Registered number: 09584910

PAN AFRICA ENTREPRENEURS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PAN AFRICA ENTREPRENEURS LIMITED

COMPANY INFORMATION

Directors	Y Ezzedine C Ndour M Bouamatou R Fielden B Safakish J Muller M Inkster A Lasaki
Company secretary	TMF Corporate Administration Services Limited
Registered number	09584910
Registered office	10 Hammersmith Grove Hammersmith London W6 7AP
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 40 Clarendon Road Watford Hertfordshire WD17 1JJ

PAN AFRICA ENTREPRENEURS LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report and the audited financial statements of Pan Africa Entrepreneurs Limited ("the company") for the year ended 31 December 2021.

Business review

The company is an investment holding company and also sells cigarettes and tobacco related products to third party distributors in Central and Eastern Africa. The company reported a loss for the year of $1,294,547 *(2020 loss - $23,440,562)* after income tax and total shareholders' funds of $114,683,927 *(2020 - $115,950,706)*. During the prior year, the company recognised an impairment on the cost of its investment in subsidiaries of $24,000,000. No dividends were declared or paid in the year or prior year or post year end to date.

Future developments

The company continues to invest in its subsidiary undertakings. Investment in the cigarette distribution business in Africa will remain the core activity of the company on which it will focus in future years. In addition, the company will continue to build its business through the expansion of its services and by carefully managing costs and risks.

Principal risks and uncertainties

As an investment holding company and wholesaler of cigarettes, the principal risk that the company is exposed to is the recoverability of its investment values and the directors carry out annual impairment reviews of these investments and regular performance reviews of the underlying business.

The directors have considered the impact the Covid-19 pandemic has had on its business to date and its potential impact in its future cash flows and liquidity position. Having conducted their review, noting in particular continuing strong demand for the company's products and its significant net current asset position, the directors consider the adoption of the going concern basis in preparing these financial statements to be appropriate.

Financial risk management

The company's financial risk strategy is determined on a group wide basis by the company's ultimate parent company. The company's directors monitor the local finance risk which primarily include the effects of credit and interest rate risk. The company does not use derivative financial instruments. Price risk, liquidity foreign exchange risk and cash flow risk are not material to the company and have therefore not been separately disclosed. The majority of the company's transactions are in USD.

Credit risk

The company's credit risk is primarily attributable to its trade receivables. The company establishes credit limits with each customer which are approved by management. The company's exposure is monitored on a daily basis using automated credit blocks.

Interest rate risk

During the course of the year the company had interest bearing assets and liabilities which comprise intercompany balances, all of which earned or paid interest at a floating rate. The risk for the company is as the interest rate could rise, the company could be liable to pay more interest. Management review interest rate exposure on a regular basis. The risk is mitigated to an extent by the company holding significant interest bearing debtors.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial key performance indicators

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board and signed on its behalf.

C Ndour
Director

Date: 12/12/2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Going concern

The directors believe that the company is a going concern. These financial statements have been prepared on a going concern basis on the grounds that the entity has net current assets of $33,054,520 at year end and has a call loan agreement of a maximum of $35,000,000 with Philip Morris Finance SA, a company incorporated in Switzerland. This will provide sufficient financial support to enable the company to discharge its debts and liabilities as they fall due, for a period of at least 12 months from the date of the approval of these financial statements by the directors.

The impact of Covid-19 to the company is so far manageable, the factory is still operating and the company is able to supply the markets.

Results and dividends

The loss for the year, after taxation, amounted to $1,294,547 *(2020 - loss $23,440,562)*. The net assets for the year amounted to $114,683,927 *(2020 - $115,950,706)*.

No Dividends were declared or paid in the year or post year end to date.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C Mahe (resigned 20 July 2022)
Y Ezzedine
M Bouamatou
R Fielden
B Safakish
J Muller
M Inkster
C Woolfenden (resigned 20 July 2022)
A Lasaki
P Muttart (resigned 30 September 2021)
C Ndour (appointed 20 July 2022)

Future developments

There are no planned changes to the operations of the business. In the forthcoming year the company intends to continue to invest in its subsidiary undertakings and develop its entrepreneur role in the Central and Eastern markets selling cigarettes to third party distributors.

