

Registered number: 05390107

eleQtra Limited

Report and Group Financial Statements

31 December 2016

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COMPANIES HOUSE

Directors

G J Cohen
E Hamilton
R P Parry

Secretary

E Hamilton

Auditors

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Registered Office

2 Conduit Street
London W1S 2XB

Registered No. 05390107

Directors' report

The directors present their report and financial statements of eleQtra Limited ("the Company") and its subsidiary (together "the Group") for the year ended 31 December 2016.

Results and dividends

The Group profit for the year after taxation amounted to £619,549 (2015 £327,080). The directors paid an interim dividend of £450,000 during the year (2015 £480,000).

Directors

The directors who served the Company during the year and at the date of this report were as follows:

G J Cohen
E Hamilton
R P Parry

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Crowe Clark Whitehill LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Ebbe Hamilton

29th September 2017

Strategic report

Review of the business

The principal activity of the group continues to be that of project development in Sub-Saharan Africa. As the principal developer of InfraCo Africa, our goal is to increase responsible private sector participation in sustainable infrastructure in poorer developing countries by developing sustainable and responsible infrastructure projects for sale to private investors.

We continue to have a broad range of projects across all areas of infrastructure principally power and transport. Power generation projects remain the most significant and going forward, these are focussed on renewable hydro, solar and wind power.

The Company's role as project developer requires strong and increasing collaboration with stakeholders, both public and private and as such, projects have a long gestation period and can progress slowly. This means that a larger and wider range of projects are being initiated but with the expectation that a proportion may not reach financial close. Those that do, however, are making a significant impact in alleviating poverty and bringing much needed infrastructure to sub-Saharan Africa.

During 2016, the group continued to focus on sourcing financing and capital additional to that provided by InfraCo Africa with the aim of building its own pipeline of renewable energy assets.

Significant project developments and financial review

In 2016, despite the fall in the revenue, the profitability of the group was boosted by the final receipt of funds from the Cenpower financial close and the sale by InfraCo of their remaining 15% holding in the Cabeolica wind farm in Cape Verde. Underlying EBIT and cashflow remain consistent with the previous year and expected to continue in 2017 as the pipeline of projects continues to be steady. There is continuing focus on cost management particularly on overheads in the UK and USA.

Two significant project milestones were met on projects for InfraCo Africa with the signing of a shareholder agreement for the sale of the Envalor Agri-infrastructure project in Mozambique and of a joint development agreement for the development of a Regional Lake Transport Business on Lake Victoria.

Future developments

The new services agreement with InfraCo Africa Limited effective from April 2012 was signed in May 2013 and we continued to operate under this contract during 2016. This agreement is for the Company to manage the next stage of funding for an eight-year period and allows the continuation of project development in sub-Saharan Africa. This builds on the experience that we already have and provides the opportunity to extend the pipeline and range of project prospects.

We go into the next twelve months with a balanced project pipeline and many opportunities as interest and momentum increases in the development of the sub-Saharan Africa region.

Principal risks and uncertainties

Critical to the Group's achievement of its objectives is effective risk management. The Group utilises several approaches to mitigate risk in an industry sector acknowledged as one in which risks have to be taken to succeed. There is no certainty that any of our projects will progress to financial close and to construction phase, the fiscal and political landscape can change rapidly and the development sector, always cyclical has been especially difficult to operate within in recent times. However, within this environment there are certain actions that can be taken.

We continue to be aware of changes in legislation and regulation which affect our business and initiate relevant training and briefing for our staff.

Key principles to the Group's risk management are:

Strategic report (continued)

Principal risks and uncertainties (continued)

Balanced portfolio – the Group has a spread of development across the countries of sub-Saharan Africa, mitigating political risk. In addition, the sectors we operate in are agriculture, energy, power, marine and rail transportation, water and integrated utilities.

Recruitment of skilled and experienced personnel – the Group has management service agreements with local offices in Uganda and Ghana and is in the process of expanding offices in Zambia and Mozambique. This ensures technical and local knowledge to support the projects and company development. In this way the skill set and professional expertise is retained within the Group and can be shared with the project vehicles. Additional technical and legal expertise can be sourced from our London and New York offices.

Compliance – the Group is committed to acting ethically, professionally and with integrity in all its business dealings and relationships wherever it operates. This commitment is put into practice through a compliance programme which was introduced in 2013 and encompasses all staff. As a result of this, in 2016, eleQtra renewed its LRQA approval under BS 10500 for its management system for the prevention, detection of, reporting and dealing with bribery.

