity of African consumers and producers, or increase the stock of long-term domestic African financial capital.

In closing, I wish also to extend my thanks to our shareholders for their support.

**Dr. Myma Belo-Osagie**  
**Chairperson**  
**April 2025**

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<sup>8</sup> World Bank, Global Economic Prospects, January 2025, p.116; International Monetary Fund, Regional Economic Outlook Sub-Saharan Africa, October 2024, page 19.

<sup>9</sup> International Monetary Fund, 2016 Article IV Staff Report on Nigeria, Table 2, p.32, 2019 Article IV Staff Report on Nigeria, Table 1, p.41, 2021 Article IV Staff Report on Nigeria, Table 1, P36 and 2024 Article IV Staff Report on Nigeria, Table 1, p.25

<sup>10</sup> Bloomberg, MSCI EFM Africa Index (MXFMEAF Index) Price/Cash Flow multiples of 7.33x (2022), 7.73x (2023), and 9.64 (2024) .

<sup>11</sup> Bloomberg, in Dollars: Nigeria NSE Allshare Index flat at -0.7%, South Africa FTSE/JSE Africa Allshare Index up 7%, Nairobi NSE Allshare Index up 4%, and Egypt Hermes Index up 6%.

2024 marked the seventeenth full year of operation of Africa Opportunity Fund (the “Fund” or “AOF”). The NAV of its ordinary shares had an annual return of 39%. At year-end, Africa Opportunity Fund, L.P., the investment subsidiary of AOF, held \$1.5 million in cash, and \$13 million in equity securities. The Fund’s principal underlying end-of-year holdings were in Ghana, Kenya, Mauritius, and Zimbabwe.

The balance of this report will discuss a few of the Fund’s holdings.

The Fund’s Zimbabwean property holdings turned in strong returns. The Fund’s internal estimates of the Zimbabwe Dollar<sup>12</sup> declined by 87% versus a 91% implied fall of the official value of the Zimbabwe Dollar/Zimbabwe Gold against the US Dollar (“Dollar”). This property portfolio, however, rose by 171% (including disposals), in Dollars. Mashonaland Holdings’ total return soared by 392% while First Mutual Properties’ total return was up by 28%. The closing market capitalisations of Mashonaland Holdings (“Mash”) and First Mutual Properties (“FMP”) were, respectively, \$86 million and \$37 million. Mash’s investment property was valued at \$86 million at half-year while FMP’s investment property was valued at \$125 million. Consequently, Mash’s end of year stock market capitalisation approximated its book value while FMP’s capitalisation was at a 70% discount to its book value. The shares of both Mash and FMP trade on exceedingly thin volumes, making their share prices susceptible to intense volatility. That volatility is transmitted to the Fund’s net asset value, which has suffered more volatility with the sharp rise in the valuation of its Zimbabwe property portfolio. Our internally derived Zimbabwe Gold exchange rate continues to serve as a realistic and conservative rate for valuing the Fund’s Zimbabwean holdings. Zimbabwe continues to suffer from high inflation and foreign currency shortages. Nevertheless, our property holdings do preserve purchasing power in the long run. Our intent in disposing of these holdings remains to minimise the devaluation risk facing disposal proceeds.

Enterprise Group’s total return of its shares was -29% in 2024. The unrealised loss of its -10% Cedi-denominated total return was compounded by the 19% depreciation of the Cedi. Enterprise’s equity attributable to shareholders, at \$91 million<sup>13</sup>, at the end of 2024, was flat when compared to \$88<sup>14</sup> million of equity at the end of 2023. However, it was down 13% when compared against the \$104 million of equity at the end of 2021. That 13% decline was substantially better than the 58% collapse of the Cedi, against the Dollar, since December 2021. In 2024, despite the Cedi depreciating by 19% against the Dollar, Enterprise’s insurance revenues alone, in Dollars, climbed 16% to \$127 million, its comprehensive income attributable to shareholders climbed 171% to \$23 million, and its net cash from operating activities rose 46% to \$56 million. There were three major factors behind these results. Firstly, in Cedis, at 40%, 2024 versus 2023 insurance revenues grew at a higher rate than the corresponding 33% insurance expenses increase and the corresponding 15% rise in operating expenses. Secondly, there was a substantial decrease in reinsurance expenses, as Enterprise retained more of its written business, and, thirdly, a material fall in insurance finance expense as Ghana’s inflation rate declined to approximately 23% in 2024. Over the last 25 years to 2024, in Dollars, Enterprise’s insurance revenues jumped 61x, net profits attributable to shareholders was up 26x, and net cash from operating activities multiplied 28x. Enterprise had a strong year in both Cedis and Dollars. Valued on a P/E ratio of 1.15x, a dividend yield of 4.3%, and a P/B ratio of 0.29x, Enterprise’s \$27 million market capitalization is cheap<sup>15</sup>.

The Fund’s fourth largest holding is Sand Tech Holdings (“Sand”), formerly African Leadership International (“ALI”). Sand spun out ALI’s educational division in 2024. It intends to focus on growing globally its AI consulting business. Several of its consultants will be recruited from its erstwhile educational division. There was no change in the Fund’s holding in Sand in 2024.

<sup>12</sup> The Zimbabwe Dollar (“ZWL”) was withdrawn in early April 2024 and replaced by a new currency called the Zimbabwe Gold (“ZiG”), so the change in value of the ZWL entails conversion into ZiG.

<sup>13</sup> The Cedi’s value against the Dollar on 31 December 2024, 31 December 2023, 31 December 2022, 31 December 2021, and 31 December 2020 were, respectively, 14.7 Cedis, 11.95 Cedis, 10.15 Cedis, 6.18 Cedis, and 5.87 Cedis.

<sup>14</sup> This figure was erroneously reported as “\$78 million” in the AOF 2023 annual report

<sup>15</sup> Bloomberg, March 19 is the date of valuation of Enterprise

Kenya Power's shares enjoyed a total return of 371% in Dollars, as the Kenyan shilling appreciated 18% against the Dollar, from 141 Kenyan shillings ('KES') on June 30, 2023 to 129 KES by June 30, 2024 and the balance of 2024<sup>16</sup>. Kenya relies on renewable energy (geothermal, hydro, solar, and wind) for approximately 80% of its national generation capacity<sup>17</sup>. Its baseload capacity is powered by predictable renewable energy. Kenya Power swung from a loss of KES 3.19 billion (\$25 million) in the year ending June 30, 2023 to a profit of \$223 million in 2024. Its 2024 operating profit/average asset ratio was 12%, as its operating profit more than doubled from KES 19.2 billion (\$149 million) in 2022/23 to KES 41.4 billion (\$308 million) in 2023/24. The primary cause of this turn of fortunes was the KES' appreciation. 2023's unrealised foreign exchange losses of \$131 million were flipped into 2024's unrealised foreign gains of \$59 million, a swing of \$190 million. Kenya Power, despite high commercial and technical losses, continued to benefit from the tariff increases approved in April 2023 by Kenya's energy authorities plus higher amounts of sold electricity units. Power unit sales rose 2.8%<sup>18</sup> to 10,516 GWh while revenues climbed 21% to KES 231 billion (\$1.7 billion). Operating expenses rose 24% to KES 46 billion (\$341 million). Kenya Power's operating margin tripled from 5% in 2022/3 to 15% in 2023/4. The KES appreciation also lowered the KES cost of Dollar-denominated power purchases. However, Kenya Power's free cash flow fell by 80% to \$27.4 million in 2023/4, as a doubling of property, plant and equipment purchases was juxtaposed with smaller net operating cash flows (year-on-year). All of its free cash flow was applied to reduce debt. In fact, since the 2018 debt peak of \$1.248 billion, Kenya Power has applied most of its cumulative \$557 million of free cash flow to reduce its debt stock by \$531 million. Its debt stock now sits below the 2014 level of \$840 million, when its market capitalization was \$296 million. The December 2024 deadline for the Government of Kenya's undertaking to reduce the government-supported foreign currency denominated concessional debt of Kenya Power by novating that debt to Kenya Transmission Company ('Ketraco'), a wholly-owned subsidiary of the Kenya Government, as consideration for Ketraco acquiring Kenya Power's transmission assets, has been extended to June 2025.

Kenya Power continues to be hobbled by several handicaps. For example, a lot of its equipment is old and inefficient; it is vulnerable to foreign exchange losses arising from a depreciating Kenyan shilling; it has an 0.82x current ratio (negative working capital) in breach of the 1x current ratio required by its commercial bankers; and long-outstanding receivables owed by the government and other customers amount to KES 47.2 billion (\$365 million), if written off, would cut Kenya Power's shareholders equity from \$675 million to \$388 million. Yet, valued on a P/E ratio of 0.3x, a dividend yield of 3%, and a P/B ratio of 0.13x, both Kenya Power's \$98 million market capitalisation and its EV/EBITDA ratio of 1.2 are cheap<sup>19</sup>.

We shall strive to enhance the value of the Fund in this fog of doubts and uncertainty. We continue to believe that the Fund's holdings are undervalued.

**Francis Daniels**  
**Africa Opportunity Partners**  
**April 2025**

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<sup>16</sup> Bloomberg

<sup>17</sup> The Electricity Hub, Kenya Hits Pause on Renewable Energy, 15 November 2025

<sup>18</sup> Kenya Power 2023/24 Annual Report, pages 62-63.

<sup>19</sup> Bloomberg, March 24 is the date of valuation of Kenya Power.



**Investments exceeding 1% of net assets value**

As at 31 December 2024

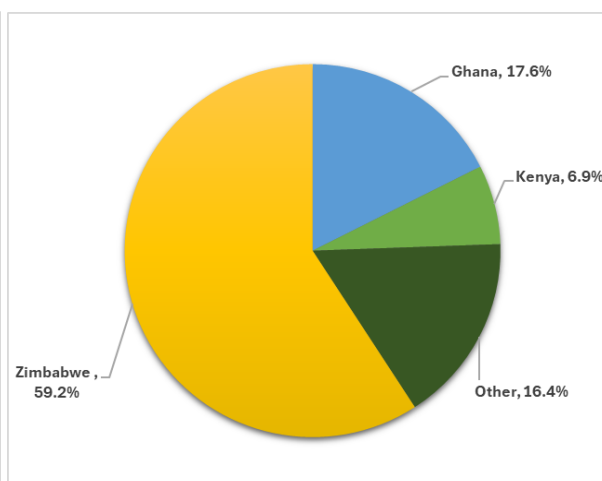
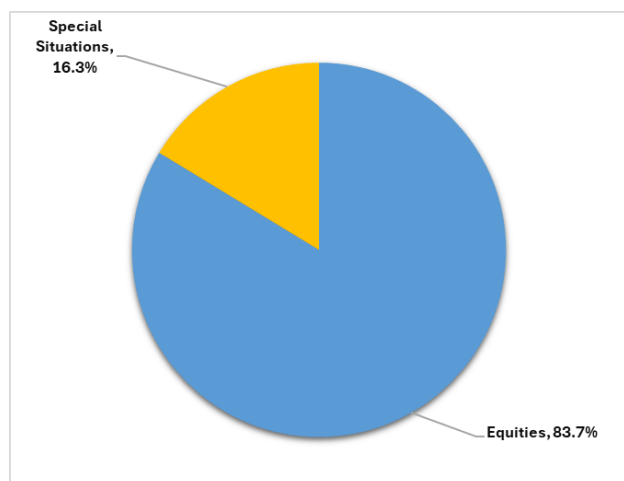
<b>Securities</b>	<b>Market Value USD</b>	<b>% of NAV</b>
Mashonaland Holdings Ltd	5,354,167	41.1%
Enterprise Group Ltd	2,286,953	17.6%
First Mutual Properties Ltd	2,249,485	17.3%
Sand Tech Holdings Limited	2,125,800	16.3%
Kenya Power & Lighting Ltd	895,734	6.9%

**Strategy and geography graphs for the investment portfolio (%'s of investment portfolio)**

As at 31 December 2024

**Strategy**

**Geographic Exposure**



**Equity by Sector**

**Investments exceeding 2% of portfolio – with cost and value information, as applicable**

As at 31 December 2024

**MASHONALAND HOLDINGS LTD**

**Instrument:** Ordinary Shares

**Listing:** Zimbabwe Stock Exchange

**Symbol:** MASH ZH

**Shares outstanding:** 1.9 billion

**Market capitalization:** 94.6 million USD

**Website:** [www.mashholdings.co.zw](http://www.mashholdings.co.zw)

**Cost of AOF's Shareholding:** US\$ 2,641,122

**Value of AOF's Shareholding:** US\$ 5,354,167

**Principal activity:** Mashonaland Holdings Limited owns commercial property in the retail and office sectors and undeveloped land, and is a property developer

**ENTERPRISE GROUP LTD**

**Instrument:** Ordinary Shares

**Listing:** Ghana Stock Exchange

**Symbol:** EGL GH

**Shares outstanding:** 170.9 million

**Market capitalization:** 23.0 million USD

**Website:** [www.enterprisegroup.net.gh](http://www.enterprisegroup.net.gh)

**Cost of AOF's Shareholding:** US\$ 6,160,649

**Value of AOF's Shareholding:** US\$ 2,286,953

**Principal activity:** Property and casualty insurance, life assurance, and ownership of commercial and mixed-use property.

