Andean Social Infrastructure (No. 1) Limited

Annual Report and Audited Financial Statements

For the period from incorporation, 1 July 2019, to 31 December 2020

Company Number 12078889

ANDEAN SOCIAL INFRASTRUCTURE (NO. 1) LIMITED

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SUMMARY OF DIRECTORS AND ORGANISATION

DIRECTORS:	M S Amin	(Appointed on 1 July 2019)
	G D Cohen	(Appointed on 1 July 2019)
	I H Y Wong	(Appointed on 1 July 2019)

REGISTERED OFFICE:

Bow Bells House
1 Bread Street
London
United Kingdom
EC4M 9HH

ADMINISTRATOR AND SECRETARY:

Effective from 31 July 2020
TMF Group Fund Administration (Guernsey) Limited
Western Suite
Ground Floor
Mill Court
La Charroterie
St Peter Port
Guernsey
GY1 1EJ

Effective until 31 July 2020
Apex Fund and Corporate Services (Guernsey) Limited
1 Royal Plaza
Royal Avenue, St Peter Port
Guernsey
GY1 2HL

BANKER:

Barclays Bank
Le Marchant House
Le Truchot
St Peter Port
Guernsey
GY1 3BE

INDEPENDENT AUDITOR:

PricewaterhouseCoopers CI LLP
P.O. Box 321
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
GY1 4ND

INVESTMENT MANAGER:

Aberdeen Asset Managers Limited
Bow Bells House
1 Bread St
London
EC4M 9HH
United Kingdom

REPORT OF THE DIRECTORS
For the period from incorporation, 1 July 2019, to 31 December 2020

The Directors present their annual report and audited financial statements for Andean Social Infrastructure (No. 1) Limited (the "Company") for the period from incorporation, 1 July 2019, to 31 December 2020 (the "period").

Incorporation
The Company was incorporated on 1 July 2019 as Aberdeen Social Infrastructure (No.1) Limited. The Company's registration number is 12078889.

Registered office
The Company's registered office is at Bow Bells House, 1 Bread Street, London, United Kingdom, EC4M 9HH.

Financial risk management
The key risks and uncertainties faced by the Company are managed within the framework established for by the Investment Manager of the Fund (Andean Social Infrastructure Fund I LP). Exposures to market risk, credit risk and liquidity risk arise in the normal course of the Company's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in Note 9 to the financial statements. The Company is funded by Andean Social Infrastructure Fund I LP ("ASIF I LP"), and as a result liquidity risk is managed by the Company in conjunction with ASIF I LP.

Results and dividends
The Company's total comprehensive income for the period was USD133,654. No dividends were declared and/ or paid during the period.

Future developments
The Company remains committed to the business of holding investments and will continue to hold its existing and new investments in the future.

Directors and their interests
The Directors throughout the period and at the date of this report are as stated on page 1.

I H-Y Wong is also a director of Andean Social Infrastructure GP Limited, which is the general partner of the Company's immediate parent undertaking, ASIF I LP.

Brexit
The UK left the European Union ("EU") on 31 January 2020 ("Brexit"). The transitional period in which the UK was no longer a member of the EU but was still subject to EU rules and remained a member of the Customs Union, was concluded on 31 December 2020. Following the end of this transition period, a limited trade deal was agreed. However, implications for matters such as imports/exports, investment, taxes etc are evolving. Consequently, there will likely be impacts to many UK businesses as the UK's future trading relationship with the EU remains subject to negotiation. The Directors in conjunction with the Investment Manager of ASIF I LP will continue to follow developments closely and assess their implications in relation to their contingency planning. The Directors' priority is to ensure the Investment Manager of ASIF I LP is suitably placed to support the Company.

As at 11pm on 31 December 2020, International Financial Reporting Standards as adopted by the European Union ("IFRS") as it existed have been "frozen" into UK law and the Company has utilized the frozen EU-IFRS in accordance with the international accounting standards in conformity with the requirements of the Companies Act 2006.

REPORT OF THE DIRECTORS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

Statement of Directors' responsibilities in respect of the financial statements
The Directors are responsible for preparing the Annual Report and the Audited Financial Statements in accordance with applicable law (i.e. the Companies Act 2006) and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Company and enable the Directors to ensure that the financial statements comply with the Companies Act 2006 and international accounting standards in conformity with the requirements of the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Audit information
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they each are aware, there is no relevant audit information of which the Company's Independent Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Independent Auditor is aware of that information.

Subsequent events
The Directors have evaluated the impact of all subsequent events on the Company occurring between the end of the reporting date and 29 June 2021, the date the financial statements were available to be issued and have determined that there were no subsequent events to report as at the date of signing this report and the audited financial statements other than those disclosed in Note 15.