Disabled employees and employee involvement

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as is achieving a common awareness on the part of all employees of the financial and economic factors affecting the company.

Matters covered in the strategic report

The directors' assessment of the company's principal risks and uncertainties and financial risk management is set out in the Strategic Report.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

The business environment of the company is influenced by global issues that dominate all areas of life. The company does not operate in isolation and is conscious of the impact issues like the conflict in Ukraine and the increasingly difficult environment posed by increasing inflation rates can have on its business. The directors have considered its exposure to the Global Sanctions placed on Russia and have concluded that the company's business remains largely unaffected.

Independent Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

C Ndour
Director

Date: 12/12/2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAN AFRICA ENTREPRENEURS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Pan Africa Entrepreneurs Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable
- law); 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 Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; 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 Auditors' 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.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' 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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 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 Directors' Report.

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, 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results and potential management bias in the selection and application of significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Discussions with those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud.
- Reviewing minutes of meetings of those charged with governance.
- Challenging assumptions made by management in the selection and application of significant accounting judgements and estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and unusual words.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAN AFRICA ENTREPRENEURS LIMITED

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 obtained 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.

E Sowerby

Emma Sowerby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

Date: 14/12/2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Turnover	4	**15,160,668**	*16,764,051*
Cost of sales		**(8,246,923)**	*(9,028,442)*
Gross profit		**6,913,745**	*7,735,609*
Sales and distribution expenses		**(4,332,566)**	*(5,813,174)*
Administrative expenses	5	**(5,993,622)**	*(3,580,095)*
Other operating (expense) / income	6	**(303,608)**	*326,520*
Operating loss		**(3,716,051)**	*(1,331,140)*
Impairment of fixed asset investments	13	**-**	*(24,000,000)*
Interest receivable and similar income	10	**1,785,413**	*2,455,222*
Interest payable and similar expenses	11	**(41,094)**	*(138,352)*
Loss before tax		**(1,971,732)**	*(23,014,270)*
Tax on loss	12	**677,185**	*(426,292)*
Loss and total comprehensive expense for the financial year		**(1,294,547)**	*(23,440,562)*

The notes on pages 13 to 32 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 $		*2020 $*
Fixed assets					
Investments	13		**81,629,407**		*76,629,407*
			81,629,407		*76,629,407*
Current assets					
Stocks	14	**1,430,624**		*760,541*	
Debtors: amounts falling due after more than one year	15	**16,322,155**		*17,905,254*	
Debtors: amounts falling due within one year	15	**37,175,310**		*36,530,911*	
Cash and cash equivalents	16	**1,278,661**		*1,641,476*	
		56,206,750		*56,838,182*	
Creditors: amounts falling due within one year	17	**(23,152,230)**		*(17,516,883)*	
Net current assets			**33,054,520**		*39,321,299*
Total assets less current liabilities			**114,683,927**		*115,950,706*
Net assets			**114,683,927**		*115,950,706*
Capital and reserves					
Called up share capital	20		**4,560**		*4,560*
Share premium account	21		**136,032,038**		*136,032,038*
Capital contribution reserve	21		**13,865,489**		*13,865,489*
Other reserves	21		**(5,988,335)**		*(5,988,335)*
Accumulated losses	21		**(29,229,825)**		*(27,963,046)*
Total shareholders funds			**114,683,927**		*115,950,706*

The financial statements on pages 9 to 32 were approved and authorised for issue by the board and were signed on its behalf by:

C Ndour
Director
Date: 12/12/2022

The notes on pages 13 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Capital contribution reserve	Other reserve	Accumulated losses	Total shareholders funds
	$	$	$	$	$	$
At 1 January 2021	4,560	136,032,038	13,865,489	(5,988,335)	(27,963,046)	115,950,706
Comprehensive expense for the year						
Loss and total comprehensive expense for the year	-	-	-	-	(1,294,547)	(1,294,547)
Recognition of equity-settled share-based payments in the year	-	-	-	-	27,768	27,768
At 31 December 2021	4,560	136,032,038	13,865,489	(5,988,335)	(29,229,825)	114,683,927