Review of policies and procedures – policies and procedures are reviewed to ensure they continue to be relevant and effective and suit the business stage the Group is at.

Constant review of cash flow and of exchange impacts – the Group ensures that it maintains a prudent level of working capital and forecasts its foreign currency needs in order to mitigate the effect of exchange.

Regular reviews of operations – the Group updates its project and other costs forecasts on a quarterly basis.

Strong relationships – the Group seeks to build a strong and lasting relationship with its partners and financiers. The successful project finance raised during the last year, the new partnerships and projects entered into are testament to the strength and diversity of the Group's relationships.

Customer base – the Group is actively seeking to broaden its customer base and income streams.

Going concern

The Group's business activities, together with the factors likely to affect its future development, its financial position and financial risk objectives are described above.

The Group has sufficient resources together with a long term contract with InfraCo Africa Limited, and as a consequence believe the group is well placed to manage its business risks successfully. On 10 May 2013, the service contract was signed with InfraCo Africa Limited for the provision of development services for the 8 years from April 2012 together with committed funding to fulfil these services.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparing the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report, the strategic report and the financial statements in accordance with applicable law 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of eleQtra Limited

We have audited the financial statements of eleQtra Limited for the year ended 31 December 2016 which comprise the Group Profit and Loss Account, the Group Statement of Other Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify any material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's undertaking's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and such reports have been prepared in accordance with applicable legal requirements.

Independent auditors' report

to the members of eleQtra Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Nigel Bostock
Senior Statutory Auditor
for and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London EC4Y 8EH

29 September 2017

Group profit and loss account

for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	4	9,270,692	11,971,372
Development costs		(2,674,856)	(2,552,049)
Administrative expenses		(5,812,834)	(8,964,791)
Operating profit	5	783,002	454,532
Interest receivable and similar income	8	17,983	15,446
Profit on ordinary activities before taxation		800,985	469,978
Tax	9	(181,436)	(142,898)
Profit for the financial year		619,549	327,080

All amounts relate to continuing activities.

Group statement of other comprehensive income

for the year ended 31 December 2016

	2016 £	2015 £
Profit for the financial year	619,549	327,080
Exchange difference on translation	67,644	12,703
Total comprehensive income for the year	687,193	339,783

Notes 1 to 21 form an integral part of these financial statements

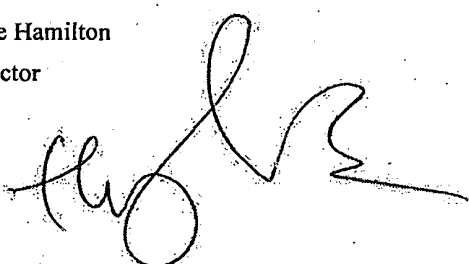
Group balance sheet

at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	<u>2,234</u>	<u>13,435</u>
		<u>2,234</u>	<u>13,435</u>
Current assets			
Debtors	12	1,300,720	3,033,624
Cash at bank and in hand		<u>1,215,364</u>	<u>2,659,037</u>
		2,516,084	5,692,661
Creditors: amounts falling due within one year	13	<u>(1,971,580)</u>	<u>(5,394,296)</u>
Net current assets		<u>544,504</u>	<u>298,365</u>
Total assets less current liabilities		<u>546,738</u>	<u>311,800</u>
Provisions for liabilities	14	<u>(38,069)</u>	<u>(40,324)</u>
Net assets		<u>508,669</u>	<u>271,496</u>
Capital and reserves			
Called up share capital	15	1,002	1,002
Translation reserve	16	77,456	9,812
Profit and loss account	16	<u>430,211</u>	<u>260,662</u>
Shareholders' funds		<u>508,669</u>	<u>271,496</u>

The financial statements were approved by the Board of Directors on the 29th September 2017 and were signed on its behalf by:

Ebbe Hamilton
Director



Notes 1 to 21 form an integral part of these financial statements

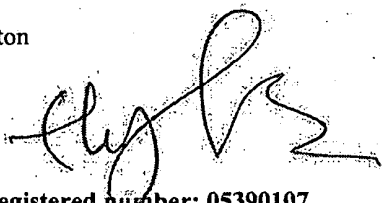
Company balance sheet

at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	384	4,699
Investments	11		
		<u>384</u>	<u>4,699</u>
Current assets			
Debtors	12	1,419,671	3,254,601
Cash at bank and in hand		<u>849,349</u>	<u>2,345,278</u>
		2,269,020	5,599,879
Creditors: amounts falling due within one year	13	<u>(2,161,768)</u>	<u>(5,591,331)</u>
Net current assets		<u>107,252</u>	<u>8,548</u>
Total assets less current liabilities		<u>107,637</u>	<u>13,247</u>
Provisions for liabilities	14	<u>(38,069)</u>	<u>(40,324)</u>
Net assets		<u>69,567</u>	<u>(27,077)</u>
Capital and reserves			
Called up share capital	15	1,002	1,002
Profit and loss account	16	<u>68,565</u>	<u>(28,079)</u>
Shareholders' funds		<u>69,567</u>	<u>(27,077)</u>