REPORT OF THE DIRECTORS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

Going concern

The Company reported comprehesive income of USD 133,654. The Company is currently in a net current liability position of USD 16,750,247. Of this amount, USD 16,686,236 relates to the loan which is due to ASIF I LP. As disclosed in Note 7, the loan is short term and payable no demand. ASIF I has confirmed that notwithstanding the existing terms of the loan, it will not demand repayment of the loan until the Company has sufficient resources to continue in existence for the foreseeable future following such repayment. The Directors have therefore determined that the Company has sufficient resources to continue in operation for the foreseeable future and that the going concern basis is appropriate for preparing the financial statements.

COVID-19

COVID-19 is a developing situation and the assessment of this situation will need continued attention and will evolve over time. The Directors have considered the impact of COVID-19 and where applicable has built this into its fair value modelling which has been reflected in the fair value of the investment in the financial statements.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact at this stage. However, the Directors do not underestimate the seriousness of the issue and the inevitable effect it will have on the global economy and many businesses across the world.

The Directors believe that the impact of the virus outbreak will be material on the general economy as initially evidenced by some central banks having already started to act by reducing interest rates and taking other measures. Undoubtedly, this will have implications for the underlying investment portfolio of the Company.

Independent Auditor

PricewaterhouseCoopers CI LLP were appointed as auditors of the Company by the Directors of the Company on 27 April 2021. Accordingly, a resolution proposing the reappointment of PricewaterhouseCoopers CI LLP as auditors will be put to the members of the Company before the end of the next period for appointing auditors.

By order of the Board,

I H Y Wong
Director
29 June 2021

STRATEGIC REPORT
For the period from incorporation, 1 July 2019, to 31 December 2020

The Directors present their strategic report on the Company for the period from incorporation, 1 July 2019, to 31 December 2020.

Results and review of business

The total comprehensive income for the period is set out in the Statement of Comprehensive Income on page 11. The Directors consider the performance of the Company during the period and its financial position at the end of the period, to be in line with the long term expected performance of the investment, and its prospects for the future to be satisfactory.

Principal activity

The Company operates as an investment holding company for its parent, ASIF I LP, and there has been no change in that activity during the period.

The Company holds a portfolio of social infrastructure assets via its investment in Andean Social Infrastructure No. 1 Spain S.L.U (ASI No. 1 Spain S.L.U). The Directors do not expect any significant changes or developments to occur regarding the Company's business at the time of approval of the financial statements.

Principal risks and uncertainties

The key risks and uncertainties faced by the Company are managed within the framework established for the Investment Manager of ASIF I LP. Exposures to market risk, credit risk and liquidity risk arise in the normal course of the Company's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in Note 9 to the financial statements. The Company is funded by its immediate parent undertaking, ASIF I LP, and as a result liquidity risk is managed by the Company in conjunction with ASIF I LP.

Key performance indicators

The Directors of the Company consider its operations to be consistent with those at the level of the immediate parent undertaking that is managed by the Investment Manager. For this reason, the Company's Directors believe that an analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

By order of the Board,

I H Y Wong
Director
29 June 2021

Independent auditor's report to the members of Andean Social Infrastructure (No. 1) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Andean Social Infrastructure (No. 1) Limited's (the "company") financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the period from 1 July 2019 to 31 December 2020 (the "period");
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2020; the statement of comprehensive income, the statement of changes in equity, for the period then ended 31 December 2020; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

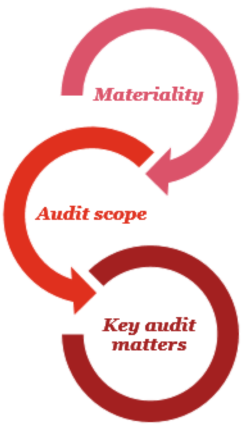
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall materiality: $173,800, based on 1% of total assets.

- The company operates as an investment holding vehicle for its parent, Andean Social Infrastructure I LP ("ASIF I LP"). The company's subsidiary is Andean Social Infrastructure No. 1 Spain S.L.U ("ASI No. 1 Spain S.L.U" or the "subsidiary") which invests in a social infrastructure asset. The company's period end valuation of the subsidiary and the underlying investment was prepared by the Aberdeen Standard Fund Managers Limited (the "Investment Manager") and approved by the Board of Directors of the company.
- We conducted our audit in Guernsey using information provided by TMF Group Fund Administration (Guernsey) Limited (the "Administrator") to whom the directors have delegated the provision of certain functions including the preparation of these financial statements.
- Our audit was scoped by obtaining an understanding of the company and its environment, including internal controls and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