**FIRST MUTUAL PROPERTIES LTD**

**Instrument:** Ordinary Shares

**Listing:** Zimbabwe Stock Exchange

**Symbol:** FMP ZH

**Shares outstanding:** 1.2 billion

**Market capitalization:** 36.9 million USD

**Website:** [www.firstmutualpropertiesinvestor.com](http://www.firstmutualpropertiesinvestor.com)

**Cost of AOF's Shareholding:** US\$ 2,364,971

**Value of AOF's Shareholding:** US\$ 2,249,485

**Principal activity:** First Mutual Properties owns commercial property in the retail and office sectors and undeveloped land and is a property developer.

**SAND TECH HOLDINGS LTD (FORMERLY AFRICAN LEADERSHIP GROUP)**

**Instrument:** Preference shares

**Listing:** Unlisted

**Website:** [www.algroup.org](http://www.algroup.org)

**Cost of AOF's Shareholding:** US\$ 762,188

**Value of AOF's Shareholding:** US\$ 2,125,800

**Principal activity:** Global AI solutions company with expertise in enterprise and industrial AI.

**KENYA POWER & LIGHTING LTD**

**Instrument:** Ordinary Shares

**Listing:** Kenyan Stock Exchange

**Symbol:** KPLC KE

**Shares outstanding:** 2.0 billion

**Market capitalization:** 72.6 million USD

**Website:** [www.kplc.co.ke](http://www.kplc.co.ke)

**Cost of AOF's Shareholding:** US\$ 3,636,864

**Value of AOF's Shareholding:** US\$ 895,734

**Principal activity:** The Kenya Power & Lighting Co. Plc engages in the transmission, distribution and retail of electricity. It operates through the following geographical segments: Nairobi, West Kenya, Coast and Mount Kenya Region. The company was founded on January 6, 1922 and is headquartered in Nairobi, Kenya.

### **Introduction**

Investment in Africa contains elements of risk. The qualitative risk disclosures section describes how the Company manages the risk of loss of capital of the Company. Loss of capital may arise from market risk, credit risk, liquidity risk, or operational risk. Market risk comprises the possibility of loss of capital arising from movements in interest rates, equity prices, or currencies against the US Dollar, the reporting currency of the Company. Credit risk, in turn, is the possibility of loss of capital of the Company arising from a failure of the issuer of a debt instrument to repay the principal or interest of that instrument in accordance with its contractual terms. Liquidity risk is the risk that the Company, even if it has adequate capital resources, does not have enough financial resources to meet its obligations as they fall due or can secure them at a high cost. Operational risk is the possibility of the Company suffering from inadequate or failed internal processes, people, systems or external events.

### **Market risk**

African capital markets have suffered from high inflation, extreme depreciations (or appreciation) of African currencies against the US Dollar, the effects of huge changes in the gross domestic product of a country because of that country's dependence on the export of one or two commodities, adverse weather conditions, epidemics, pandemics, severe power outages, unpredictable regulatory frameworks, and political disasters. It is difficult for the Company to design systems to protect itself against such potential calamities. But caution, judgment, experience, and knowledge of the political economies of the different African countries can mitigate the susceptibility of the Company to those dangers.

Where possible the Company does seek to limit its market risk. However, the menu of options is limited, as foreign exchange controls, double digit nominal interest rates, small and illiquid stock markets, prohibitions on foreign participation in local government debt markets, and the illegal nature of short selling characterise several African economies. Consequently, the Company invests where possible in a variety of investment instruments and currencies spread across the continent, and focuses upon nominal high yielding debt instruments, preferably with a real inflation-adjusted return, and undervalued equities.

Although the Company seeks to create a concentrated investment portfolio, the Company has limits on the degree of concentration of the portfolio as part of its investment strategy. The limited number of investments by the Company may result in significant exposure to specific portfolio holdings from time to time. Greater concentration of investments may lead to greater volatility in the value of the Company's investments and consequently increased volatility in the returns.

### **Credit risk**

The Company aims to minimize its credit risk. The Company, through the Manager, seeks to manage credit risk by ensuring that no single investment exceeds 15 percent of the net asset value of the Company without the prior approval of the Board. In addition, the Manager seeks to extend credit to either credit worthy issuers or issuers issuing instruments supported by adequate collateral. Currency derivatives designed to hedge the investment portfolio from adverse movements in foreign exchange rates may not perfectly hedge the cash flows of the underlying investments or may not be available. Hedging arrangements may be costly and may result in counterparty risk.

### **Liquidity risk**

The Company considers its current liquidity risk to be modest because it has sufficient financial resources to meet any obligations and has not incurred any debt. Most African stock exchanges (excepting South Africa and Egypt) are classified as "frontier markets" by the MSCI Market classification team and are characterised by high levels of illiquidity. The Manager considers the liquidity of investment positions when constructing the investment portfolio.

### **Operational risk**

The Company seeks to limit operational risks by dispersing oversight and control of its assets among different institutions with a contractual duty to check each other. The records of the Company are maintained by an administrator independent of the Manager, each director of the Manager, and each director of the Company. The assets of the Company are entrusted to custodians that are independent of the Manager and the Company's administrator. Instructions to the custodian must be in writing or via a secured portal and signed or approved by a representative of the Manager. Invoices or trade confirmations are provided to the administrator with the instructions for the disbursement of funds, in the case of expenses, by service providers to the Company or trade instructions in the case of investments. Authorised trade instructions implemented by the Manager and the custodian lead to either the receipt of securities by a custodian or the receipt of cash by a custodian when the Company sells a security. The custodian and key service providers have backup plans and offsite places to ensure an ability to conduct operations in the event of a disaster.

**Myma Adwowa Belo-Osagie (72 years)** (Non-executive chair).

Dr Belo-Osagie is a member of the New York, Ghana and Nigeria Bars. She is a practicing attorney and the former managing partner in Udo, Udoma & Belo-Osagie, a leading Nigerian corporate law firm. Dr. Belo-Osagie is a director of FSDH Merchant Bank Limited, Boston Investments Limited and several other African companies including African Fabrics BV and Ghana Airport City Development Limited. Dr. Belo-Osagie graduated from the University of Ghana with a LLB degree. Dr Belo-Osagie obtained a LLM degree and a SJD degree from Harvard Law School.

**Robert C. Knapp (59 years)** (Non-independent, non-executive director).

Mr. Knapp is a principal of Ironsides Partners LLC, a firm he founded in 2007. He worked for 10 years as a fund manager at Millennium Partners, L.P. in New York. Mr. Knapp is a director of Africa Opportunity Partners LLC, the investment manager of AOF. He is also the lead independent director of Barings BDC, Inc., an investment company listed on the New York Stock Exchange, and director of several other companies including Pacific Alliance Asia Opportunity Fund Ltd. and Veracity Worldwide LLC. Mr. Knapp specializes in emerging markets, natural resources, distressed debt, and closed end fund arbitrage. He holds a BSc degree in engineering from Princeton University and a BA degree in Philosophy, Politics, and Economics from Oxford University.

**Shingayi Stanley Mutasa (66 years)** (Non-executive director).

Mr. Mutasa is the CEO of Masawara PLC, an investment company focused on acquiring interests in companies and projects based in Zimbabwe and the southern Africa region. Mr Mutasa was previously the chairman of TA Holdings, a Zimbabwean stock-exchange listed company and is a member of the board of directors of Masawara PLC. TA Holdings is a holding company with insurance, insurance brokerage, hotels, and fertilizer operations. Mr. Mutasa graduated from University College London with a B.Sc degree in Economics.

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

### **Principal activity**

The principal activity of the Company is that of an investment company. A review of the business of the Company is set forth in the Manager's Report.

### **Results and dividend**

The net increase in assets for the period was US\$3.9 million (2023: net decrease of US\$9.3 million). The results of the Company for the year ended 31 December 2024 are set forth on page 27. Subject to market conditions, and in compliance with the Companies Law, the Company intends to calculate and notify the shareholders of the following dividend on the Ordinary Shares: an amount equal to the total comprehensive income of the Company as that expression is used in international accounting standards (excluding net capital gains (losses) in accordance with the Association of Investment Corporations Statement of Recognised Practice), such amount is not anticipated to be paid in the upcoming year.

As a Reporting Fund, the Company has an annual requirement to calculate and report to the UK investors and HMRC the reportable income per share and distributions made for each share class. The Company, as detailed in the new investment strategy, is not currently anticipating paying the dividend equal to the total reported income per share. Based on these calculations, excess reported income of \$0.000 per share was calculated for 2023. No dividends related to the 2023 calendar year were distributed in 2024 to the Ordinary Shareholders. The 2024 calculation and disclosure will occur prior to 30 June 2025.

### **Status**

The Company was incorporated with limited liability on 21 June 2007 and is registered in the Cayman Islands as an exempted company, under registration number MC-188243. As a closed-ended investment company, the Company is not regulated as a mutual fund in the Cayman Islands and is not otherwise subject to regulatory review in its place of incorporation. However, the Company is subject to the London Stock Exchange Prospectus Rules and the Disclosure and Transparency Rules as published by the London Stock Exchange from time to time.

Effective as at 31 December 2024, the total number of ordinary shares is 11,468,907 (31 December 2023: 11,468,907).

### **Subsidiary companies and affiliates**

The Company is the ultimate holding company of Africa Opportunity Fund (GP) Limited, a company incorporated in the Cayman Islands on 25 June 2007 under registration number MC-189739, and is the principal limited partner of the Africa Opportunity Fund L.P., an exempted limited partnership registered in the Cayman Islands on 25 June 2007 under registration number MC-20466 ("the Limited Partnership").

### **Share interests**

Save as set out below, pursuant to notices delivered to us by such persons, the Directors are not aware of any person, directly or indirectly, jointly or severally, interested in ten percent or more of the issued share capital of the Company:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage</b>
1. Robert Knapp	6,238,860	54.40%
2. Metage Capital	1,565,943	13.65%

## **Directors**

The present members of the board of directors are listed on page 12.

The interests (all beneficial) of the current Directors and their connected persons in the shares of the Company on 31 December 2024 are set out below:

<b>Name</b>	<b>Number of Ordinary Shares</b>	<b>Percentage</b>
Robert Knapp	6,238,860	54.40%
Francis Daniels	531,401	4.63%
Myma Belo-Osagie	15,234	0.13%

Mr. Daniels is a director of the Manager. Robert Knapp and Francis Daniels hold shares via their ownership of Africa Opportunity Partners LLC's investment in the Africa Opportunity Cayman Limited fund. Robert Knapp's interest above reflects both the individually held shares, as well as those held via the Africa Opportunity Cayman Limited fund.

## **The Manager**

Africa Opportunity Partners LLC is the Company's manager. It has been engaged under the terms of a management agreement (the "Management Agreement"), effective from 18 July 2007. Robert Knapp and Francis Daniels (the "Executive Team") are directors of the Manager and are beneficially interested in the Manager. The Management Agreement is terminable by either party on a minimum of one year's notice expiring on or at any time after the fourth anniversary of the effective date of the Management Agreement.

Effective 15 July 2024, the Company and the Investment Manager have, upon the approval of the proposal for adoption of New Investment Policy at the EGM, entered into the Amended and Restated Investment Management Agreement which amends the fees payable to the Investment Manager as follows:

### ***Management fees***

A fixed management fee equal to USD\$350,000 per annum.

### ***Performance fees***

The Investment Manager's entitlement to future performance fees (through CarryCo) was cancelled as part of the 2019 EGM Circular and CarryCo's limited partnership interest in the Limited Partnership will be transferred to the Company for nominal value. No performance fees were charged during 2024.

### ***Realisation fees***

The Investment Manager's entitlement to future performance fees (through CarryCo) was cancelled as part of the 2019 EGM Circular. No performance fees were charged during the 2024 calendar year nor has a provision for performance fees been included as part of the amended and restated investment management agreement dated 21 June 2024 and ratified at the July 2024 EGM.