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Capital contribution reserve	Other reserve	Accumulated losses	Total shareholders funds
	$	$	$	$	$	$
At 1 January 2020	**4,560**	**136,032,038**	**13,865,489**	**(5,988,335)**	**(4,554,351)**	**139,359,401**
Comprehensive expense for the year						
Loss and total comprehensive expense for the year	-	-	-	-	**(23,440,562)**	**(23,440,562)**
Recognition of equity-settled share-based payments in the year	-	-	-	-	**31,867**	**31,867**
At 31 December 2020	**4,560**	**136,032,038**	**13,865,489**	**(5,988,335)**	**(27,963,046)**	**115,950,706**

The notes on pages 13 to 32 form part of these financial statements.

1. General information

Pan Africa Entrepreneurs Limited ("the company") is a subsidiary of Pan Africa Invest Company Limited, which serves as an investment vehicle for certain investors to participate in commercial activities related to the manufacture and sale of tobacco in certain African countries. The company also sells tobacco and related products in Central and East Africa.

The company is a private company limited by shares and is incorporated and domiciled in England & Wales as part of the United Kingdom. The address of its registered office is 10 Hammersmith Grove, Hammersmith, London, W6 7AP.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using 'Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101").

These financial statements present information about Pan Africa Entrepreneurs Limited as an individual company and do not contain consolidated financial information as the parent of a group. The results of the company and its subsidiaries are included in the consolidated financial statements of Philip Morris International Inc., a company incorporated in the USA. As the parent undertaking holds between 50 - 90% of the allotted shares in the company and notice requesting the preparation of group financial statements has not been served on the company by the shareholders holding in aggregate at least 5% of the allotted shares in the company, the company is therefore exempt under the Companies Act 2006 section 401 from the requirement to prepare consolidated financial statements.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see Note 3).

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

a. The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment
b. The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), 864(o)(ii), 864(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
c. The requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
d. The requirements of IFRS 7 Financial Instruments: Disclosures
e. The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
f. The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
    i. paragraph 79(a)(iv) of IAS 1;
    ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
    iii. paragraph 118(e) of IAS 38 *Intangible Assets*;
    iv. paragraphs 76 and 79(d) of IAS 40 *Investment Property*; and
    v. paragraph 50 of IAS 41 *Agriculture*
g. The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements.*
h. The requirements of IAS 7 *Statement of Cash Flows.*
i. The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.*
j. The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures.*
k. The requirements in IAS 24 *Related Party Disclosures to disclose related party transactions entered into between two or more members of a group*
l The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*
The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c) 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers.*

New standards, amendments and IFRIC interpretations and new relevant disclosure

The following accounting standards, amendments, and interpretations, which had no significant impact on these financial statements, became effective in the current reporting period: Covid-19-Related Rent Concessions beyond 30 June 2021 – amendments to IFRS 16; Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16; Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12; and Annual Improvements to IFRS Standards 2018-2020 Cycle.

2. Accounting policies (continued)

2.3 Going concern

The directors believe that the company is a going concern. These financial statements have been prepared on a going concern basis on the grounds that the entity has net current assets of $33,054,520 at year end and has a call loan agreement of a maximum of $35,000,000 with Philip Morris Finance SA, a company incorporated in Switzerland. This will provide sufficient financial support to enable the company to discharge its debts and liabilities as they fall due, for a period of at least 12 months from the date of the approval of these financial statements by the directors.
The impact of Covid-19 to the company is so far manageable, the factory is still operating and the company is able to supply the markets.

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investment carrying values are reviewed for impairment on an annual basis.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods in transit include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and short-term advances to/from related parties.

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

2. Accounting policies (continued)

2.7 Financial instruments (continued)

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

The company classifies its financial assets at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

The company assess, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. Refer to Note 2.8 below.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2.8 Receivables

Trade and other receivables are amounts due from customers for products sold in the ordinary course of business.