- Valuation of financial assets at fair value through profit or loss

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of financial assets at fair value through profit or loss The company is a wholly owned subsidiary of ASIF I LP, and the company holds ASIF I LP's social infrastructure investment through its subsidiary ASI No. 1 Spain S.L.U. At the period end, the financial assets at fair value through profit or loss (the "investment in subsidiary") is valued at USD17,381,210. In determining the fair value of the financial assets at fair value through profit or loss, the company relies on the net asset value ("NAV") as reported in the latest available financial accounting information. As described in note 10 to the financial statements: Critical Accounting Estimates and Judgements, the subsidiary's accounting records are inclusive of the fair value of the subsidiary's own underlying investment. The subsidiary has used the income approach which discounts the expected cash flows attributable to the underlying investment at an appropriate rate to arrive at fair values. In determining the discount rate used in the discounted cash flow model, regard is given to relevant long-term government bond yields, the specific risks of underlying investment and the evidence of recent transactions. The fair value of the investment in subsidiary has been assessed as a key audit matter due to the significant judgement required and assumptions applied in determining the appropriate values of the underlying investment. The key areas of estimation concerning the following factors in the valuation methodology are: ● forecasted future cash flows - adjustments made to underlying investment cash flows to adjust or change the timing of cash flows from the investment; and ● discount rates - the determination of the appropriate discount rate for the underlying investment that is reflective of current market and industry conditions (i.e. macro-economic assumptions such as interest rates, inflation rates, the effects of political developments and trends on these assumptions) and the specific risks as applicable to the underlying investment.	***Valuation methodology*** The methodology the company has used in determining the value of the investment in subsidiary is considered standard industry practice. Furthermore, the methodology the subsidiary has used to determine the valuation of its own underlying investment is also considered standard industry practice. ***Controls evaluation*** The Investment Manager prepares quarter-end project valuations. We obtained an understanding of the design and implementation of controls in operation over valuation, and specifically tested the operating effectiveness of the periodic review and approval by the Aberdeen Alternatives Pricing Committee (the "Pricing Committee"). ***Net asset value of the subsidiary*** We performed a net asset reconciliation of the investment in subsidiary by reviewing the subsidiary's accounting records at year end against the fair value recognised in the company's financial records noting the mathematical accuracy and integrity of the accounting information and any adjustments to the NAV made by the Investment Manager. ***Valuation of the underlying investment*** As the underlying investment was acquired close to the period end, we tested the cash flow model prepared by the Investment Manager at acquisition by checking the mathematical integrity of the respective model and recalculating the net present value of the underlying investment by applying the respective discount rates approved by the Pricing Committee and verified by PwC. We verified the recorded value of the underlying investment in the subsidiary's books and records. ***Forecasted cash flow assumptions*** We held discussions with the Investment Manager in relation to the underlying investment to understand its performance since acquisition. ● with the assistance of PwC valuation experts, we identified the key assumptions used to determine the underlying variable cash flows in the model, including assumptions that require significant judgement or are subject to complex regulatory requirements; and ● we inspected the latest financial statements of the underlying investment for evidence of impairment indicators and inconsistencies with the cash flow model.

Benchmarking discount rates and other valuation assumptions

With the support of our PwC valuation experts, we challenged the discount rates and macroeconomic assumptions applied in the valuation model of the underlying investment by benchmarking these to independent market data, including recent market transactions, and using our valuation expert's experience in valuing similar investments.

We further assessed the reasonableness of the Investment Manager's assumptions by comparing these to the assumptions used by peer companies.

Based on the procedures detailed above, no misstatements were identified which required reporting to those charged with governance.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	$173,800.
How we determined it	1% of total assets.
Rationale for benchmark applied	We believe that total assets are the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above $8,690 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the period ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Adrian Peacegood BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Channel Islands, Guernsey
29 June 2021

STATEMENT OF COMPREHENSIVE INCOME
For the period from incorporation, 1 July 2019, to 31 December 2020

	Notes	Period from 01-Jul-19 to 31-Dec-20 USD
Income		
Interest income		88,008
Net change in fair values of financial assets at fair value through profit or loss	4	109,718
Total income		197,726
Expenses		
Professional fees		33,556
Audit fees		13,663
Loan interest	7	10,793
Administration fees		6,000
Other operating expenses		60
Total expenses		64,072
Profit on ordinary activities before tax		133,654
Tax		-
Profit on ordinary activities after tax		133,654
Total comprehensive income for the period		133,654
Attributable to Equity holder:		
Total comprehensive income for the period		133,654

The notes on pages 14 to 30 form part of these financial statements

STATEMENT OF FINANCIAL POSITION
For the period from incorporation, 1 July 2019, to 31 December 2020