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.

Details of fees paid and payable can be found in Note 12 in the Notes to the Financial Statements.

## **Corporate Governance**

### **Corporate Governance Statement**

The Company is not required to comply with the UK Corporate Governance Code (the "UK Code") published by the Financial Reporting Council as it is listed on the Specialist Fund Segment ("SFS") of the LSE, and SFS listings are not deemed premium LSE listings requiring compliance. The Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance (the "AIC Code").

The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Board recognises that reporting the principles of the AIC Code (which incorporates the Corporate Governance Code), will provide better information to the Shareholders.

There is no applicable regime of corporate governance which directors of a Cayman Island company must adhere to over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Cayman Island law. However, the directors recognise the value of both the AIC Code and the UK Code issued by the Financial Reporting Council and will take appropriate measures to ensure that the Company complies with policies and procedures which reflect those principles of Good Governance and Code of Best Practice as far as is practicable and to the extent appropriate given the Company's size, assets, liabilities, and other relevant information.

The UK Code includes provisions relating to:

- The role of the Chief Executive;
- Remuneration of Executive Directors;
- Annual re-election of Directors with tenure in excess of nine years; and
- The necessity for an internal audit function.

As an externally managed investment company, the Board considers these provisions to not be relevant to the Company, particularly as the day-to-day management and administration functions are outsourced to third parties. As such, the Company has not reported further on these provisions.

Since all Directors are non-executive, the principles of the UK Code in respect of executive directors' remuneration are not applicable. Additionally, as there are no direct employees, the Board has no necessity to develop a policy for executive compensation. Accordingly, the Board of Directors of the Company has not appointed a Remuneration Committee to date. The Board will consider appointing a Remuneration Committee to develop a policy and to determine changes to the remuneration packages of individual directors. Previously, the board remuneration was determined collectively by the Board after an analysis of comparable remuneration packages for Boards of companies of similar size and type. This analysis was conducted by the Investment Manager and presented to the Board for their review and consideration.

The Company, due to the recent investment strategy change and termination of the prior liquidation strategy, believes that the shareholders are best served by having experienced and knowledgeable Directors who have been part of the operations of the Company during the realisation process, and who can provide insight and knowledge as the Company incorporates the new investment strategy. As such, the Board has deemed the continuance of re-electing non-executive Directors on a three-year term more appropriate than following Provision 18, which recommends annual re-election for Directors with nine or more years of tenure. Dr. Belo-Osagie and Mr. Mutasa were submitted for re-election in 2022, thus Mr. Knapp was the sole director submitted for re-election in 2024.

The Fund has a traditional Board structure consisting of a non-executive Chair, a non-independent non-executive director and a non-executive director. Audit and Management Engagement committees are chaired and composed of non-executive directors, and report directly to the Board. Each of the Audit Committee and a Management Engagement Committee, as established by the Company, has formally delegated duties and responsibilities.

### **The Role of the Board**

The Board is accountable to AOF's shareholders for the conduct of the operations of the fund as well as the long-term direction and success of the fund. The Board is responsible for the governance of the Fund, including but not limited to its operations, strategy, performance and compliance with the UK Code. The Board's responsibilities are separate from the day-to-day operations of the Fund. Certain responsibilities of the Board have been delegated to the Audit committee and to the Management Engagement Committee. The Board has authorised these committees to operate on behalf of the Board, and to provide recommendations to the Board, but retains the final authority for all decisions.



The Board's areas of accountability include, but are not limited to: approval of interim and annual financial statements including the assurance that the accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance; the continuation of the investment management team and its related remuneration; operations and major business and strategy decisions of the Fund; review of Investment Manager transactions and actions on behalf of the Fund including the staffing and resources committed to the fund by the Investment Manager; analysis of the Investment Manager as it relates to performance in comparison with its peers; and, any major decisions made by the Investment Manager on behalf of the Fund that materially impacts the shareholders of the Fund. The Board has viewed these responsibilities on the basis that the Company, as dictated by the June 2024 EGM, will continue to be operated as a going concern.

### **The Board composition**

The Board currently consists of three members; a non-executive independent Chair, a non-executive non-independent director, and a non-executive independent director. The Chair is responsible for the leadership of the board and ensuring its effectiveness on all aspects of its role.

The Chair and the non-executive independent directors are independent of the Company's Investment Manager. Biographies of the Directors appear on page 12, demonstrating the wide range of skills and experience they bring to the Board. The Board meets at least four times a year for regular, scheduled meetings, and should the activity of the Company require it, additional meetings may be held. At each meeting the Board follows a formal agenda and receives full details of the Company's assets, liabilities, and other relevant information in advance of meetings. The primary focus of the Board meetings is a review of investment performance and associated matters such as asset allocation, investor relations, industry issues and principal risks. Directors may seek independent professional advice on any matter that concerns them, at the expense of the Company, in furtherance of their duties.

The Directors are submitted for re-election every three years on a rotating basis. Dr. Belo-Osagie and Mr. Mutasa were submitted for re-election in 2022. Mr. Knapp, as a non-independent director, is submitted for re-election on an annual basis. Mr. Knapp was re-elected to the Board at the 2024 AGM, and Dr. Belo-Osagie, Mr. Mutasa were re-elected to the Board at the 2022 AGM. The Board has reviewed Provision 23 of the AIC Code and Provision 18 of the UK Code, which states that all directors should be subject to annual election by Shareholders. The Board has considered this position, and continues to consider this inappropriate for the Company as it places an inordinate emphasis on short-term composition and would interfere with the Board's ability to act as a cohesive and efficient board. The long-term familiarity with the Company has been deemed to continue to be of particular importance due to the investment policy and distribution changes enacted at both the 2019 and 2022 EGMs. Additionally, the new investment strategy of the Company requires specific knowledge of the markets and specific issues with regard to trading within those markets. The composition of the Board has been carefully considered to ensure that the necessary knowledge and skills specific to the amended Investment Strategy remain inherent within the Board.

The Company does not have a current nominating committee. Due to the necessity to reduce the Board in 2019 in consideration of the new investment policy and distribution policy, a nominating committee is not currently a necessity. The existing Board, in consultation with the Investment Manager thoroughly evaluated the requirements of the Board, and required skill sets, to ensure it was constituted appropriately to ensure oversight of the amended policies. The Board does not currently have a continuing education program in place. As demonstrated by the biographies on page 12, the Board consists of a diverse group of highly skilled individuals with complementary knowledge specific to the investment strategy and operations of the Company.

Dr. Myma Belo-Osagie was nominated and elected as the Chair of the Board in April 2014 and re-elected to the Board in 2019 and 2022. Dr. Belo-Osagie has been a director since 2007 and her appointment to Chair was in consideration of her past efforts on behalf of the Board and the prior demonstration of her effectiveness as a member of the Board. The Chair is responsible for the leadership of the Board and ensuring its effectiveness on all aspects of its role.

### **Division of responsibilities**

In accordance with the Code there is a clear division of responsibilities between the Board and the members of the Investment Manager.

### **Statement of Directors' responsibilities**

The financial statements are required by law and IFRS to present fairly the financial position of the Company and the financial performance and cash-flows of the Company for the relevant period.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates which are reasonable and prudent;
- State whether the financial statements have been prepared in compliance with IFRS, subject to any material departures disclosed and explained therein;
- Present information, including accounting policies, in a manner which provides relevant, reliable, comparable, and understandable information;
- Provide additional disclosures where compliance with the specific requirements of IFRS are considered to be insufficient to enable users to understand the impact of particular transactions, events and conditions on the financial position and performance; and
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with IFRS and all applicable company law. The Directors also have a general responsibility for taking such steps as are reasonably available to them, and for ensuring their third-party service providers take similar reasonable steps, to safeguard the assets of the Company and to prevent or detect fraud and other irregularities.

### **Internal Control and Financial Reporting**

The Board is responsible for establishing and maintaining the Company's system of internal controls which are reviewed for effectiveness on an annual basis. These systems have been in place for the year under review, and up to the date of approval of the annual report and accounts. The Board reviews not just internal financial controls but all controls including operations, compliance and risk management. Internal control systems are designed to meet the particular needs of the Company and manage the risks to which it is exposed, and by their very nature provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which have been established to provide effective internal control are as follows:

- Investment management is provided by Africa Opportunity Partners LLC under the Investment Management Agreement. The Board is responsible for ensuring the Investment Manager adheres to the overall investment policy and monitors the actions of the Investment Manager at regular Board meetings. To this end the Investment Manager, at each Board meeting, provides the Board with a comprehensive portfolio review as well as a detailing of all investment transactions and management visits since the prior board meeting.
- Administration and company secretarial duties for the Company are performed by SS&C Technologies, Inc. of Windsor, Connecticut (USA).
- Custody of assets is undertaken by Standard Chartered Bank (Mauritius) as the primary custodian and FBC Bank (Zimbabwe) as custodian of the Zimbabwe holdings. FBC was added in 2024 as Standard Chartered Bank exited the Zimbabwe market. There is no prime broker as Credit Suisse Securities (USA) LLC exited the prime brokerage business during 2022 and has not been replaced.
- There is a segregation of duties related to investment management, accounting and the custody of assets. The procedures and processes of the individual parties have been designed to complement one another and reconciliations have been developed to ensure compliance.
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their on-going performance and contractual arrangements.
- The Directors of the Company regularly review the performance and contractual arrangements with the Investment Manager, other agents and advisers as appropriate.

The Board holds regular scheduled meetings throughout the year. Additional meetings are held when necessary for urgent or time-sensitive decisions. Resolutions may also be distributed electronically as required to meet time demands for non-routine business. The Board papers are circulated electronically in advance of each meeting.

At each meeting certain regular reports are presented which are:

- The Investment Manager delivers an update on the performance of the Fund including details of the Investment Manager's visits to current or prospective investments, a schedule of transactions made during the period from the previous board meeting and an analysis of market data and comparables;
- The Investment Manager provides calculations supporting the net asset value calculations and the Investment Managers projections of the appraisal value of the portfolio;
- The Board reviews specific investment updates and valuations, income and expense calculations, and the level of discount or premium between the net asset value and the market share price;
- The Board reviews Administrator reports detailing quarterly AUM and returns, and confirming the veracity of valuation inputs utilised;
- The Board reviews and discusses shareholder communications with the Investment Manager and the Company's broker;
- The Board reviews and discusses other matters as appropriate to the ongoing operations and investment strategy of the Fund, and

The Investment Manager provides financial statements and supporting schedules as appropriate for the Board to approve the release of annual and interim financial statements to the market as appropriate.

Certain responsibilities of the Board have been delegated to the Audit committee and to the Management Engagement Committee. The Board has authorised these committees to operate on behalf of the board, and to provide recommendations to the Board, but retains the final authority for all decisions.

#### **Audit Committee**

The Audit Committee comprises all the members of the Board other than Robert Knapp. Shingayi Mutasa has been appointed the chair of the audit committee. Mr. Mutasa and the other members have specific industry knowledge and financial experience which allows them to competently meet the requirements of the committee. The Audit Committee meets at least two times in each twelve-month period. The Audit Committee determines and monitors the terms of engagement of the Company's auditors and the scope of the audit. The Audit Committee has unrestricted access to, and oversees the relationship with, the Company's auditors. This includes the evaluation of the auditors, including, but not limited to; i) an evaluation of the performance of the audit team including its skills, knowledge and continuity, and the quality and timeliness of audit planning and execution; ii) the extent of the quality controls, audit communication and knowledge of relevant accounting and regulatory developments; and iii) the reasonableness of the audit fees. The Audit Committee has primary responsibility for making a recommendation to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of the engagement of the external auditor. The Audit Committee receives, and reviews reports from the Investment Manager and the Company's auditors relating to the interim and annual accounts, and the accounting and internal control systems.

The Audit Committee evaluates the interim and annual financial statements of the Company. This review includes a comprehensive review of the financial statements with the Chief Financial Officer of the Investment Manager. Supportive schedules are provided as necessary to verify the veracity of the financials, including the valuation and existence of investments. The Audit Committee confirms the veracity of the portfolio valuation with emphasis on adherence to the valuation policy. This comprehensive review allows the Directors to confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and that each Director has taken steps to assure themselves that any and all relevant information has been relayed to the auditors.