The financial statements were approved by the Board of Directors on the 29th September 2017 and were signed on its behalf by:

Ebbe Hamilton
Director



Company registered number: 05390107

Notes 1 to 21 form an integral part of these financial statements

Group statement of changes in equity

at 31 December 2016

	Share capital £	Other reserve	Retained earnings	Total equity £
At 1 January 2015	1,002	(2,891)	413,582	411,693
Profit for the year	-	-	327,080	327,080
Comprehensive income				
Exchange difference on translation	-	12,703	-	12,703
	-	12,703	327,080	339,783
Transaction with owners				
Interim dividends paid	-	-	(480,000)	(480,000)
At 31 December 2015	1,002	9,812	260,662	271,476
Profit for the year	-	-	619,549	619,549
Comprehensive income				
Exchange difference on translation	-	67,644	-	67,644
	1,002	77,456	880,211	958,669
Transaction with owners				
Interim dividends paid	-	-	(450,000)	(450,000)
At 31 December 2016	1,002	77,456	430,211	508,669

Company statement of changes in equity

at 31 December 2016

	Share capital £	Retained earnings	Total equity £
At 1 January 2015	1,002	182,380	183,382
Profit for the year		269,541	269,541
		<u>269,541</u>	<u>269,541</u>
Transaction with owners			
Interim dividends paid		(480,000)	(480,000)
At 31 December 2015	<u>1,002</u>	<u>(28,079)</u>	<u>(27,077)</u>
Profit for the year		546,644	546,644
	<u>1,002</u>	<u>518,565</u>	<u>519,567</u>
Transaction with owners			
Interim dividends paid		(450,000)	(450,000)
At 31 December 2016	<u>1,002</u>	<u>68,565</u>	<u>69,567</u>

Group statement of cash flows

for the year ended 31 December 2016

	2016 £	2015 £
Cash flow from operating activities		
Operating profit	783,002	454,532
Adjustments for:		
Depreciation of tangible fixed assets	12,184	31,192
Profit-sharing	78,638	-
Changes in fair value of forward contracts	8,574	58,140
Provision of doubtful debts	(179,319)	10,964
	<u>703,079</u>	<u>554,828</u>
Movements in working capital:		
decrease in debtors	1,558,178	1,798,803
(decrease)/increase in creditors	<u>(3,115,159)</u>	<u>19,650</u>
Cash generated (used in)/from operations	<u>(853,902)</u>	<u>2,373,281</u>
Taxation paid	<u>(230,388)</u>	<u>(145,330)</u>
Net cash generated (used in)/by operating activities	<u>(1,084,290)</u>	<u>2,227,951</u>
Cash flow from investing activities		
Interest received	<u>17,983</u>	<u>15,446</u>
Net cash generated used in investing activities	<u>17,983</u>	<u>15,446</u>
Cash flow from financing activities		
Dividends paid	<u>(450,000)</u>	<u>(480,000)</u>
Net cash used in financing activities	<u>(450,000)</u>	<u>(480,000)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,516,307)</u>	<u>1,763,397</u>
Cash and cash equivalents at the beginning of the year	2,659,037	883,618
Exchange differences on translation	<u>72,634</u>	<u>12,022</u>
Cash and cash equivalents at the end of the year	<u>1,215,364</u>	<u>2,659,037</u>

Notes 1 to 21 form an integral part of these financial statements

Notes to the financial statements

for the year ended 31 December 2016

1. General information

EleQtra Limited is a private company limited by share (registration number 05390107), which is incorporated and domiciled in the UK.

The principal activity of the Company continued to be that of project development in Sub-Saharan Africa. The address of the registered office is 2 Conduit Street, London W1S 2XB.

The financial statements are presented in Sterling, which is also the functional currency of the Company.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in United Kingdom and the Republic of Ireland and the Company Act 2006.

The preparation of financial statements in compliance with FRS 102 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).