	Notes	2020 USD
Assets		
Non-current assets		
Financial assets at fair value through profit or loss	4	17,381,210
Total non-current assets		17,381,210
Current assets		
Accounts receivable and prepayments	5	1
Total current assets		1
Total assets		17,381,211
Equity and liabilities		
Equity		
Share capital	8	1
Retained earnings		133,654
Total equity		133,655
Liabilities		
Non-current liabilities		
Loans and borrowings	7	497,308
Total non-current liabilities		497,308
Current liabilities		
Loans and borrowings	7	16,686,236
Payables and accruals	6	64,012
Total current liabilities		16,750,248
Total liabilities		17,247,556
Total equity and liabilities		17,381,211

The financial statements were authorised for issue by the Board of the Directors of the Company and signed on its behalf by:

I H Y Wong
Director
29 June 2021

STATEMENT OF CHANGES IN EQUITY
For the period from incorporation, 1 July 2019, to 31 December 2020

	Share capital USD	Retained earnings USD	Total equity USD
Balance as at 1 July 2019*	-	-	-
Share capital issued	1	-	1
Total comprehensive income for the period	-	133,654	133,654
Balance at 31 December 2020	1	133,654	133,655

*The Company was incorporated on 1 July 2019

NOTES TO THE FINANCIAL STATEMENTS
For the period from incorporation, 1 July 2019, to 31 December 2020

1. GENERAL INFORMATION

Andean Social Infrastructure (No. 1) Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Bow Bells House, 1 Bread Street, London, United Kingdom, EC4M 9HH.

The Company operates as an investment holding company.

These financial statements were authorised for issue by the Board of Directors of the Company on 29 June 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with applicable law (i.e. the Companies Act 2006) and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

A statement of cash flows has not been presented as the Company did not have an operational bank account therefore all transactions were non-cash items which were processed through ASIF I LP on behalf of the Company. The company's bank account was subsequently opened in January 2021.

Following the end of the Brexit transition, as at 11pm on 31 December 2020, International Financial Reporting Standards as adopted by the European Union ("IFRS") as it existed have been "frozen" into UK law and the Company has utilised the frozen EU-IFRS in accordance with the international accounting standards in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 10.

The Company meets the definition of an Investment Entity as defined by IFRS 10 and is required to account for the investment in subsidiary at fair value through profit and loss.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation

(a) Standards and amendments to existing standards effective 1 January 2020

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2020 that would be expected to have a material impact on the Company.

(b) New standards, amendments and interpretations effective after 1 January 2020 and not early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

2.2 Investment Entity

The Company has determined that it meets the definition of an Investment Entity per IFRS 10 as the following conditions exist:

a) The Company has obtained funds for the purpose of providing investors with professional investment management services;

b) The Company's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income; and

c) The investment is measured and evaluated on a fair value basis.

2.3 Subsidiary

Where the Company is deemed to control an underlying portfolio company either directly or indirectly through a holding company subsidiary and whether the control be via voting rights or through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying portfolio company and its results are not consolidated and are instead reflected at fair value through the profit or loss.

The Company does not have any other direct subsidiaries other than the one determined to be Investment Entity. The Investment Entity subsidiary investment is measured at fair value through profit or loss and is not consolidated in accordance with IFRS 10.

The Company operates as an investment structure whereby the Company (via its subsidiary) invests and commits to invest into its investment subsidiary. As at 31 December 2020, USDnil remained outstanding with respect to the capital commitment obligations due to the investment subsidiary.

Movements in the fair value of the Company's underlying project company directly and indirectly held via the Investment Entity subsidiary may expose the Company to potential gains or losses.

2.4 Foreign currency translation

(a) Functional and presentation currency

The operating and investing activities of the Company are denominated in United States Dollars ("USD"). As such the performance of the Company is measured and reported in USD. The Directors consider USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company. The financial statements are presented in USD, the Company's functional and presentation currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (continued)

(b) Translations and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency assets and liabilities, other than financial assets and liabilities at fair value through profit or loss are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

2.5 Financial assets at fair value through profit or loss

(a) Classification
Financial assets are classified as held for trading or designated as at fair value through profit or loss by the Directors at inception:

(i) Financial assets
The Directors classify the investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information, and it uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

(b) Recognition, derecognition and measurement
Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the Statement of Comprehensive Income within "Net changes in fair value of financial assets at fair value through profit or loss" in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within "Dividend income" when the Company's right to receive payments is established.

(c) Fair value estimation
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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial assets and financial liabilities at fair value through profit or loss (continued)

(c) Fair value estimation (continued)
Where portfolio investments are held through subsidiary holding companies, the net assets of the holding company are added to the value of the portfolio investment being assessed to produce the fair value of the holding company held by the Company.