The Audit Committee also monitors the independence and objectivity of the external auditors. The Audit Committee is required to approve any use of the external auditor for non-audit services. The current auditor has been the auditor since inception of the fund in 2007. The Audit Committee recognises that the UK Code and AIC Code provisions for companies to put the external audit contract out to tender at least every 10 years. Though the Committee considers this to be a best practice, the Committee has deemed it prudent to retain the current auditor, in part due to their familiarity with the Fund. As part of the normal engagement, the audit partner of the external auditor is changed at least once every five years, with the current audit partner being in his first year of engagement with the Company. The Audit Committee also considers the effectiveness of the administrative and secretarial services provided by external vendors as well as the performance of the Investment Manager in monitoring the effectiveness and efficiency of these vendors.

**AFRICA OPPORTUNITY FUND LIMITED**  
**REPORT OF THE DIRECTORS**  
**YEAR ENDED 31 DECEMBER 2024**

18.

For 2024, the material issues addressed by the audit company include the evaluation of the impact, if any, of the new investment strategy on the audited financial statements, as well as the valuations of Sand Technologies and investments denominated in the Zimbabwean Dollar. These items are further detailed in the audited financial statements to follow.

**Management Committee**

The Company has established a Management Engagement Committee (the “MEC”) which meets formally at least on an annual basis to consider the performance and the remuneration of the Investment Manager. The MEC comprises all the members of the Board other than Robert Knapp. No employee of the Investment Manager is present during the discussions of the MEC.

**Board and Committee Meeting Attendance**

The Board meets on a regular basis at least four times per year. The following table sets out the number of Board, Audit Committee and Management Engagement Committee during the year and the number of meetings attended by each Director.

<b>Meetings</b>	<b>Board</b>	<b>Audit Committee</b>	<b>Management Committee</b>
Meetings Held	6	2	1
<b>Meeting Attended:</b>			
Myma Belo-Osagie	6	2	1
Robert Knapp <sup>(1)</sup>	4	-	-
Shingai Mutasa	5	2	1

<sup>(1)</sup> Includes June 2024 AGM and July 2024 EGM

<sup>(2)</sup> Not a member of the Audit Committee or Management Committee

**Board Evaluation**

For the year there was no evaluation process of the Board and its Committees.

**Board Tenure**

The Board has considered, but has no adverse findings, as related to issues regarding long tenure. In accordance with the AIC Code, when and if any director shall have been in office (or on re-election would at the end of that term of office) for more than nine years, the Company and the Board will consider further whether there is a risk that such a director might reasonably be deemed to have lost independence through such long service.

Prior to the changes to the composition of the board due to the results of the 2019 EGM and AGM, discussions were held to discuss the board candidates and the changes to the leadership positions. During these discussions, the overall conclusion was that individual Board members were satisfied that the Board works well and operates effectively in an environment where there are constructive discussions and challenges from the non-executive directors. They are also satisfied with the contribution made by their colleagues and that Board Committees operate properly and efficiently. Further, the Board, as evaluated by the Management Engagement Committee believes each Director has continued to demonstrate their effectiveness and commitment to the Company.

**Commitment**

The directors allocate sufficient time to the Company to discharge their responsibilities effectively.

**Directors’ Confirmation**

The Directors listed on page 12, being the persons responsible within the Company, hereby confirm to the best of their knowledge:

- 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 and the undertakings included in the consolidation taken as a whole; and
- the Chairman’s Statement and Investment Manager Report, and Condensed Notes to the Financial Statements include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

**AFRICA OPPORTUNITY FUND LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**Appointed on**

<b>CHAIRPERSON</b>	: Myma Belo-Osagie	4 March 2014
<b>NON-EXECUTIVE DIRECTORS</b>	: Robert Knapp Shingayi Mutasa	25 June 2007 25 June 2007
<b>REGISTERED OFFICE</b>	: PO Box 309 GT Ugland House South Church Street George Town Grand Cayman Cayman Islands	
<b>REGISTRAR</b>	: JTC Group PO Box 156, Ground Floor Dorey Court Admiral Park St St Peter Port Guernsey Channel Islands GY1 4EU	
<b>CORPORATE BROKER</b>	: Shore Capital Cassini House 57 St. James's Street London SW1A 1LD United Kingdom	
<b>ADMINISTRATOR</b>	: SS&C Technologies, Inc. (through 31 December 2024) 80 Lambertson Road Windsor, Connecticut United States	
<b>INVESTMENT MANAGER</b>	: Africa Opportunity Partners LLC c/o Corporate Service Company 251 Little Falls Drive Wilmington, Delaware 19808 United States	

<b>AUDITOR</b>	:	Ernst & Young 6 <sup>th</sup> Floor, IconEbene Rue de L'Institut, Ebene Mauritius
<b>CUSTODIANS</b>	:	Standard Chartered Bank (Mauritius) Ltd 6th Floor, Standard Chartered Tower 19th Bank Street Cyber City, Ebene Mauritius  FBC Bank Limited AUSQ Building 68 Nelson Mandela Avenue Harare, Zimbabwe
<b>LEGAL ADVISER</b> <i>(as to English Law)</i>	:	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
<b>LEGAL ADVISER</b> <i>(as to Cayman Islands Law)</i>	:	Maples & Calder P.O. Box 309 Ugland House Grand Cayman, KY1-1104 Cayman Islands
<b>TAX ADVISER</b>	:	Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP United Kingdom

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### *Opinion*

We have audited the financial statements of Africa Opportunity Fund Limited (the "Company") set out on pages 26 to 68 which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of, the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

##### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Key Audit Matters (Continued)**

Key audit matter	How the matter was addressed in the audit
<p><b>Valuation of investments listed on the Zimbabwe Stock Exchange</b></p> <p>The Company is a Feeder Fund which invests in Africa Opportunity Fund L.P. (the "Master Fund").</p> <p>The total carrying value of listed investments held by the Master Fund amounted to USD 13,031,893 as at 31 December 2024 (note 6 (b)), out of which USD 7,603,652 represents investments listed in the Zimbabwe Stock Exchange. Based on quoted price on the Zimbabwe stock exchange, these investments would have been valued at USD12,169,134. However, owing to the ongoing market instability and hyperinflationary economy, a discount has been applied to the market price to arrive at the fair value of USD 7,603,652.</p> <p>In determining this discount rate, management has used the sovereign discount rate model based on the spot inflation rate differential between Zimbabwe and the US, after adjustment for the surrender requirements imposed on exporters by the Zimbabwe Reserve Bank.</p> <p>The determination of the discount involves judgement and estimation uncertainties and has a material impact on the fair value of the investment. Accordingly, the valuation of investments listed in the Zimbabwe market is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <p>We agreed the number of shares held to the independent custodian confirmation at year end.</p> <p>We checked the accuracy of the closing share price of the investments in local currency provided by management to an independent official source.</p> <p>We reviewed the appropriateness of the valuation methodology and model used and whether they are in line with generally acceptable valuation guidelines and principles.</p> <p>We computed the implied monthly exchange rate by extracting the official exchange rate from June 2019 and subsequently adjusting for inflation.</p> <p>We approximated the inflation differential between the Zimbabwean and US economies by considering the difference of monthly spot inflation rates obtained from the Reserve Bank of Zimbabwe and the US Treasury.</p> <p>We checked the surrender requirements imposed on exporters by the Reserve Bank of Zimbabwe.</p> <p>We ensured the mathematical accuracy of management figures to calculate the fair value of the financial assets (i.e. number of shares at year end X closing share price in Zimbabwe X discount rate X exchange rate)</p> <p>We assessed the appropriateness and completeness of the related disclosures in the management judgments and estimates paragraph in financial statements.</p>

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

##### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the 68 pages document titled "Africa Opportunity Fund Limited Annual Report for the year ended 31 December 2024", which includes the Chairperson's statement, the Manager's Report, the Portfolio Review, the Qualitative Risk disclosures for the Company, the Directors' Details, the Report of the Directors, the Corporate Data and Shareholder Information.

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

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

##### *Responsibilities of the Directors for the Financial Statements*

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards Accounting Standards as issued by the International Accounting Standards Board and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

##### *Auditor's Responsibilities for the Audit of the Financial Statements (Continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

##### *Use of our report*

This report is made solely to the Company's members, as a body, and for no other purpose. 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

  
ERNST & YOUNG  
Ebène, Mauritius

  
LECKRAJ GYA, A.C.C.A.  
Licensed by FRC

Date: ..... 29 April 2025 .....

**AFRICA OPPORTUNITY FUND LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**26.**

	Notes	<u>2024</u>	<u>2023</u>
		USD	USD
<b>Income</b>			
Net gains on investment in subsidiaries at fair value through profit or loss	6(a)	<u>4,428,175</u>	<u>-</u>
		<u>4,428,175</u>	<u>-</u>
<b>Expenses</b>			
Net losses on investment in subsidiaries at fair value through profit or loss	6(a)	-	1,293,120
Management fees	5(a)	131,963	69,656
Other operating expenses		104,657	102,037
Directors' fees	12	70,001	70,010
Audit and professional fees		<u>220,419</u>	<u>154,453</u>
		<u>527,040</u>	<u>1,689,276</u>
Income/(Loss) for the year attributable to equity holders*		<u><u>3,901,135</u></u>	<u><u>(1,689,276)</u></u>
<b>Income/(Loss) per share attributable to equity holders**</b>	11	<b>0.340</b>	<b>(0.114)</b>

\* There is no other comprehensive income for the year.

\*\* The loss per share attributable to equity holders have been calculated based on the weighted average number of shares in accordance with IAS 33.

The notes on pages 30 to 67 form an integral part of these financial statements.  
Independent Auditor's report is on page 21 to 25.

**AFRICA OPPORTUNITY FUND LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

27.

	Notes	2024	2023
		USD	USD
<b>ASSETS</b>			
Cash and cash equivalents	8	205,356	28,967
Prepayments	7	9,507	11,038
Investment in subsidiaries at fair value through profit or loss*	6(a)	13,686,902	9,998,727
<b>Total assets</b>		<b>13,901,765</b>	<b>10,038,732</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Other payables	10	122,583	160,685
<b>Total liabilities</b>		<b>122,583</b>	<b>160,685</b>
<b>Net assets attributable to shareholders</b>		<b>13,779,182</b>	<b>9,878,047</b>
Ordinary share capital	9(a), 9(b)	114,689	114,689
Share premium	9(b)	5,810,553	5,810,553
Retained earnings		7,853,940	3,952,805
<b>Total equity</b>		<b>13,779,182</b>	<b>9,878,047</b>
<b>Net assets value per share:</b>			
- Ordinary shares		1.201	0.861

\*The investment in subsidiaries at fair value through profit or loss include the investment in the Master Fund-Africa Opportunity Fund L.P.

Approved by the Board on 29 April 2025 and signed on its behalf by:

  
**Director**

The notes on pages 30 to 67 form an integral part of these financial statements.  
Independent Auditor's report is on page 21 to 25.

**AFRICA OPPORTUNITY FUND LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

28.

	Share Capital	Share Premium	Retained Earnings	Total
	USD	USD	USD	USD
At 1 January 2023	202,146	1,997,201	16,967,976	19,167,323
<b>CAPITAL TRANSACTIONS:</b>				
Redemption of ordinary shares	(87,457)	(4,430,872)	(3,081,671)	(7,600,000)
Re-allocation from retained earning to share premium 9(b)	-	8,244,224	(8,244,224)	-
<b>OPERATIONS:</b>				
Loss/total comprehensive loss for the year	-	-	(1,689,276)	(1,689,276)
At 31 December 2023	<u>114,689</u>	<u>5,810,553</u>	<u>3,952,805</u>	<u>9,878,047</u>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>Total</b>
	USD	USD	USD	USD
At 1 January 2024	114,689	5,810,553	3,952,805	9,878,047
<b>OPERATIONS:</b>				
Income/total comprehensive income for the year	-	-	3,901,135	3,901,135
At 31 December 2024	<u>114,689</u>	<u>5,810,553</u>	<u>7,853,940</u>	<u>13,779,182</u>

The notes on pages 30 to 67 form an integral part of these financial statements.  
Independent Auditor's report is on page 21 to 25.