The Company is not required to present a separate profit and loss account as permitted by section 408 of the Companies Act 2006. The Company reported a profit for the financial year ended 31 December 2016 of £546,644 (2015: £269,541)

The following principal accounting policies have been applied:

Basis of consolidation

The Group financial statements consolidate the results of the Company and its subsidiary, eleQtra Inc, for the year ended 31 December 2016.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Turnover

Turnover, which is stated net of value added tax, represents fees receivable for:

- Project development on behalf of InfraCo Africa.
- Achieving KPI targets under new services agreement with InfraCo Africa.
- Bonuses obtained in connection to closing projects.
- Consultancy fees in relation to the operation and maintenance of project companies that have reached financial close.

All fees are recognised on a receivable basis when the group obtains the right to consideration in exchange for its performance of services.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Leasehold improvements	–	over the term of the lease
Computer and office equipment	–	50% per annum straight-line
Furniture and fittings	–	50% per annum straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

for the year ended 31 December 2016

2. Accounting policies (continued)

Investments

The Group may hold investment into financial instruments from time to time.

These investments carried at cost less provision for impairment.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

for the year ended 31 December 2016

2. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Exchange differences on translating US subsidiary are recognised in the other comprehensive income.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Pensions

The Company contributes to defined contribution pension policies individually held by the directors and staff. Contributions to these funds are charged to the profit and loss account as and when they fall due.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gain or losses being reported in profit and loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement, which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

Profit-sharing and bonus plans

The group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to the financial statements

for the year ended 31 December 2016

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Allowance for trade and other debtors

Management reviews debtors for objective evidence of impairment regularly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a debtor is impaired. In determining this, management make a judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

4. Turnover

£9,150,358 (2015: £11,815,552) of the Group turnover is the result of activities carried out in the United Kingdom from services carried under a contract with InfraCo Africa Limited, a company registered in England and Wales. £120,334 (2015: £155,820) of the Group turnover is as a result of the services contract with Kalangala Infrastructure Services Ltd, a company registered in Uganda.

5. Operating profit

This is stated after charging:

	2016 £	2015 £
Auditors' remuneration		
Fee payable to the parent company's auditor in respect to the audit of the group and company's financial statements	22,000	17,500
Fee payable to the parent company's auditor in respect to the non-audit service relating to taxation	5,000	5,000
Depreciation of tangible fixed assets	12,184	31,192
Changes in fair value of forward contract - loss/(gain)	(8,574)	58,140
(Write back)/provision of doubtful debts	(179,319)	10,964
Operating lease rentals	304,676	232,047
Foreign exchange (gain) / loss	(384,726)	79,624

Notes to the financial statements

for the year ended 31 December 2016

6. Directors' remuneration

	2016 £	2015 £
Remuneration	<u>1,128,117</u>	<u>1,775,764</u>
Highest paid director	<u>567,435</u>	<u>824,665</u>

The directors are considered as the key management of the business.

The number of directors who are accruing benefits under Company pension schemes were as follows:

	No.	No.
Money purchase schemes	<u>3</u>	<u>3</u>

7. Staff costs

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

	2016 £	2015 £
Wages and salaries	4,603,152	6,090,923
Social security costs	294,136	470,944
Other pension costs	127,393	127,856
	<u>5,024,680</u>	<u>6,689,723</u>

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

	No.	No.
Administration/compliance	8	9
Fund management	<u>13</u>	<u>18</u>
	<u>21</u>	<u>27</u>

8. Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	<u>17,983</u>	<u>15,446</u>

Notes to the financial statements

for the year ended 31 December 2016

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax on profit of the year	123,949	74,540
Foreign tax (relief)	(15,758)	(20,749)
Adjustments in respect of previous years	(1,677)	(600)
	<u>106,514</u>	<u>53,191</u>
Foreign tax – current year	15,758	20,749
Overseas tax	61,419	71,223
Total current tax (note 9(b))	<u>183,691</u>	<u>145,163</u>
Deferred tax:		
Origination and reversal of timing differences (note 9(c))	(2,250)	(2,150)
Effect of change in tax rates	(5)	(115)
Total deferred tax (note 9(c))	<u>(2,255)</u>	<u>(2,265)</u>
Tax on profit on ordinary activities	<u>181,436</u>	<u>142,898</u>

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015 – 20.246%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>800,985</u>	<u>469,978</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.246%)	162,172	95,151
Effects of:		
Disallowed expenses and non-taxable income	22,528	48,200
Other timing differences	(1,009)	1,812
Current tax for the year (note 9(a))	<u>183,691</u>	<u>145,163</u>

Notes to the financial statements

for the year ended 31 December 2016

9. Tax (continued)

(c) Deferred tax

	£
At 1 January	40
Deferred tax charge for the year	(2,255)
At 31 December (note 14)	<u>(2,215)</u>