Trade and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

2.9 Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

2.10 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange differences for the year recognised in the Statement of Comprehensive Income, excluding those relating to financial instruments measured at fair value through profit or loss, totalled $211,593. Foreign exchange differences are recognised in other operating expenses rather than administrative expenses as management consider this best reflects the nature of the exchange differences. In previous years, foreign exchange differences were recognised within administrative expenses.

2.12 Turnover recognition

Turnover comprises sales to customers inclusive of excise tax but net of value added tax, sales discounts and rebates. The company recognises revenue when the goods have been delivered to the customer and the risk has been transferred. Sales are recorded on the basis of the price in the sales contracts, net of volume discounts and rebates. Customers have the right to return defective cigarettes. The company has no obligation to accept returns for any other reason. Returns are provided for based on the company's best estimates.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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

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

2.16 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.17 Group reconstructions

Group reconstructions that fall outside the scope of IFRS 3 are accounted for under the predecessor accounting method. In applying the predecessor accounting method, the carrying values of the selling entity are used and not those used at the highest level of consolidation. The directors do not view any potential difference between the two values as material.

2. Accounting policies (continued)

2.18 Reserves

Share premium account
Share premium represents the excess of the share price over the par value of shares issued, net of transaction costs.

Capital contribution reserve
Capital contributions represent capital contributed by the parent undertaking in respect of which no shares have been issued by the company. Capital contributions are repayable to the parent company at the sole discretion of the company.

Other reserve
The Other reserve represents the difference between the carrying amount and the recoverable amount on group reconstructions accounting for under the predecessor accounting method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires management to make judgemental estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenditure. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimates and assumptions used by the company are discussed below:

Impairment of investments in subsidiary companies

The company assesses at each reporting date whether there is an indication that investments in subsidiaries are impaired. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the company to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the company's investment in subsidiary companies at the balance sheet date is disclosed in Note 13 to the financial statements.

Impairment of trade receivables

The company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The carrying amount of the company's receivables and associated impairment provision is disclosed in Note 15 to the financial statements.

4. Turnover

Turnover arose in relation to the sale of tobacco products in the following countries.

	2021 $	2020 $
Angola	**1,114,494**	*1,073,776*
Cameroon	**786,720**	*977,748*
Cape Verde	**681,915**	*644,529*
Djibouti	**1,573,127**	*1,493,720*
Equatorial Guinea	**3,289,455**	*3,616,944*
Gabon	**6,360,803**	*7,643,036*
Somalia	**1,307,460**	*1,314,298*
Tanzania	**46,694**	-
	15,160,668	*16,764,051*

5. Administrative expenses

Included in administrative expenses are the following costs:

	2021 $	2020 $
Exchange differences (refer below)	-	*(356,172)*
Wages and salaries (Note 8)	**45,830**	*466,958*
Service fee expense	**5,947,792**	*3,469,309*
	5,993,622	*3,580,095*

In 2021, exchange differences have been reclassified within other operating (expense) / income (Note 6) to better reflect the nature of the exchange differences.

6. Other operating (expense) / income

	2021 $	2020 $
True-up recharge	**(92,015)**	*326,520*
Exchange differences	**(211,593)**	-
	(303,608)	*326,520*

True-up recharge represents certain costs recharged to group companies for services and support provided. The expense recognised in 2021 represents an overcharge to group companies in the previous year.

7. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2021 $	2020 $
Fees for the audit of the company	51,972	52,758
	51,972	52,758

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 $	2020 $
Wages and salaries	29,134	367,131
Social security costs	13,022	47,080
Share-based payments (Note 22)	1,427	32,351
Other pension costs (Note 23)	2,247	20,396
	45,830	466,958

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Directors and administration	1	1

9. Directors' remuneration

	2021 $	*2020 $*
Directors' emoluments	**33,315**	*255,943*
Defined contribution pension	**1,718**	*18,971*
	35,033	*274,914*

During the year retirement benefits were accruing to no directors *(2020 - 1)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of $33,315 *(2020 - $255,943)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to $1,718 *(2020 - $18,791)*.

The total accrued pension provision of the highest paid director at 31 December 2021 amounted to $NIL *(2020 - $NIL)*.

The amount of the accrued lump sum in respect of the highest paid director at 31 December 2021 amounted to $NIL *(2020 - $NIL)*.