**AFRICA OPPORTUNITY FUND LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**29.**

		<u>2024</u>	<u>2023</u>
		USD	USD
<b>Operating activities</b>			
Income/(Loss) for the year		<b>3,901,135</b>	(1,689,276)
<i>Adjustment for non-cash items:</i>			
Net Gains/(losses) on investment in subsidiaries at fair value through profit or loss	6(a)	<u>(4,428,175)</u>	<u>1,293,120</u>
<b>Cash used in operating activities</b>		<u><b>(527,040)</b></u>	<u>(396,156)</u>
<i>Net changes in operating assets and liabilities</i>			
Reduction in investments in subsidiaries at fair value through profit or loss	6(a)	<b>740,000</b>	7,750,000
Decrease in receivable/payable with related party		-	227,805
Decrease/(increase) in prepayments		<b>1,531</b>	(2,078)
(Decrease)/increase in other payables		<u><b>(38,102)</b></u>	<u>7,145</u>
<b>Net cash flows generated from operating activities</b>		<u><b>703,429</b></u>	<u>7,982,872</u>
<b>Financing activities</b>			
Redemption of ordinary shares	9(b)	<u>-</u>	<u>(7,600,000)</u>
<b>Net cash flows used in financing activities</b>		<u><b>-</b></u>	<u>(7,600,000)</u>
Net increase/(decrease) in cash and cash equivalents		<b>176,389</b>	(13,284)
Cash and cash equivalents at 1 January		<u><b>28,967</b></u>	<u>42,251</u>
<b>Cash and cash equivalents at 31 December</b>		<u><u><b>205,356</b></u></u>	<u><u>28,967</u></u>

The notes on pages 30 to 67 form an integral part of these financial statements.  
Independent Auditor's report is on page 21 to 25.



## **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 had a limited life, and was not deemed a going concern, for the 2023 calendar year and the 2024 period through 14 July 2024. Shareholders ratified the adoption of the New Investment Policy at a 15 July 2024 EGM, as the Directors and shareholders considered it to be in the best interests of the Company and its shareholders to terminate the liquidation strategy previously adopted effective 1 July 2019. The shareholders also ratified the removal of the continuation vote policy at the EGM. This ratification, and the transition from a liquidation strategy to a continuing investment policy, dictated that the Company be deemed to have an indefinite life and be considered a going concern. See Note 4 for additional details regarding the going concern status.

The Company aims to earn superior returns by investing in businesses that it believes can flourish in Africa and, in doing so, aiding capital formation and the mobilisation of savings with the intention of growing wealth and productivity in Africa’s economies. 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 LLC, a limited liability company incorporated in Delaware, United States and acting as the investment manager pursuant to an Amended and Restated Investment Management Agreement dated 21 June 2024.

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. (“the Master Fund”) 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 holds 100% of Africa Opportunity Fund (GP) Limited.

The financial statements for the Company for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 29 April 2025.

### **Presentation currency**

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

## **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

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

### **Statement of compliance**

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

### **Basis of preparation**

The Company satisfied the criteria of an investment entity under IFRS 10: Consolidated Financial Statements. As such, its interest in the subsidiaries has been classified as financial assets at fair value through profit or loss, and measured at fair value. This consolidation exemption has been applied and more details of this assessment are provided in Note 4 “critical accounting judgements, estimates and assumptions.” 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.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Basis of preparation (Continued)**

Although these estimates are based on management's knowledge of current events and actions, actual results ultimately may differ from those estimates. 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 material to the financial statements are disclosed in Note 4.

The Company presents its statement of financial position in order of liquidity. An analysis regarding recovery within 12 months (current) and more than 12 months after the reporting date (non-current) is presented in Note 14.

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 at fair value through profit or loss, of the Company. These additional disclosures are made in order to provide the users of the financial statements within an overview of the Master Fund performance.

Please refer to Note 1 and Note 4 for additional details regarding the going concern status of the Company.

**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 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.

*Classification*

**(i) Financial assets 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.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (Continued)**

*Classification (Continued)*

**(i) Financial assets at fair value through profit or loss (Continued)**

***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 instruments 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 of '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 other payables.

**(a) 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 marketplace are recognised directly on the trade date, i.e., the date that the Master Fund commits to purchase or sell the asset.

**(b) 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.

**(c) 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 investment in subsidiaries at fair value through profit or loss.'

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (Continued)**

*Classification (Continued)*

**(iii) Other financial liabilities (Continued)**

*(c) Subsequent measurement (Continued)*

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. 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.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

**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.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments (Continued)**

**Impairment of financial assets (Continued)**

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, there was no receivable from related party. As a result, no ECL has been recognised.

**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.

**Determination of fair value**

The Company, at the feeder level, measures its investments in subsidiaries at net asset value (NAV) at each reporting date. Please refer to Note 6 for additional details.

For investments at the master fund level, 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 at the master level that are 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 material to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable.

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

This item includes changes in the fair value of financial assets held for trading or 'at fair value through profit or loss' and excludes 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.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Classification of financial instruments, liabilities and equity.**

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 satisfy the above conditions and thus meet the requirements to be classified as equity. Movement in fair value is shown in the Statement of Profit or Loss and Other Comprehensive Income as an 'income/(loss) for the year attributable to equity holders'.

**Dividend income**

Dividend revenue is recognised when the Company's 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 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Other standards have been considered but have no impact on the financials. Only those standards relevant to the financials have been disclosed herein.

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amendments to IFRS as from 1 January 2024:

**3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)**

**Effective for  
accounting period  
beginning on or after**

Amendments to IAS 1: Classification of Liabilities as Current or Non-current 1 January 2024

Although this new standard and amendment applied for the first time in 2024, it 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 relevant standards, amendments to existing standards and interpretations were in issue but not yet effective. The Company will 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**

Amendments to IAS 21: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7: Disclosures – Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Company does not expect that the adoption of these standards will have any material impact on the financial statements. No other standards and interpretations that have been issued but not yet effective, that are not included above, are expected to have any material impact on the financial statements.

**4. CRITICAL 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 material effect on the amounts recognised in the financial statements:

***Going concern***

The Company had a limited life, and was not deemed a going concern, for the 2023 calendar year and the 2024 period through 14 July 2024. At the Extraordinary General Meeting ("EGM") of the Company held on 15 July 2024, the shareholders voted in favor of a New Investment Policy which ended the liquidation strategy and the process of periodic shareholder continuation votes. The shareholders also ratified the removal of the continuation vote policy at the EGM. This ratification, and the transition from a liquidation strategy to a continuing investment policy, dictated that the Company be deemed to have an indefinite life and be considered a going concern.

Below is a brief synopsis of the investment strategy as approved with the adoption of the New Investment Policy and consistent with the Company's Circular dated 24 June 2024:

The Investment Manager, relying on the extensive experience of the management team, selects a limited number of investment opportunities. In selecting those investment opportunities, the Investment Manager will adhere to an analytical process, elements of which include: classifying each investment opportunity in the appropriate categories of an asset-based equity opportunity, an earnings-based equity opportunity, distressed debt, corporate debt, African sovereign debt, arbitrage, or special situations.

**4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

**Judgements (Continued)**

*Going Concern (Continued)*

The Company will screen potential investee companies according to its value investing principles. It will seek to invest in investee companies valued at substantial discounts to their intrinsic value. In terms of industries, the Company's search will include companies with a record of profitable exports from Africa, catalysts for productivity growth in Africa, companies participating in the growth of long-term real savings, companies managing the growth, and operations, of African infrastructure and networks, and companies able to lower profitably the real prices of goods and services consumed by African consumers.

The assessment of equity investment opportunities involves:

- in the case of an asset-based equity opportunity, determining whether the equity securities of the company or entity under consideration commands a valuation which is materially lower than the Investment Manager's estimate of that company's or entity's intrinsic value. The determination of a company's or entity's intrinsic value is based on a variety of standards such as comparing the book value of the assets of the company or entity against the price the Investment Manager believes would be paid for a similar asset in a private transaction, or the valuations of listed peers of that company or entity;
- in the case of an earnings-based equity opportunity, determining whether the equity securities of the company or entity under consideration possesses both a high real return on assets and an earnings yield higher than the local currency denominated government debt of the country in which the assets of that company are located;
- comparing the valuation of the company or entity in question against valuations of its listed and private peers (where possible) in different parts of Africa, non-African emerging markets and developed markets;
- understanding the industry in which the company or entity under consideration operates, the prospects of that industry and the prospects of competitors of the company or entity in question. This aspect will frequently require discussions with industry participants;
- comparing each security issued by the relevant company or entity against its other classes of issued securities to determine which security offers the best risk-reward ratio to the Group; and
- estimating the product of the probability of loss and the quantum of loss of an investment opportunity to set off against the product of the probability of gain and the quantum of gain of that investment to determine the risk-adjusted potential return on that investment opportunity. As a general proposition, the higher the anticipated probability of loss of an investment, the smaller the likely investment.

Provided the investment opportunity falls within the investment policy of the Group, the Investment Manager will have, on behalf of the Group, the discretion to make and dispose of investments. However, in the event that an investment will constitute more than 20% of Net Asset Value at the time of investment the prior approval of the Board will be required. Before any investment is undertaken by the Group, all appropriate due diligence will be undertaken, and this will include checking the United States's sanctions list. Special consideration will also be given to money laundering and terrorist financing risks and any and all politically exposed persons who may be a part of, or have close links with, any target company.



**4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

**Judgements (Continued)**

*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 continues to meet 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 investors and the major investors are not related parties of the Company. Accordingly, consolidated financial statements have not been prepared. 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 material 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.

**4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

**Assumptions and Estimates (Continued)**

*Fair value of financial instruments*

The Company's investment manager considers the valuation techniques and inputs used in valuing the subsidiaries 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.

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 material 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.

**5a. AGREEMENTS**

*Investment Management Agreement*

Effective 15 July 2024, the Company and the Investment Manager have, upon the approval of the Reorganisation Resolution at the EGM in July 2024, entered into the Amended and Restated Investment Management Agreement which amends the fees payable to the Investment Manager as follows:

*Management fees*

A fixed management fee equal to USD\$350,000 per annum. The management fee charged during 2024 was for the period beginning 15 July 2024. No fee was charged for the period prior to the ratification of the amended agreement.

The Investment Manager's entitlement to future performance fees (through CarryCo) has been cancelled.

**5a. AGREEMENTS (CONTINUED)**

*Investment Management Agreement (continued)*

*Realisation fees*

The Investment Manager was entitled to the following realisation fees during the period of 1 January 2024 to 15 July 2024 from the net proceeds of all portfolio realisations (including any cash returned by way of a Compulsory Redemption):

On distributions of cash to Shareholders: 1 per cent of the net amounts realised.

Effective 15 July 2024, with the adoption of the New Investment Policy at the July 2024 EGM, the realization fee was terminated.

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 aggregate realisation, management and performance fees for the financial year under review amount to **USD 131,963** (2023: USD 69,656), The realisation fees for the financial year under review consist of a reversal of accrued realisation fees in the amount of **USD 31,050** (2023 fees: USD 69,656); management and performance fees for the financial year under review were **USD 163,013** of which **USD 163,013** relates to management fees (2023: USD Nil for management fees and USD Nil for performance fees).

*Administrative Agreement*

SS&C Technologies Inc. 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 Agreements*

A Custodian Agreement has been entered into by the Master Fund and Standard Chartered Bank (Mauritius) Ltd, whereby Standard Chartered Bank (Mauritius) Ltd ("SCB") 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.

Following the exit of SCB from the Zimbabwe market in 2024, Custodial Agreements were entered into by the Master Fund and FBC Bank Limited ("FBC"), whereby FBC would provide custodian services and hold direct custody of Zimbabwe securities and would be entitled to a custody fee of 10 basis points per annum on the market value of the 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.

**5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL**

Africa Opportunity Fund LP (the "Master Fund") is incorporated in the Cayman Islands and is not subject to regulatory review. Management has voluntarily disclosed all the policies and notes to the accounts of the Master Fund to provide shareholders of the Company with a better insight.

The primary accounting policies are similar as in Note 2. Those policies which only relate to the Master Fund's financial statements are set out below. These policies have been consistently applied from the prior year to the current year for items which are considered material in relation to the financial statements.

**5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)**

**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 Master Fund 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**

The category of the financial assets and liabilities at fair value through the profit or loss is subdivided into:

***Financial assets and liabilities held for trading***

Financial assets are classified as held for trading if they are acquired for the purpose of selling and repurchasing in the near term. This category includes equity securities. These assets are acquired principally for the purpose of generating a profit from short term fluctuation in price.

***Financial assets at fair value through profit or loss upon initial recognition***

These include equity securities that are not held for trading. These financial assets are classified at FVTPL on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company, as set out in each of their offering documents. The financial information about the financial assets is provided internally on that basis to the Investment Manager and to the Board of Directors.

***Derivatives - Options***

Derivatives are classified as held for trading (and hence measured at fair value through profit or loss) unless they are designated as effective hedging instruments (however the Company does not apply any hedge accounting). The Master Fund's derivatives relate to option contracts.