The Company's investment in the subsidiary is valued based on the latest available net asset value (NAV) of the subsidiary, as determined by the subsidiary's Directors. The Investment Manager of ASIF I LP reviews the details of the reported information obtained from the subsidiary and considers:

- the liquidity of the subsidiary or its underlying investments;
- the value date of the net asset value (NAV) provided; and
- the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the advisors to the subsidiary.

2.6 Accounts receivable and prepayments

Receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method. Prepayments are assets paid in advance and amortised over the relevant period.

Such assets are short term in nature and the carrying value of these assets is considered to be approximate to their fair value. At each reporting date, the Company should measure the loss allowance on the receivable amounts at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company should measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance might be required. If the credit risk increases to the point that it is considered to be credit-impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit-impaired.

2.7 Payables and accruals

Payables and accruals are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. Payables and accruals are derecognised when the obligation under the liability is discharged or cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Loan notes

Loan notes are accounted as financial liabilities at amortised cost (loans and borrowings). After initial recognition, such interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method ('EIR'). Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as loan interest in the statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 7.

2.9 Interest income

Interest income from debt securities that are measured at fair value through profit or loss is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's carrying value or principal amount. The remaining changes in the fair value movement of the loans are recognised separately within 'Net changes in fair value of financial assets and liabilities at fair value through profit or loss' in the Statement of Comprehensive Income.

2.10 Expenses

Expenses are accounted on an accruals basis.

2.11 Taxation

The Company is exempt from income tax on its UK dividend income. Income from any other sources is taxable at 19%. Current tax, including UK corporation tax, is reflected at amounts to be recovered or paid using the tax rate and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Directors have determined there were no deferred tax assets or liabilities at 31 December 2020.

3. AUDITOR'S REMUNERATION

Fees charged by the Company's Independent Auditor for the audit of the Company's financial statements for the period was USD13,663.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 USD
Investment in subsidiary	17,381,210
	17,381,210

Net change in fair values of financial assets at fair value through profit or loss

	2020 USD
At 1 July 2019	-
Additions	17,271,492
Net change in fair values of financial assets at fair value through profit or loss	109,718
As at 31 December 2020	17,381,210
Change in unrealised gain for Level 3 assets held as at year end and included in net change in fair value of financial assets at fair value through profit or loss	109,718

The net unrealised gain of USD109,718 is made up of fair value gains of USD109,718 and foreign exchange losses of USDNil.

	2020	
Financial assets at fair value through profit or loss	**Fair value GBP**	**% of total assets**
Investment in subsidiary		
Equity securities	16,786,606	96.58
Debt securities	594,604	3.42
Total	17,381,210	100.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The Company operates as an integrated structure whereby the Company invests into the subsidiary. Total investments made by the Company into the subsidiary during the period ended 31 December 2020 were USD17,271,492. As at 31 December 2020 there were no capital commitment obligations and no amounts due to the subsidiary for unsettled purchases.

The subsidiary of the Company is as follows:

Subsidiary	Registered office address	Principal activity	Date of incorporation	Country of incorporation	Holding %
Andean Social Infrastructure No. 1 Spain, S.L.U	Calle Bárbara de Braganza 2, 2º C (28004 de Madrid), Spain	Investment holding	1 July 2019	Spain	100%

The Company operates as an investment holding company for its parent, ASIF I LP.

The Company's investment into Andean Social No. 1 Spain, S.L.U forms part of its investment into the infrastructure project.

5. ACCOUNTS RECEIVABLES AND PREPAYMENTS

	2020 USD
Due from ASIF I LP	1

The balance from ASIF I LP relates to the share capital invested into the Company.

As at 31 December 2020, the carrying amounts of receivables and prepayments approximate their fair value.

6. PAYABLES AND ACCRUALS

	2020 USD
Due to ASIF I LP	29,457
Audit fees	13,663
Accrued interest (note 7)	10,793
Administration fees	6,000
Professional fees	4,099
	64,012

The balance due to ASIF I LP relates to short term loans utilised for expenses. It is payable on demand and does not incur interest.

As at 31 December 2020, the carrying amounts of the payables and accruals approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

7. LOANS AND BORROWINGS

Non-current liabilities loan notes
The Company issued a loan note instrument (the "notes") of up to USD250,000,000 unsecured unsubordinated fixed rate variable funding loan notes due 2043. The notes are listed on the International Stock Exchange in the Channel Islands. The notes shall be subscribed for by and issued to the noteholder in series and in such subscribed amounts as may be agreed between the issuer and the noteholder. Each series of notes issued under this instrument has a maximum nominal amount fixed at date of issue.