Remuneration for certain directors was paid by Philip Morris International Inc. No recharge is made to the company therefore it is not possible to identify separately the amount of remuneration in respect of this company. Details of the remuneration for certain directors are disclosed within the financial statements of Philip Morris International Inc.

10. Interest receivable and similar income

	2021 $	*2020 $*
Interest receivable from group undertakings	**125,556**	*739,600*
Interest receivable from related parties	**1,659,857**	*1,715,622*
	1,785,413	2,455,222

11. Interest payable and similar expenses

	2021 $	*2020 $*
Bank charges	**2,476**	*2,917*
Interest payable to group undertakings	**38,618**	*135,435*
	41,094	*138,352*

12. Tax on loss

	2021 $	*2020* *$*
Corporation tax		
UK Corporation tax	**129**	*187,289*
Adjustments in respect of previous periods	**(265,930)**	*50,070*
Withholding tax	**5,517**	*188,900*
	(260,284)	*426,259*
Total current tax	**(260,284)**	*426,259*
Deferred tax		
(Credit) / charge for the year (Note 19)	**(416,901)**	*33*
Total deferred tax	**(416,901)**	*33*
Taxation on loss on ordinary activities	**(677,185)**	*426,292*

Factors affecting tax (credit) / charge for the year

The tax assessed for the year is lower than *(2020 - higher than)* the standard rate of corporation tax in the UK of 19.00% *(2020 - 19.00%)*. The differences are explained below:

	2021 $	*2020* *$*
Loss before tax	**(1,971,732)**	*(23,014,270)*
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	**(374,629)**	*(4,372,711)*
Effects of:		
Adjustments to tax charge in respect of prior periods	**(265,930)**	*50,070*
Impairment losses	**-**	*4,560,000*
Withholding tax	**5,517**	*188,900*
Deferred tax on share-based payments	**(13,428)**	*33*
Current tax	**129**	*-*
Other differences leading to a decrease in the tax charge	**(28,844)**	*-*
Total tax (credit) / charge for the year	**(677,185)**	*426,292*

12. Tax on loss (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%, rather than remaining at 19%, as previously enacted. This new law was substantively enacted on 24 May 2021 and this new rate has been used in calculating deferred tax in these financial statements.

13. Investments

	Investments in subsidiary companies $
Cost	
At 1 January 2021	**100,629,407**
Additions	**5,000,000**
At 31 December 2021	**105,629,407**
Impairment	
At 1 January 2021	**24,000,000**
At 31 December 2021	**24,000,000**
Net book value	
At 31 December 2021	**81,629,407**
At 31 December 2020	*76,629,407*

13. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Country of incorporation	Holding
Philip Morris Limited	Heritage Place, 21 Lugard Road, Lagos	The production and sale of cigarettes in Nigeria	Nigeria	99.9%
Philip Morris Tanzania Limited	House No 41, Plot No. 344 Toure Drive Oysterbay, Dar es Salaam	The production and sale of cigarettes in Tanzania	Tanzania	99.9%
Philip Morris Manufacturing Senegal S.A.R.L.	Km 11, Route de Rufisque, B.P:50596 Dakar	The production and sale of cigarettes in Senegal and West Africa	Senegal	100%

During the year, the company capitalised short-term loans of $5,000,000 *(2020 - $34,940,000)* that were due from subsidiary undertakings. Also, following an impairment review, an impairment charge of $Nil *(2020 - $18,000,000)* was recognised in respect of the company's investment in Philip Morris Limited and $Nil *(2020 - $6,000,000)* was recognised in respect of the company's investment in Philip Morris Tanzania Limited.

14. Stocks

	2021 $	*2020 $*
Finished goods and goods for resale	1,430,624	*760,541*
	1,430,624	*760,541*

The cost of stock recognised as an expense during the year and included within cost of sales was $8,149,898 *(2020 - $8,918,875)*. Stock written down in the year was $97,025 *(2020 - $109,566)*. The difference between the cost of goods in transit and their replacement cost is not material.