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

The Master Fund purchases and sells put and call options through regulated exchanges and OTC markets. Options purchased by the Master Fund provide the Master Fund with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option. The Master Fund is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

Options written by the Master Fund provide the purchaser the opportunity to purchase from or sell to the Master Fund the underlying asset at an agreed-upon value either on or before the expiration of the option.

Options are generally settled on a net basis.

Derivatives relating to options are recorded at the level of the Master Fund. The financial statements of the Company do not reflect the derivatives as they form part of the net asset value (NAV) of the Master Fund which is fair valued.

**5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)**

**Financial instruments (Continued)**

*(a) Classification (Continued)*

**(ii) Financial assets at amortised cost**

The Master Fund 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 Master Fund'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 Master Fund includes in this category amounts relating to trade and other payables.

*(b) Recognition*

The Master Fund 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 marketplace 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.

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

*(d) Subsequent measurement*

The Master Fund 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'. Dividend expenses related to short positions are recognised in 'Dividends on securities sold not yet purchased'. Dividend income/distributions received on investments at FVTPL is recorded in "Net gain or loss on financial assets at fair value through profit or loss".

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.

**5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)**

**Financial instruments (Continued)**

**(iii) Other financial liabilities**

*(d) Subsequent measurement*

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 Master Fund 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 Master Fund has transferred substantially all the risks and rewards of the asset, or (b) the Master Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. When the Master Fund has transferred its rights to receive cash flows from an asset (or has entered 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 Master Fund's continuing involvement in the asset.

The Master Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

**Determination of fair value**

The Master Fund measures its investments in financial instruments, specifically equities, 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 Master Fund. 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.

**5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)**

**Financial instruments (Continued)**

**Determination of fair value (Continued)**

The Master Fund 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 material to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable.

**Impairment of financial assets**

The Master Fund recognises an allowance for expected credit losses (ECLs) for all financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Master Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised either on a 12-month or lifetime basis. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Master Fund considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Master Fund may also consider a financial asset to be in default when internal or external information indicates that the Master Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Master Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables, the Master Fund applies a simplified approach in calculating ECLs. Therefore, the Master Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. At the reporting date, the assessment of the Master Fund's debt instruments which include other receivables and cash and cash equivalents were considered as 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. At the Master Fund Level, the fair value gains and losses exclude interest and dividend income.

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.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the Average Cost (AVCO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

**5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)**

**Due to and due from brokers**

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date at the Master Fund level. Refer to the accounting policy for financial liabilities, other than those classified at fair value through profit or loss for recognition and measurement.

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Refer to accounting policy for financial assets at amortised cost for recognition and measurement.

**Interest revenue and expense**

Interest revenue and expense are recognised in profit or loss for all interest-bearing financial instruments using the effective interest method.

**Dividend revenue**

Dividend revenue is recognised when the Master Fund's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in profit or loss of the Master Fund.

**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. At 31 December 2024, the limited partners of the limited partnership are the Company (96%) and AOF CarryCo Limited (4%). The general partner of the limited partnership is Africa Opportunity Fund (GP) Limited. Africa Opportunity Fund Limited holds 100% of Africa Opportunity Fund (GP) Limited.

	<u>2024</u>	<u>2023</u>
	<u>USD</u>	<u>USD</u>
Investment in Africa Opportunity Fund L.P.	13,682,218	9,995,466
Investment in Africa Opportunity Fund (GP) Limited	<u>4,684</u>	<u>3,261</u>
<b>Total investment in subsidiaries at fair value</b>	<b><u>13,686,902</u></b>	<b><u>9,998,727</u></b>
Fair value at 01 January	9,998,727	19,041,847
Reduction in investment in subsidiaries*	(740,000)	(7,750,000)
Net gain/(loss) on investment in subsidiaries at fair value	<u>4,428,175</u>	<u>(1,293,120)</u>
<b>Fair value at 31 December</b>	<b><u>13,686,902</u></b>	<b><u>9,998,727</u></b>

\* The reduction in investment in subsidiaries relates to capital withdrawn from the Master Fund by the Company.

**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 material to the fair value measurement is directly or indirectly observable.

Level 3: valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable.



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

**6(b). Fair value hierarchy (Continued)**

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.

• **Fair value hierarchy of the Company**

	<b>31 December</b>			
<b>COMPANY</b>	<b>2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Investment in subsidiaries	<u>13,686,902</u>	<u>-</u>	<u>13,686,902</u>	<u>-</u>
	31 December			
<b>COMPANY</b>	<b>2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Investment in subsidiaries	<u>9,998,727</u>	<u>-</u>	<u>9,998,727</u>	<u>-</u>

• **Fair value hierarchy of the Master Fund**

The Company has investment in Africa Opportunity Fund L.P., the Master Fund, amounting to USD 13,682,218. The underlying investments of the Master Fund amounts to USD 13,031,892. Details on the financial assets of the Master Fund and fair value hierarchy are as follows:

	<b>31 December</b>			
<b>MASTER FUND</b>	<b>2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	<u>13,031,893</u>	<u>3,302,361</u>	<u>9,729,532</u>	<u>-</u>
	<u>13,031,893</u>	<u>3,302,361</u>	<u>9,729,532</u>	<u>-</u>
	31 December			
<b>MASTER FUND</b>	<b>2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	<u>8,727,712</u>	<u>3,706,700</u>	<u>5,021,012</u>	<u>-</u>
	<u>8,727,712</u>	<u>3,706,700</u>	<u>5,021,012</u>	<u>-</u>

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

**6(c). The valuation technique of the investment in subsidiaries at Company level is as follows:**

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 have been no such adjustments made to the NAV of the underlying subsidiaries and given the simple structure of the subsidiaries investing over 75% in quoted funds, the Company classifies these investments in subsidiaries as Level 2.

**6(d). The valuation techniques of the investments at Master Fund level are as follows:**

*Equity investments*

These pertain to equity investments 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 31 December 2024 as follows:

*Valuation of investments listed on the Zimbabwe Stock Exchange*

The total carrying value of the investments held by the Master Fund amounted to USD 13,031,893 as at 31 December 2024 (Note 6(b)), of which USD 7,603,652 represents investments listed on the Zimbabwe Stock Exchange. Based on quoted prices on the Zimbabwe Stock Exchange, these investments would have been valued at USD 12,170,608. However, owing to the ongoing market instability, hyperinflationary economy and difficulty repatriating ZiG currency to USD, a discount has been applied to the market price to arrive at the fair value of USD 7,603,652.

In April 2024, the Governor of the Reserve Bank of Zimbabwe introduced the Zimbabwe Gold Notes and Coins ("ZiG") as the new currency of Zimbabwe. The intent of the recalibrated monetary policy is to address the state of price and exchange rate instability in the economy. The structured currency introduced is anchored by a composite basket of foreign currency and precious metals (primarily gold) held as reserves by the Reserve Bank. The starting exchange rate was determined by the prevailing closing interbank exchange rate as at 5 April and the London PM Fix price of gold as at 4 April 2024. The intervening exchange rate is determined by the inflation differential between ZiG and the USD inflation rates and the movement in the price of the basket of precious minerals held as reserves.

By August it was apparent that the Company would need to begin discounting the ZiG, as it had previously done with the ZWL, due to the perceived inability to repatriate funds at, or close to, the official rate. In fact, many investor attempts to repatriate funds were addressed by the govt. through the issuance of T-Bills.

Similar to our ZWL discount, the Company adjusted the official exchange rate by utilising the inflation differential with the US Dollar. The Company continued to adjust its model to reflect a 20% surrender requirement on the basis that the reported CPI captured only 80% of actual inflation, as it had done with the ZWL discount. 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 in ZiG were converted into US Dollars, as at 31 December 2024 at a discount rate of 37.5% (the discount rate on the ZWL currency was 55.9% as at 31 December 2023). The value of the Zimbabwe investments recorded in the books of the Company, after applying this discount factor, was USD 7,603,652 (2023: USD 2,895,212).

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

**6(d). The valuation techniques of the investments at Master Fund level (Continued)**

*Unquoted equity investments*

Sand Technology Holdings (“Sand Tech”) (formerly known as African Leadership University) is a global solutions company with expertise in enterprise and industrial artificial intelligence. The Investment Manager valued Sand Tech on the basis of an observable arms-length transaction between existing shareholders selling a portion of their shares and an unaffiliated third party. The transactions were agreed via an omnibus share purchase agreement dated 28 September 2022 with dates of the agreements evidencing the first, second, third, and fourth tranches, respectively, 30 September 2022, 5 December 2022, 6 March 2023 and 5 June 2023 (the fourth tranche was converted to partial purchases in June and September 2023, the overall number of shares remaining consistent), and thus were utilised as the basis of the valuation as at 31 December 2024. At 31 December 2024, the investment in Sand Tech has been classified under level 2 because the value of the investment utilises the recent transaction.

*Unquoted equity investments*

	<u>2024</u>	<u>2023</u>
	USD	USD
Investment in ALU	<u>2,125,800</u>	<u>2,125,800</u>
<b>Financial asset and liabilities at fair value through profit or loss</b>		
	<u>2024</u>	<u>2023</u>
	USD	USD
Investment in ALU:		
At 1 January	2,125,800	2,625,800
Disposal	-	(500,000)
<b>At 31 December</b>	<u>2,125,800</u>	<u>2,125,800</u>
Total loss included in the statement of profit or loss and other comprehensive income of Africa Opportunity Fund L.P. for asset held at the end of the reporting period.	<u>-</u>	<u>-</u>

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

**6(e). Statement of profit or loss and other comprehensive income of the Master Fund for the year ended 31 December 2024.**

The net gain on financial assets at fair value through profit or loss amounting to **USD 4,428,175** (2023: net loss of USD 1,293,120) is due to the gains arising at the Master Fund level and can be analysed as follows:

	<u>2024</u>	<u>2023</u>
	USD	USD
<b>Income</b>		
Dividend revenue	257,104	202,176
Net gains on financial assets and liabilities at fair value through profit or loss	<u>4,550,614</u>	-
	<u>4,807,718</u>	<u>202,176</u>
<b>Expenses</b>		
Net losses on financial assets and liabilities at fair value through profit or loss	-	1,005,287
Net foreign exchange loss	10,654	336,198
Custodian fees, brokerage fees, commission, and administration	167,905	162,396
Other operating expenses	<u>9,433</u>	<u>4,239</u>
	<u>187,992</u>	<u>1,508,120</u>
<b>Operating profit/(loss) before tax</b>	<b>4,619,726</b>	<b>(1,305,944)</b>
Less withholding tax	<u>(9,840)</u>	<u>(14,043)</u>
Total comprehensive profit/(loss) for the year	<u><b>4,609,886</b></u>	<u><b>(1,319,987)</b></u>
<b>Attributable to:</b>		
AOF Limited (direct interests)	4,426,751	(1,292,909)
AOF Limited (indirect interests through AOF (GP) Ltd)	<u>1,424</u>	<u>(211)</u>
	<u>4,428,175</u>	<u>(1,293,120)</u>
AOF CarryCo Limited (NCI)	<u>181,711</u>	<u>(26,867)</u>
	<u><b>4,609,886</b></u>	<u><b>(1,319,987)</b></u>

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

**6(e). Statement of profit or loss and other comprehensive Income of the Master Fund for the year ended 31 December 2024 (Continued)**

The financial assets and liabilities of the Master Fund are analysed as follows:

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

	<u>2024</u>	<u>2023</u>
	USD	USD
Net gains/(losses) on fair value of financial assets at fair value through profit or loss	<u>4,550,614</u>	<u>(1,005,287)</u>
<b>Net gains (losses)</b>	<u><b>4,550,614</b></u>	<u><b>(1,005,287)</b></u>

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

	<u>2024</u>	<u>2023</u>
	USD	USD
<b>Held for trading assets:</b>		
At 1 January	8,727,712	18,634,833
Additions	1,475	-
Disposal	(247,908)	(8,901,834)
Net gains/(losses) on financial assets at fair value through profit or loss	<u>4,550,614</u>	<u>(1,005,287)</u>
At 31 December (at fair value)	<u><b>13,031,893</b></u>	<u><b>8,727,712</b></u>
<b>Analysed as follows:</b>		
- Listed equity securities	10,906,093	6,601,912
- Unquoted equity securities	<u>2,125,800</u>	<u>2,125,800</u>
	<u><b>13,031,893</b></u>	<u><b>8,727,712</b></u>

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

	<u>2024</u>	<u>2023</u>
	USD	USD
Realised	88,877	2,048,903
Unrealised	<u>4,461,737</u>	<u>(3,054,190)</u>
<b>Total gains/(losses)</b>	<u><b>4,550,614</b></u>	<u><b>(1,005,287)</b></u>

**7. RECEIVABLES**

	<u>2024</u>	<u>2023</u>
	USD	USD
Prepayments	9,507	11,038
	<u><b>9,507</b></u>	<u><b>11,038</b></u>

**8. CASH AND CASH EQUIVALENTS**

	<u>2024</u>	<u>2023</u>
	USD	USD
Cash at bank	<u><b>205,356</b></u>	<u><b>28,967</b></u>

**9(a). ORDINARY SHARE CAPITAL**

**Company**

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	Number	USD	Number	USD
<i>Authorised share capital</i>				
Ordinary shares with a par value of USD 0.01	<u><b>1,000,000,000</b></u>	<u><b>10,000,000</b></u>	<u><b>1,000,000,000</b></u>	<u><b>10,000,000</b></u>
<i>Issued share capital</i>				
Ordinary shares with a par value of USD 0.01	<u><b>11,468,907</b></u>	<u><b>114,689</b></u>	<u><b>11,468,907</b></u>	<u><b>114,689</b></u>

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.