The series 1 notes with a maximum nominal amount of USD10,000,000 were issued on 5 October 2020 for an initial subscription amount of USD497,308. The notes were issued to ASIF I LP. The proceeds from the issue were not received directly by the Company but utilised to finance the subsidiary acquisition in Andean Social Infrastructure No. 1 Spain S.L.U (note 12). Interest accrues at 11% per annum and the notes are due on 30 June 2029. As at 31 December 2020, the amount of the notes was USD497,308 and interest payable was USD10,793.

Current liabilities loan due to ASIF I LP
The short-term loan of USD16,686,236 was a non-cash transaction and represents the payment for the subsidiary acquisition in Andean Social Infrastructure No. 1 Spain S.L.U by ASIF I LP. The total acquisition value of USD17,271,492 for the subsidiary was financed through the short-term loan and loan notes above. Of the purchase value, USD16,868,176 (96.6%) represents equity and USD585,315 (3.4%) was purchase of debt.
The loan due to ASIF I LP is unsecured, payable on demand and does not incur interest.

8. SHARE CAPITAL AND SHARE PREMIUM

	2020 USD
Authorised and issued	1

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

9. FINANCIAL RISK MANAGEMENT

9.1 Financial risk factors

The objective of the Company's financial risk management is to manage and control the risk exposures of its investment portfolio. The Directors have overall responsibility for overseeing the management of financial risks. The review and management of financial risks are performed by the Company, which has documented procedures designed to identify, monitor and manage the financial risks to which the Company is exposed. This note presents information about the Company's exposure to financial risks, its objectives, policies and processes for managing risk and the Company's management of its financial resources.

The Company, owns one investment through debt and ordinary equity of the subsidiary. The Company has been structured at the outset to minimise financial risks of acquiring and holding the investment. The Company primarily focuses its risk management on the direct financial risks of acquiring and holding the investment, but continues to monitor the indirect financial risks of the underlying project through representation, where appropriate, on the Board of the project company (held by the subsidiary) and the receipt of regular financial and operational performance reports.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Financial risk factors (continued)

9.1.1 Market risk

Market risk is defined as the potential loss in value or earnings of the Company arising from changes in external market factors such as:

• interest rates (interest rate risk);
• foreign exchange rates (currency risk);
• equity markets (other price risk); and
• inflation rates (indexation risk).

The investment is susceptible to market price risk arising from uncertainties about the future value of the instrument. The Investment Manager of ASIF I LP provides the Board of Directors with investment recommendations. The Investment Manager of ASIF I LP's recommendations are reviewed by the Board of Directors before the investment decisions are implemented.

The performance of the investment held by the Company is monitored by the Investment Manager of ASIF I LP on a monthly basis and reviewed by the Board of Directors on a quarterly basis.

(a) Price risk

Returns from the Company's investment is affected by the price at which it is acquired. The value of the investment will be a function of the fair value which has been determined as its NAV.

At the reporting date the carrying value of the investment in subsidiary amounted to USD17,381,210. For the investment carried at fair value through profit or loss, changes in fair value would have a direct impact on total comprehensive income for the year. The table below sets out the sensitivity of total comprehensive income for the year to a 10% change in fair value of its investment in subsidiary as at the reporting date.

Effect of equity fair values on total comprehensive income for the period:

	2020 USD
Effect of 10% increase in fair value of investment	1,738,121
Effect of 10% increase in fair value of investment	(1,738,121)

(b) Currency

The project company in which the Company invests conducts its business and pay interest, dividends and principal in USD. The Company is not exposed to any currency risk.

(c) Interest rate risk

The Company, through its subsidiary invests in subordinated loan notes (subordinate to senior debt) of the project company, usually with fixed interest rate coupons. The project company's cash flows are continually monitored and re-forecast both over the near future and the long-term (over the whole period of projects' concessions) to analyse the cash flow returns from the investment.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Financial risk factors (continued)

9.1.1 Market risk (continued)

(c) Interest rate risk (continued)
Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Company holds debt securities that expose the Company to fair value interest rate risk. The Company's policy requires the Investment Manager of ASIF I LP to manage this risk by reviewing fluctuations of the interest rate sensitivity gap of financial assets and liabilities on a quarterly basis. The interest rate on the investment in subsidiary is fixed.

(d) Inflation risk
The Company's project company is generally structured so that contractual income and costs are either wholly or partially linked to specific inflation where possible to minimise the risks of a mismatch between income and costs due to movements in inflation indexes. The Company's overall cash flows are estimated to partially vary with inflation. The effect of these inflation changes do not always immediately flow through to the Company's cash flows as there is a time lag due to financial models only being updated on a 6 monthly basis.