15. Debtors

	2021 $	*2020* *$*
Due after more than one year		
Amounts owed by related parties	**15,900,000**	*17,900,000*
Deferred tax asset (Note 19)	**422,155**	*5,254*
	16,322,155	*17,905,254*

	2021 $	*2020* *$*
Due within one year		
Trade debtors	**3,983,771**	*4,702,542*
Amounts owed by group undertakings (refer below)	**28,013,260**	*27,208,318*
Amounts owed by related parties (Note 24)	**4,385,799**	*3,453,432*
Other debtors	**348,665**	*511,289*
Prepayments and accrued income	**443,815**	*655,330*
	37,175,310	*36,530,911*

Included within amounts owed by group undertakings, $28,013,241 *(2020 - $26,927,454)* represents short term loans receivable within one year from group undertakings payable by December 14th 2022, which attract interest income based on the Effective FED Funds Rate. Interest of $125,556 was accruing as at 31 December 2021 *(2020 - $739,600)*. Loans of $5,000,000 were capitalised in the year *(2020 - $34,940,000)*.

The remaining $19 *(2020 - $308,318)* of amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Trade receivables are stated after provisions for impairment of $nil *(2020 - $nil)*.

16. Cash and cash equivalents

	2021 $	*2020* *$*
Cash at bank and in hand	**1,278,661**	*1,641,476*
	1,278,661	*1,641,476*

17. Creditors: Amounts falling due within one year

	2021 $	*2020 $*
Trade creditors	**137,426**	*46,412*
Amounts owed to group undertakings	**22,071,167**	*16,412,090*
Other taxation and social security	**46,095**	-
Accruals and deferred income	**897,542**	*1,058,381*
	23,152,230	*17,516,883*

Included in amounts owed to group undertakings includes (refer Note 24), $17,996,825 *(2020 - $11,710,093)* represents revolving short term intercompany borrowings repayable in under one year by December 31, 2022 in an intercompany cash pool arrangement, with interest income based on the Effective FED Funds Rate plus a business spread of 0.25% for amounts in USD and the ESTR plus a business spread of 0.34 for amounts in EUR.

18. Financial instruments

	2021 $	*2020 $*
Financial assets		
Cash and cash equivalents	**1,278,661**	*1,641,476*
Financial assets that are debt instruments measured at amortised cost	**52,282,830**	*53,264,292*
Financial assets that are equity instruments measured at cost less impairment	**81,629,407**	*76,629,407*
	135,190,898	*131,535,175*
Financial liabilities		
Financial liabilities measured at amortised cost	**(23,106,135)**	*(17,516,883)*

Financial assets measured at amortised cost comprise trade receivables, amounts due from group undertakings and amounts due from related parties. (refer Note 15).

Financial assets that are equity instruments measured at cost less impairment comprise investments in subsidiary undertakings (refer Note 13).

Financial liabilities measured at amortised cost comprise trade payables, accruals and amounts owed to group undertakings (Note 17).

19. Deferred taxation

	2021	*2020*
	$	*$*
At beginning of year	**5,254**	*5,287*
(Credited) / charged to profit or loss (Note 12)	**416,901**	*(33)*
At end of year	**422,155**	*5,254*

The deferred tax asset is made up as follows:

	2021	*2020*
	$	*$*
Share-based payments	**12,943**	*5,254*
Tax losses	**409,212**	*-*
	422,155	*5,254*

The directors consider that, in light of projections and anticipated future profits, that it is appropriate to recognise a deferred tax asset in respect of tax losses.

20. Called up share capital

	2021	*2020*
	$	*$*
Allotted, called up and fully paid		
2,416 *(2020 - 2,416)* Class A shares of $1.00 each	**2,416**	*2,416*
1,460 *(2020 - 1,460)* Class B shares of $1.00 each	**1,460**	*1,460*
684 *(2020 - 684)* Class C1-C38 shares of $1.00 each	**684**	*684*
	4,560	*4,560*

Class A and Class B Ordinary Shares carry the right to vote at general meetings, receive dividends and receive any assets available for distribution on winding up in proportion to the holdings. All classes of Class C Shares do not carry the right to vote at general meetings but holders are entitled to receive dividends and receive any assets available for distribution on winding up in proportion to the holdings.