The Company intends to report or pay dividends in order to remain an UK Reporting Fund, however, there is no assurance that the Company will be able to pay dividends. In compliance with the current investment strategy, which does not anticipate the payment of dividends, Directors retain the right to return cash through compulsory redemptions, by way of dividend or any other distribution as permitted by the Listing Rules.

**9(b). SHARE CAPITAL AND SHARE PREMIUM**

	<b>Share Capital USD</b>	<b>Share Premium USD</b>	<b>Ordinary Shares Number</b>
At 1 January 2023	202,146	1,997,201	20,214,590
Changes during the period:			
Redemption of ordinary shares	(87,457)	(4,430,872)	(8,745,683)
Re-allocation from retained earnings to share premium*	-	8,244,224	-
At 31 December 2023	<u>114,689</u>	<u>5,810,553</u>	<u>11,468,907</u>
Changes during the period:			
Redemption of ordinary shares	-	-	-
At 31 December 2024	<u>114,689</u>	<u>5,810,553</u>	<u>11,468,907</u>

\* The re-allocation relates to transfer from retained earnings to share premium following distributions made.

**Mandatory Redemption**

The Directors, at their sole discretion, can effect a compulsory redemption of the Ordinary Shares on an ongoing basis and can therefore undertake a staged return of capital to shareholders. During the year ended 31 December 2024, there were no redemptions. During the year ended 31 December 2023, under the prior realisation strategy, the Directors approved a partial mandatory redemption of 8,745,683 Ordinary Shares at the prevailing NAV per Ordinary Share of \$0.869 as at 30 April 2023, in the aggregate of \$7.6 million. As at 31 December 2024 and 31 December 2023 the Company had 11,468,907 Ordinary Shares in issue.

**Ordinary and C share Merger, Issuance of Contingent Value Rights**

In 2014, AOF closed a Placing of 29.2 million C shares of US\$0.10 each, at a placing price of US\$1.00 per C share, raising a total of \$29.2 million before the expenses of the Issue. The placing was closed on 11 April 2014 with the shares commencing trading on 17 April 2014. AOF's Ordinary Shares and the C Shares from the April placing were admitted to trading on the LSE's Specialist Fund Segment ("SFS") effective 17 April 2014.

The Fund merged the C share class and the ordinary shares as contemplated in the April 2014 issuance of the C share class, and with the consent of the Board of Directors, on 23 August 2017. The C Class shares were converted into ordinary shares.

The Shoprite arbitral award issued in 2016. The arbitral award resulted in AOF not being considered legal owner of the specific Shoprite Holdings, therefore, the Shoprite investment was written off. To effectuate this merger, Contingent Value Rights certificates for any residual rights with respect to Shoprite shares listed on the Lusaka Stock Exchange were issued to the ordinary shareholders of record on 21 August 2017. Information regarding the merger was distributed and released to the market prior to, and upon execution of, the merger. This information and information relative to the CVRs can be found on the Fund's website.

**10. OTHER PAYABLES**

	Notes	<u>2024</u>	<u>2023</u>
		USD	USD
Management Fee Payable		241	-
Directors Fees Payable	12	17,501	17,500
Other Payables		<u>104,841</u>	<u>143,185</u>
		<u><u>122,583</u></u>	<u><u>160,685</u></u>

Other payables are non-interest bearing and have an average term of six months. The carrying amount of other payables approximates their fair value.

**11. EARNINGS PER SHARE**

The earnings per share (EPS) is calculated by dividing the increase or decrease in net assets attributable to shareholders by the number of ordinary shares. The EPS for 2024 and 2023 represent both the basic and diluted EPS.

		<u>2024</u>	<u>2023</u>
		<u>Ordinary shares</u>	<u>Ordinary shares</u>
<b>Net income/(loss) attributable to equity holders</b>	USD	<u>3,901,135</u>	<u>(1,689,276)</u>
<b>Number of shares in issue</b>		<u>11,468,907</u>	<u>11,468,907</u>
<b>Change in net assets attributable to shareholders per share</b>	USD	<u>0.340</u>	<u>(0.147)</u>
<b>Weighted Average number of shares in issue</b>		<u>11,468,907</u>	<u>14,880,684</u>
<b>Change in net assets attributable to shareholders per share</b>	USD	<u>0.340</u>	<u>(0.114)</u>

**12. RELATED PARTY DISCLOSURES**

The Directors consider Africa Opportunity Fund Limited (the “Company”) as the ultimate holding company of Africa Opportunity Fund (GP) Limited and Africa Opportunity Fund L.P.

<u>Name</u>	<u>Country of incorporation</u>	<u>% equity interest 2024</u>	<u>% equity interest 2023</u>
Africa Opportunity Fund (GP) Limited	Cayman Islands	<b>100.00</b>	<b>100.00</b>
Africa Opportunity Fund L.P.	Cayman Islands	<b>96.00</b>	<b>96.00</b>



**12. RELATED PARTY DISCLOSURES (CONTINUED)**

<u>Name of related parties</u>	<u>Type of relationship</u>	<u>Nature of transaction</u>	<u>Volume USD</u>	<u>Balance at 31 Dec 2024</u>
				USD
Africa Opportunity Partners LLC	Investment Manager	Management fee expense	131,963	-
SS&C Technologies	Administrator	Administration fees	75,413	-
Directors	Directors	Directors' fees	70,001	17,501
				USD
<u>Name of related parties</u>	<u>Type of relationship</u>	<u>Nature of transaction</u>	<u>Volume USD</u>	<u>Balance at 31 Dec 2023</u>
				USD
Africa Opportunity Partners LLC	Investment Manager	Management fee expense	69,656	32,511
SS&C Technologies	Administrator	Administration fees	72,795	-
Directors	Directors	Directors' fees	70,010	17,500

The terms and conditions of the amount with related parties are as follows:

- (i) Unsecured interest free and settlement occurs in cash;
- (ii) No guarantees have been given or received on these balances; and
- (iii) No provision has been recognized in relation to outstanding balances from related party.

**Key Management Personnel (Directors' fee)**

Except for Robert Knapp who has waived his fees, each director has been paid a fee of USD 35,000 per annum plus reimbursement for out-of pocket expenses during both 2024 and 2023.

Robert Knapp, who is a director of the Company, also forms part of the executive team of the Investment Manager. Details of the agreement with the Investment Manager are disclosed in Note 5a. He has a beneficiary interest in AOF CarryCo Limited.

Details of investments in the Company by the Directors are set out below:

	<u>No of shares held</u>	<u>Direct interest held %</u>
<b>2024</b>	6,254,094	54.53
2023	6,254,094	54.53

**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.

Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income. Withholding taxes are not separately disclosed in the statement of cash flows as they are deducted at the source of the income.

**13. TAXATION (CONTINUED)**

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	<u>2024</u>	<u>2023</u>
	USD	USD
Total comprehensive gain/(loss)	<u>3,901,135</u>	<u>(1,689,276)</u>
Income tax expense calculated at 0%	<u>-</u>	<u>-</u>
Withholding tax suffered outside Cayman Islands	<u>-</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>-</u>	<u>-</u>

\* Withholding taxes are borne at the master fund level and amounted to **USD 9,840** (2023: USD 14,043). These have been included in the NAV of the subsidiary.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**14(a). AT THE COMPANY'S LEVEL**

**Introduction**

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities. It is managed through a process of ongoing identification, measurement, and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

**Risk management structure**

The Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach of the Company.

**Fair value**

The carrying amount of financial assets and liabilities at fair value through profit or loss are measured at fair value at the reporting date. The carrying amount of cash and cash equivalents and other payables approximates their fair value due to their short-term nature.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk, foreign currency risk and equity price risk. The Company is not directly exposed to market risk. The Company holds investments in subsidiaries, Africa Opportunity Fund L.P. (Master Fund) and Africa Opportunity Fund (G.P.) Limited which are valued at their net asset value. The Company is thus exposed to market risk indirectly through investments held by the Master Fund.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(a). AT THE COMPANY'S LEVEL (CONTINUED)**

*Equity price risk*

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of the equity indices and the values of individual stocks. The equity price risk of the Company arises from the net asset value (NAV) of the underlying funds, the Master Fund and AOF G.P. The effect on equity would have the same impact on the profit/(loss) for the year. The equity price risk at Company level is analysed as follows:

<b>Company</b>	<b>Change in NAV price</b>	<b>Effect on Equity 2024</b>
		<b>USD</b>
Investment in subsidiaries at fair value through profit or loss	10%	<b>1,368,690</b>
	-10%	<b>(1,368,690)</b>
<b>Company</b>	<b>Change in NAV price</b>	<b>Effect on Equity 2023</b>
		<b>USD</b>
Investment in subsidiaries at fair value through profit or loss	10%	999,873
	-10%	(999,873)

*Currency risk*

All of the Company's financial assets and financial liabilities are denominated in its functional currency. The Master Fund's investments are denominated in various currencies. The effect of a change in USD against other currencies at the Master Fund level will have the same impact at the Company level and will form part of the NAV of the subsidiary (refer to note 14(b)). The currency profile of the Company's financial assets and liabilities is therefore summarised as follows:

	<b>2024 Financial assets</b>	<b>2024 Financial liabilities</b>	2023 Financial assets	2023 Financial liabilities
	<b>USD</b>	<b>USD</b>	USD	USD
United States Dollar	<b>13,892,258</b>	<b>122,583</b>	10,027,694	160,685
	<b>13,892,258</b>	<b>122,583</b>	10,027,694	160,685

Prepayments are typically excluded as these are not financial assets; prepayments as at 31 December 2024 and 2023 amounted to **USD 9,507** and USD 11,038, respectively.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(a). AT THE COMPANY'S LEVEL (CONTINUED)**

*Currency risk (Continued)*

As at 31 December 2024

Company

	Gross amounts of recognised financial assets	Net amount of financial assets presented in the statement of financial position	Net amount
	USD	USD	USD
Cash and cash equivalents	<u>205,356</u>	<u>205,356</u>	<u>205,356</u>
<b>Total</b>	<b><u>205,356</u></b>	<b><u>205,356</u></b>	<b><u>205,356</u></b>

As at 31 December 2023

Company

	Gross amounts of recognised financial assets	Net amount of financial assets presented in the statement of financial position	Net amount
	USD	USD	USD
Cash and cash equivalents	<u>28,967</u>	<u>28,967</u>	<u>28,967</u>
<b>Total</b>	<b><u>28,967</u></b>	<b><u>28,967</u></b>	<b><u>28,967</u></b>

*Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's financial assets and liabilities are non-interest bearing; therefore, the Company is not exposed to interest rate risk and thus, no sensitivity analysis has been presented.

*Credit risk*

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Financial assets that potentially expose the Company to credit risk consist principally of cash and cash equivalent balances. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(a). AT THE COMPANY'S LEVEL (CONTINUED)**

*Credit risk (Continued)*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		<b>2024</b>	2023
		<b>Company</b>	Company
		<b>Carrying</b>	Carrying
		<b>amount</b>	amount
	<b>Notes</b>	<b>USD</b>	USD
Cash and cash equivalents	8	<b>205,356</b>	28,967

The cash and cash equivalents assets of the Company are maintained with Standard Chartered Bank (Mauritius) Ltd. Standard Chartered Bank has an A3 Senior Unsecured Debt issuer rating from Moody's rating agency, a Baa2 Subordinated Debt rating from Moody's rating agency, a BBB+ long-term issuer credit rating from Standard and Poor's rating agency, and an A-2 short-term credit rating from Standard and Poor's rating agency.