9.1.2 Credit risk

Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company's near term cash flow forecasts are used to monitor the timing of cash receipts from the project counterparties. Underlying the cash flow forecasts is the project company' cash flow model, which is regularly updated by the project company for the purposes of demonstrating the project's ability to pay interest and dividends based on a set of detailed assumptions.

No classes within receivables and prepayments contain impaired assets. The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of Financial Position and is set below:

	2020 USD
Investment in subsidiary - debt securities	594,604
Accounts receivable related parties	1
	594,605

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Financial risk factors (continued)

9.1.3 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 have sufficient financial resources and liquidity to meet its liabilities when due. The Company's activity is predominantly funded by ASIF I LP. The Company is exposed to limited liquidity risk. The Company's liquidity risk is managed in conjunction with ASIF I LP.

The Company's investment is in a private company for which there is no active market and, therefore, such an investment would take time to realise and there is no assurance that the valuations placed on the investment would be achieved from any such sale process.

The Company operates as an investment structure whereby the Company invests and commits to invest into its investment subsidiary. As at 31 December 2020, USDnil remained outstanding with respect to the capital commitment obligations due to the investment subsidiary.

The following table illustrates the expected liquidity of assets held:

As at 31 December 2020	Less than 1 month USD	1-12 months USD	More than 12 months USD
Total assets	1	-	17,381,210

The amounts in the table are the contractual undiscounted cash flows.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. At present the Company has no immediate plans to exit the position in the investment. When the Board of the Directors are of the view that the disposal of the investment is relatively certain; the total equity, in so far as it may be distributed, will be disclosed in the appropriate liquidity category as noted below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1.3 Liquidity risk (continued)

As at 31 December 2020

	On demand USD	Less than 1 year USD	Between 1 and 3 years USD	More than 3 years USD	Total USD
Liabilities					
Payables and accruals	-	64,012	-	-	64,012
Loans and borrowings	16,686,236	-	-	497,308	17,183,544
Total financial liabilities	16,686,236	64,012	-	497,308	17,247,556

9.2 Capital risk management

The capital of the Company is represented by the shareholder's equity. The amount of shareholder's equity may change as the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

The Board of Directors and Investment Manager of ASIF I LP monitor capital on the basis of the value of shareholder's equity.

There were no changes in the Company's approach to capital management during the period.

9.3 Fair value estimation

The Company uses the income approach which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, regard is given to risk free rates, the specific risks of each investment and the evidence of recent transactions. A detailed discounted cash flow valuation methodology is disclosed on Note 2.5 (c).

As the subsidiary is not traded on an active market, and its fair value is determined using valuation techniques, the value is primarily based on the latest available financial statements of the subsidiary as reported by the administrator of the subsidiary. The subsidiary's financial statements have been prepared based on the valuation of the subsidiary's own underlying investment. The Company and its subsidiary have effectively used the income approach which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, regard is given to relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.3 Fair value estimation (continued)

Fair value hierarchy

The fair value hierarchy consists of the following three levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' input requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses, within the fair value hierarchy, the Company's investment measured at fair value:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31 December 2020				
Investment in subsidiary	-	-	17,381,210	17,381,210
	-	-	17,381,210	17,381,210

There were no transfers between Level 1 and Level 2 during the year. Reconciliations of Level 3 balances are disclosed in the relevant Notes as indicated below. The effect of different economic assumptions on the fair value of the Level 3 assets is disclosed in this Note.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.3 Fair value estimation (continued)

Valuation – the subsidiary

In determining the fair value of the subsidiary, the Company relies on the valuation as reported in the latest available financial accounting information and the underlying valuation of the investment.

The Investment Manager of ASIF I LP is responsible for monitoring the performance of the subsidiary and reporting such performance to the Directors. Where the information provided by the subsidiary's Administrator is not considered appropriate by the Investment Manager of ASIF I LP and Directors, the Investment Manager of ASIF I LP will make amendments to the net asset value ("NAV") obtained as noted above in order to recommend a carrying value that more appropriately reflects the fair value at the Company's reporting date.

The Company has recognised unrealised gains of USD109,718 on its Level 3 investment, these are included in the Statement of Comprehensive Income as net changes in fair value of financial assets through profit or loss.

As at 31 December 2020, the fair value of the investment in subsidiary was USD17,381,210.

9.4 Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period. There were no such transfers during the current reporting period.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Board of Directors makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Judgements
By virtue of the Company's status as an Investment Entity and the exemption provided by IAS 28 and IFRS 11 as well as the adoption of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), investments are designated upon initial recognition to be accounted for at fair value through profit or loss.