21. Reserves

Share Premium Account
Share premium account represents the excess of the issue price over the par value of shares issued.

Capital contribution reserve
This represents capital contributed by the parent undertaking in respect of which no shares have been issued by the company.

Accumulated losses
This represents the accumulated retained losses and share-based payment charges of the company.

Other reserve
This represents the difference between the carrying amount recoverable amount of investments arising as a consequence of group reconstructions.

22. Share based payments

On 28 March 2008, Philip Morris International Inc., was formed as part of a spin off from Altria Group Inc. and one Philip Morris International Inc., share was given for every one Altria Group Inc. share held on that date. Philip Morris International Inc., may grant shares of restricted stock and rights to receive shares of stock to eligible employees, giving them in most instances all of the rights of stockholders, except that they may not sell, assign, pledge or otherwise encumber such shares and rights. Such shares and rights are subject to forfeiture if certain employment conditions are not met. Restricted stock generally vests on the third anniversary of the grant date.

The fair value at the date of grant has been determined as the share price at the date of grant. The fair value of the restricted shares and rights at the date of grant is amortised to expense rateably over the restricted period, which is generally three years. The company recorded pre-tax compensation expense related to restricted stock and rights for the year ended 31 December 2021 was $1,427 *(2020 - $32,351)*. Restricted stock and rights activity relating to Philip Morris International Inc., was as follows for the year ended 31 December:

	Weighted average fair value per share ($) 2021	**Number 2021**	*Weighted average fair value per share ($) 2020*	*Number 2020*
Outstanding at the beginning of the year	**63.15**	**400**	*77.20*	*430*
Granted during the year	**81.86**	**1,870**	*86.69*	*430*
Vested during the year	**-**	**-**	*98.29*	*(460)*
Outstanding at the end of the year	**78.56**	**2,270**	*63.15*	*400*

23. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to $2,247 *(2020 - $20,396)*. Contributions totalling $Nil *(2020 - $Nil)* were payable to the fund at the reporting date and are included in creditors.

24. Related party transactions

During the year, the company undertook the following transactions with fellow subsidiaries of the ultimate parent undertaking (refer Note 25) and other related parties. Details of amounts owed by group undertakings are disclosed in Note 15.

As at 31 December 2021 the company owed $17,996,825 (2020 - $11,710,093) to group undertakings, in respect of short term intercompany borrowings in an intercompany cash pool arrangement (refer Note 17) which were subject to interest based on the Effective FED Funds rates +0.25%.

During 2021, Pan Africa Entrepreneurs Services Sarl, a company within the group charged general and administrative costs to the company of $3,280,744 (2020 - $2,520,818) and marketing costs of $1,319,247 (2020 - $977,555), of which $1,916,291 was payable by the company as at 31 December 2021 (2020 - $454,057) (refer to Note 17).

During 2021, Philip Morris Limited ('PML'), a company within the group, charged labour and general and administrative costs to the company of $358,140 (2020 - $666,560). At the year end, the company owed $90,020 (2020 - $93,681) to PML.

During 2021, Philip Morris Global Brands Inc., a company within the group, charged royalties to the company of $1,781,097 (2020 - $2,127,131), of which $301,961 (2020 - $488,663) was payable at the year end (refer Note 17).

During 2021, Philip Morris Products SA, a company within the group, charged the company $6,354,964 (2020 - $5,602,602) in respect of goods sold, of which $430,749 (2020 - $491,641) was payable at the year end (refer Note 17).

During 2021, Phillip Morris Products SA, a company within the group, charged the company $19,480 (2020 - $187,653) in respect of royalty on brands, of which $3,696 (2020 - $Nil) was payable at the year end (refer Note 17).

During 2021, Philip Morris Manufacturing Senegal S.A.R.L., a subsidiary undertaking, charged the company $2,484,784 (2020 - $3,171,712) in respect of goods sold, of which $674,977 (2020 - $1,022,024) was payable at the year end.

During 2021, PMI Service Center Europe Sp.z.o.o., a company within the group, charged labour costs to the company of $177,015 (2020 - $171,828), of which $13,019 (2020 - $29,862) was payable at the year end (refer Note 17).