*Concentration risk*

The Company does not have any concentration risk as at 31 December 2024. Given that the Company has invested in Africa Opportunity Fund L.P (the Master Fund) which holds investments in various countries in Africa, the concentration risk therefore arises primarily at the Master Fund Level.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows. The table below illustrates the maturity profile of the Company's financial liabilities based on undiscounted payments.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(a). AT THE COMPANY'S LEVEL (CONTINUED)**

*Liquidity risk (Continued)*

Year 2024	Due on demand	Due within 3 Months	Due Between 3 and 12 Months	Due Between 1 and 5 years	Due greater than 5 years	Total
	USD	USD	USD	USD	USD	USD
<b>Financial liabilities</b>						
Other payables	-	122,583	-	-	-	122,583
<b>Total liabilities</b>	<b>-</b>	<b>122,583</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,583</b>
Year 2023	Due on demand	Due within 3 Months	Due Between 3 and 12 Months	Due Between 1 and 5 years	Due greater than 5 years	Total
	USD	USD	USD	USD	USD	USD
Financial liabilities						
Other payables	-	160,685	-	-	-	160,685
<b>Total liabilities</b>	<b>-</b>	<b>160,685</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,685</b>

**Capital Management**

Total capital is considered to be the total equity as shown in the statement of financial position.

The Company is a closed-end fund and repurchase of shares in issue can be done with the consent of the Board of Directors. The Company is not subject to externally imposed capital requirements.

The objectives for managing capital are:

- To invest the capital in investment meeting the description, risk exposure and expected return indicated in the Admission document.
- To achieve consistent capital growth and income through investment in value, arbitrage and special situations opportunities derived from the African continent.
- To maintain sufficient size to make the operation of the Company cost effective.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

**14(b). AT THE MASTER FUND'S LEVEL**

The financial risks at Master Fund Level are described as follows:

***Fair value***

The carrying amount of financial assets and liabilities at fair value through profit or loss held at Master Fund level are measured at fair value at the reporting date. The carrying amount of other receivables, cash and cash equivalents, trade and other payables and amount payable to related party at Master Fund levels approximates their fair value due to their short-term nature.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)**

*Market risk*

The market risk lies primarily at the Master Fund level. Short selling involves borrowing securities and selling them to a broker-dealer. The Master Fund has an obligation to replace the borrowed securities at a later date. Short selling allows the Master Fund to profit from a decline in market price to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities, while the gain is limited to the price at which the Fund sold the security short. Possible losses from short sales may be unlimited as the Master Fund has an obligation to repurchase the security in the market at prevailing prices at the date of acquisition.

With written options, the Master Fund bears the market risk of an unfavourable change in the price of the security underlying the option. Exercise of an option written by the Master Fund could result in the Master Fund selling or buying a security at a price significantly different from its fair value.

A contract for difference creates, as its name suggests, a contract between two parties speculating on the movement of an asset price. The term 'CFD' which stands for 'contract for difference' consists of an agreement (contract) to exchange the difference in value of a particular currency, commodity share or index between the time at which a contract is opened and the time at which it is closed. The contract payout will amount to the difference in the price of the asset between the time the contract is opened and the time it is closed. If the asset rises in price, the buyer receives cash from the seller, and vice versa. The Master Fund bears the risk of an unfavourable change on the fair value of the CFD. The risk arises mainly from changes in the equity and foreign exchange rates of the underlying security.

The Master Fund's financial assets are susceptible to market risk arising from uncertainties about future prices of the instruments. Since all securities investments present a risk of loss of capital, the Investment Manager moderates this risk through a careful selection of securities and other financial instruments. The Master Fund's overall market positions are monitored on a daily basis by the Investment Manager.

The directors have based themselves on past and current performance of the investments and future economic conditions in determining the best estimate of the effect of a reasonable change in equity prices, currency rate and interest rate.

*Equity price risk*

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of the equity indices and the values of individual stocks.

The equity price risk exposure arises from the Master Fund's investments in equity securities, from equity securities sold short and from equity-linked derivatives (the written options). The Master Fund manages this risk by investing in a variety of stock exchanges and by generally limiting exposure to single investments and to industry sectors, as possible.

Management's best estimate of the effect on the profit or loss for a year due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. There is no effect on 'other comprehensive income' as the Master Fund have no assets classified as 'available-for-sale' or designated hedging instruments.

In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite impact.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)**

*Equity price risk (Continued)*

<b>Master Fund</b>	<b>Change in NAV price</b>	<b>Effect on net assets attributable to Shareholders 2024</b>
		<b>USD</b>
Financial assets at fair value through profit or loss	10%	<b>1,303,189</b>
	-10%	<b>(1,303,189)</b>
		<b>Effect on net assets attributable to Shareholders 2023</b>
<b>Master Fund</b>	<b>Change in NAV price</b>	<b>USD</b>
Financial assets at fair value through profit or loss	10%	<b>872,771</b>
	-10%	<b>(872,771)</b>



**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)**

*Currency risk*

The Master Fund's investments are denominated in various currencies as shown in the currency profile below. Consequently, the Company is exposed to the risk that the exchange rate of the United States Dollar (USD) relative to these various currencies may change in a manner which has a material effect on the reported values of its assets denominated in those currencies. To manage its risks, the Master Fund may enter into currency arrangements to hedge currency risk if such arrangements are desirable and practicable.

The following table details the Master Fund's sensitivity to a possible change in the USD against other currencies. The percentage applied as sensitivity represents management's assessment of a reasonably possible change in foreign currency denominated monetary items by adjusting the translation at the year-end for the change in currency rates at the Master Fund level. A positive number below indicates an increase in profit where the USD weakens against the other currencies. In practice, actual results may differ from estimates and the difference can be material. The effect of a change in USD against other currencies at the Master Fund level as per the table below will have the same impact at the company level and will form part of the NAV of the subsidiary.

The sensitivity analysis shows how the value of a financial instrument will fluctuate due to changes in foreign exchange rates against the US Dollar, the functional currency of the Company.

**Currency Risk - Year 2024**

	Currency	Effect on net assets attributable to	
		shareholders in (USD)	
<b>Master Fund</b>			
<b>Change:</b>		<b>30%</b>	<b>-30%</b>
	Ghana Cedi	(686,086)	686,086
	Kenyan Shilling	(268,720)	268,720
	South African Rand	(31,530)	31,530
<b>Change:</b>		<b>5%</b>	<b>-5%</b>
	Great British Pound	(565)	565

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)**

*Currency risk (Continued)*

**Currency Risk - Year 2023**

<b>Master Fund</b>	<b>Currency</b>	<b>Effect on net assets attributable to shareholders in (USD)</b>	
<b>Change:</b>		<b>30%</b>	<b>-30%</b>
	Ghana Cedi	(1,019,397)	1,019,397
	Kenyan Shilling	(65,396)	65,396
	South African Rand	(24,835)	24,835
<b>Change:</b>		<b>5%</b>	<b>-5%</b>
	Great British Pound	(383)	383

*Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The fair values of the Master Fund's debt securities fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments.

The investments in debt securities have fixed interest rate and the income and operating cash flows are not exposed to interest rate risk. The change in fair value of investments based on a change in market interest rate (a 50 basis points change) is not material and has not been disclosed.

*Credit risk*

Financial assets that potentially expose the Master Fund to credit risk consist principally of cash balances and interest receivable. The extent of the Master Fund's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Master Fund's statement of financial position (note 15). The Master Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>2024</b>	<b>2023</b>
	<b>Master Fund</b>	<b>Master Fund</b>
	<b>Carrying</b>	<b>Carrying</b>
	<b>amount</b>	<b>amount</b>
	<b>USD</b>	<b>USD</b>
Other receivables, excluding prepayments	<b>159,056</b>	28,700
Cash and cash equivalents	<b>1,522,662</b>	2,113,625

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)**

*Concentration risk*

At 31 December 2024 the Master Fund held investments in Africa which involves certain considerations and risks not typically associated with investments in other developed countries. Future economic and political developments in Africa could affect the operations of the investee companies.

**Analysed by geographical distribution of underlying assets:**

	<b>Master Fund 2024</b>	Master Fund 2023
	<b>USD</b>	USD
<b><u>Equity Securities</u></b>		
Zimbabwe	<b>7,605,127</b>	2,895,212
Ghana	<b>2,288,751</b>	3,397,990
Other	<b>2,125,800</b>	2,125,800
Kenya	<b>895,734</b>	217,987
South Africa	<b>116,481</b>	90,723
<b>Total</b>	<b><u>13,031,893</u></b>	<u>8,727,712</u>

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)**

*Concentration risk (Continued)*

Analysed by industry of underlying assets:

	<b>Master Fund 2024</b>	<b>Master Fund 2023</b>
	<b>USD</b>	<b>USD</b>
<b><u>Equity Securities</u></b>		
Real Estate	7,603,651	2,895,211
Financial Services	2,406,708	3,488,714
Other	2,125,800	2,125,800
Utilities	895,734	217,987
<b>Total</b>	<b>13,031,893</b>	<b>8,727,712</b>

*Maturity Analysis*

*All figures are expressed in USD.*

<b>As at 31 December 2024</b>	<b>Within 12 Months</b>	<b>After 12 Months</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	1,522,662	-	1,522,662
Other receivables	159,056	-	159,056
Equity securities	10,906,093	-	10,906,093
Unquoted equity securities	-	2,125,800	2,125,800
<b>Total assets</b>	<b>12,587,811</b>	<b>2,125,800</b>	<b>14,713,611</b>
<b>LIABILITIES</b>			
Traded and other payables	428,904	-	428,904
<b>Total liabilities</b>	<b>428,904</b>	<b>-</b>	<b>428,904</b>

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)**

*Maturity Analysis (Continued)*

*All figures are expressed in USD.*

As at 31 December 2023	<u>Within 12 Months</u>	<u>After 12 Months</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	2,113,625	-	2,113,625
Other receivables	28,700	-	28,700
Equity securities	6,601,912	-	6,601,912
Unquoted equity securities	-	2,125,800	2,125,800
<b>Total assets</b>	<u><b>8,744,237</b></u>	<u><b>2,125,800</b></u>	<u><b>10,870,037</b></u>
<b>LIABILITIES</b>			
Trade and other payables	455,217	-	455,217
<b>Total liabilities</b>	<u><b>455,217</b></u>	<u>-</u>	<u><b>455,217</b></u>

**15. ANALYSIS OF NAV OF MASTER FUND ATTRIBUTABLE TO ORDINARY SHARES**

	<u>2024</u>	<u>2023</u>
	<u>USD</u>	<u>USD</u>
<b>ASSETS</b>		
Cash and cash equivalents	1,522,662	2,113,625
Other receivables	159,056	28,700
Financial assets at fair value through profit or loss	13,031,893	8,727,712
<b>Total assets</b>	<u><b>14,713,611</b></u>	<u><b>10,870,037</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Liabilities</b>		
Trade and other payables	428,904	455,217
<b>Total liabilities</b>	<u><b>428,904</b></u>	<u><b>455,217</b></u>
<b>Net assets attributable to members' account</b>	<u><b>14,284,707</b></u>	<u><b>10,414,820</b></u>

**16. SEGMENT INFORMATION**

For management purposes, the Company is organised in one main operating segment, which invests in equity securities, principally via the Master Fund. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all material 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.

For geographical segmentation at the Master Fund level, please refer to Note 14.

**17. PERSONNEL**

The Company did not employ any personnel during the year (2023: nil).

**18. COMMITMENTS AND CONTINGENCIES**

There are no commitments or contingencies at the reporting date.

**19. EVENTS AFTER REPORTING DATE**

There were no other material events after the reporting date up to the date that these financial statements were authorised for issue that warrant adjustments or disclosures in the financial statements for the year ended 31 December 2024.

**SHARE PRICE**

Prices of Africa Opportunity Fund Limited are published daily in the Daily Official List of the London Stock Exchange. The shares trade under Reuters symbol "AOF.L" and Bloomberg symbol "AOF LN".

**MANAGER**

Africa Opportunity Partners LLC.

**COMPANY INFORMATION**

Africa Opportunity Fund Limited is a Cayman Islands incorporated closed-end investment company admitted to trading on the SFS operated by the London Stock Exchange.

**CAPITAL STRUCTURE**

The Company has an authorized share capital of 1,000,000,000 ordinary shares of US\$0.01 each of which 11,468,907 are issued and fully paid.

**REGISTERED NUMBER**

Registered in the Cayman Islands number MC-188243.

**Website**

[www.africaopportunityfund.com](http://www.africaopportunityfund.com)