Investment Entity status
In determining the Company's status as an Investment Entity in accordance with IFRS 10, the Company considered the following:

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Investment Entity status (continued)

The Directors have determined that the Company meets the definition of an Investment Entity. An Investment Entity is defined as an entity that:

a) The Company has raised capital to invest in the infrastructure investment and to provide the shareholder with investment management services with respect to this infrastructure investment;
b) The Company intends to generate capital and income returns from its infrastructure investment which will, in turn, be distributed in accordance with the authorisation; and
c) The Company evaluates its infrastructure investment's performance on a fair value basis, in accordance with the policies set out in these financial statements.

Although the Company met all three defining criteria, the Directors have also assessed the business purpose of the Company, the investment strategies for the infrastructure investment, the nature of any earnings from the infrastructure investment and the fair value model. The Directors made this assessment in order to determine whether any additional areas of judgement exist with respect to the typical characteristics of an Investment Entity versus those of the Company. The Directors determined that the Company meets the definition of an Investment Entity.

Functional currency

The Directors consider the USD to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The following factors were taken into consideration:

a) The USD is the currency in which the Company issues its capital to shareholders;
b) The Company’s loan notes are issued in USD;
c) The currency in which receipts from operating activities are usually retained is USD.

Estimates

The Company recognises its investment at fair value which includes the fair value the individual project company. Fair values for the investment for which a market quote is not available is determined using the income approach which discounts the expected cash flows at the appropriate rate. In determining the discount rate, regard is had to relevant long-term government bond yields, specific risks and the evidence of recent transactions. The Directors have satisfied themselves that PFI/PPP or similar investments share the same investment characteristics and as such constitute a single asset class for IFRS 7 disclosure purposes. As of 31 December 2020, the fair value of the underlying project investment held by the subsidiary, approximates the cost of the investment.

The debt security and equity instruments of each investment is managed collectively as a single asset, as the debt and equity portion of any one single investment cannot be realised separately. These are collectively measured at fair value with consideration for the net present value of the estimated future debt and equity cash flows based on a discounted cash flow model (the "income approach"). The carrying value apportioned to the debt security element of the investment is represented by its principal cost, which is considered to be a reasonable proxy of the fair value with any residual fair value attributed to the equity instrument.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period from incorporation, 1 July 2019, to 31 December 2020

11. FINANCIAL INSTRUMENTS BY CATEGORY

At 31 December 2020, the Company held the following classes of financial instruments that are measured at fair value. For all other assets and liabilities, their carrying value approximates to fair value.

	Financial assets at amortised cost	Designated fair value through profit or loss	Total
	USD	USD	USD
As at 31 December 2020			
Assets			
Investment in subsidiary	-	17,381,210	17,381,210
Receivables	1	-	1
	1	17,381,210	17,381,211

	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
	USD	USD	USD
As at 31 December 2020			
Liabilities			
Payables and accruals	64,012	-	64,012
Loans and borrowings	17,183,544	-	17,183,544
	17,247,556	-	17,247,556

12. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company's immediate parent is ASIF I LP. No dividend was declared to ASIF I LP during the period.

ASIF I LP settled operational expenses incurred by the Company. Intercompany payables have been disclosed as per note 6.

The short-term loan of USD16,686,236 was a non-cash transaction and represents the payment for the subsidiary acquisition in Andean Social Infrastructure No. 1 Spain S.L.U by ASIF I LP. The total acquisition value of USD17,271,492 for the subsidiary was financed through the short-term loan above and loans and borrowings as per note 7. Of the purchase value, USD16,868,176 (96.6%) represents equity and USD585,315 (3.4%) was purchase of debt.

13. STAFF COSTS

The Company has no employees. The Directors of the Company waived their right to receive Directors' remuneration.

14. ULTIMATE CONTROLLING PARTY

As at 31 December 2020, the Company's immediate parent undertaking is ASIF I LP. The Directors of the Company consider there to be no ultimate controlling party.

15. SUBSEQUENT EVENTS

Following subsequent event was identified:

On 8 April 2021, ASIF I LP transferred 28,400,000 shares (100% of issued shares) in GEPIF II Master Refineries Holdings BV (Master B.V.) to the Company for total consideration of USD41,845,829. The transfer was financed through a shareholder loan. Master B.V. holds 100% of both GEPIF II Madero II BV and GEPIF II Cadreta II BV who in turn a have 100% investment in the project company Madero Reserve S.A. de C.V. SOFOM, E.N.R. located in Mexico.

The Directors have evaluated the impact of all subsequent events on the Company occurring between the end of the reporting period and 29 June 2021, the date the financial statements were available to be issued and have determined that there were no other significant subsequent events requiring adjustment or additional disclosure at the date of signing the audited financial statements.