During 2021, Philip Morris Tanzania Limited, a subsidiary undertaking, charged the company $282,554 (2020 - $1,780,241) in relation to limited risk distribution, of which $238,495 (2020 - $1,780,241) was payable at the year end.

During 2021, Philip Morris International ITSC, a company within the group, charged the company $ 330,174 (2020 - $10,962) in respect of goods sold, of which $150,484 (2020 - $15,951) was payable at the year end.

24. Related party transactions (continued)

Philip Morris Investments B.V., a company within the group, charged the company $126,984 in 2020 which was payable at the year-end (2021).

During 2021, Philip Morris Services SA, a company within the group, charged labour and general and administrative costs to the company of $ 653,803 (2020 - $ 306,428). At the year end, the company owed $126,672 (2020 - $ 136,274).

During 2021, Philip Morris International Reinsurance (Ireland) Limited, a company within the group, charged insurance cost to the company $7,169 which has been paid before the year-end.

Intercompany Related Parties - Accounts Receivables

During 2021, Philip Morris Limited (UK), a company within the group, has been charged by the company a net credit notes of $ 561 (2020 - $ 371,376) in respect of salaries and benefits cost recharge, which was fully paid, and a credit note of $68,937 outstanding at the year-end (2020 - $ 34,759).

During 2021, Philip Morris Manufacturing Senegal S.A.R.L., a subsidiary undertaking, has been charged by the company for $16,624 (2020 - $Nil) in respect of interest on loan, which was fully payable at the year end.

Pan Africa Invest Company Limited, the parent Company, has been charged by the company for $1,953 in 2020 in respect of advisory fee, which was fully payable at the end of 2021.

During 2021, Philip Morris Tanzania Limited, a subsidiary undertaking, has been charged by the company $ 46,694 (2020 - $ 39,399) in in respect of goods sold, which was fully payable at the year-end (2020 - $ 39,399).

Philip Morris Limited (Nigeria), a subsidiary undertaking, has been charged by the company for $172,646 in 2020 in respect of the recharge of loss on goods destroyed, which was fully payable at the end of 2021.

During 2021, Philip Morris Egypt Holdings Limited, a company within the group, has been charged by the company for $109,744 in respect of Administration services fee, which was fully paid at the year-end.

During 2019, the company issued 61 shares to a company under control of B Balogun, a director of the company. At 31 December 2021 the company was owed in the form of undertakings to pay $11,700,000 (2020 - $12,700,000) in respect of the share capital issued to that company (refer Note 15). During 2018, the company under the control of B Balogun entered into an agreement with the company regarding the undertakings to pay, which will be managed by staged payments until 2023. During this period, interest will be paid on a quarterly basis at the higher of LIBOR +5%, or 8% (amended to 8% upon the discontinuation of LIBOR). Interest receivable in the year was $1,023,444 (2020 - $749,622), of which $207,852 (2020 - $749,622) was outstanding at the year end.

During 2019, the company issued 63 shares to a company under control of Y Ezzedine, a director of the company. At 31 December 2021 the company was owed in the form of undertakings to pay $7,825,000 (2020 - $7,825,000) in respect of the share capital issued to that company (refer Note 20). During 2019, the company under the control of Y Ezzedine entered into an agreement with the company regarding the undertakings to pay, which will be managed by staged payments until 2024. During this period, interest will be paid on a quarterly basis at the higher of LIBOR +5%, or 8% (amended to 8% upon the discontinuation of LIBOR). Interest receivable in the year was $634,694 (2020 - $78,810), of which $551,228 (2020 - $78,810) was outstanding at the year end.

25. Controlling party

The immediate parent undertaking is Pan Africa Invest Company Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertaking and controlling party is Philip Morris International Inc., a US company incorporated in the state of New York.

The parent undertaking of the smallest and largest group for which financial statements are drawn up and of which the company is a member is Philip Morris International Inc., incorporated in the USA, copies of which are available to the public and may be obtained from Philip Morris International Inc., 120 Park Avenue, New York, New York, 10017.