The deferred tax liability consists of:

	2016 £	2015 £
Accelerated capital allowances	(297)	398
Other timing differences	<u>(1,918)</u>	<u>(358)</u>
	<u>(2,215)</u>	<u>40</u>

10. Tangible fixed assets

Group	Leasehold improvements £	Computer and office equipment £	Furniture and fittings £	Total £
Cost:				
At 1 January 2016	34,395	201,666	89,263	325,324
Additions				
Foreign exchange movement	889	6,021	5,111	12,021
At 31 December 2016	<u>35,285</u>	<u>207,686</u>	<u>94,374</u>	<u>337,345</u>
Depreciation:				
At 1 January 2015	(31,977)	(198,407)	(81,505)	(311,889)
Charge for year	(961)	(2,875)	(8,348)	(12,184)
Foreign exchange movement	(496)	(6,021)	(4,522)	(11,039)
At 31 December 2016	<u>(33,435)</u>	<u>(207,302)</u>	<u>(94,374)</u>	<u>(335,111)</u>
Net book value:				
At 31 December 2016	<u>1,850</u>	<u>384</u>	<u>0</u>	<u>2,234</u>
At 31 December 2015	<u>2,418</u>	<u>3,259</u>	<u>7,758</u>	<u>13,435</u>

Notes to the financial statements

for the year ended 31 December 2016

10. Tangible fixed assets (continued)

<i>Company</i>	<i>Leasehold improvements</i>	<i>Computer and office equipment</i>	<i>Furniture and fittings</i>	<i>Total</i>
<i>Cost:</i>	£	£	£	£
At 1 January 2016	30,000	171,894	63,990	265,884
Additions				
At 31 December 2016	30,000	171,894	63,990	265,884
Depreciation:				
At 1 January 2016	(30,000)	(168,634)	(62,550)	(261,185)
Charge for year		(2,875)	(1,440)	(4,315)
At 31 December 2016	(30,000)	(171,509)	(63,990)	(265,499)
Net book value:				
At 31 December 2016	-	384	-	384
At 31 December 2015	-	3,259	1,440	4,699

11. Investments

<i>Cost:</i>	<i>Unlisted investments</i>
	£
At 1 January 2016	-
Impairment	-
At 31 December 2016	-

The Company owns 100% of the share capital (nominal value) of eleQtra Inc, a company incorporated in the USA. Its principal activity is that of project management. The Company also owns 100% of the share capital of Senegal Wind Limited, a dormant company incorporated in England and Wales.

12. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	£	£	£	£
Amounts owed by group undertakings	-	-	346,144	290,363
Amounts owed by related undertakings	548,577	194,641	548,577	194,641
Withholding tax	15,180	22,795	15,180	22,795
Trade debtors	257,767	2,436,102	257,767	2,436,102
Other debtors	343,045	220,864	116,464	157,014
Derivative assets	8,574	30,509	8,574	30,509
Prepayments	127,577	128,713	126,965	123,177
	1,300,720	3,033,624	1,419,671	3,254,601

Notes to the financial statements

for the year ended 31 December 2016

13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	10,427	71,526		71,526
Corporation tax	34,811	29,376	34,811	29,376
Other taxes and social security costs	33,277	374,813	13,094	374,813
Other creditors	889,511	1,237,671	1,095,904	1,828,588
Deferred income	148,943	2,395,443	148,943	2,395,443
Accruals	854,611	1,285,467	869,016	891,585
	<u>1,971,580</u>	<u>5,394,297</u>	<u>2,161,768</u>	<u>5,591,331</u>

14. Provisions for liabilities

<i>Group and company</i>	<i>Dilapidations</i>	<i>Deferred tax</i>	<i>Total</i>
	£	£	£
At 1 January 2016	40,284	40	40,324
Charge for the year	-	(2,255)	(2,255)
At 31 December 2016	<u>40,284</u>	<u>(2,215)</u>	<u>38,069</u>

A dilapidation provision has been recognised in respect of the estimated cost of returning the leased premises to its original state at the end of the lease.

15. Issued share capital

	<i>2016</i>		<i>2015</i>	
	<i>No.</i>	£	<i>No.</i>	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1,002	<u>1,002</u>	1,002	<u>1,002</u>

16. Reserve

Translation reserve – comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

Profit and loss account – include all current and prior period retained profits and losses.

17. Pensions

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 £127,393 (2015 – £127,856). Contributions totalling £16,914 (2015 – £1,885 payable) were repayable by the fund at the balance sheet date.

Notes to the financial statements

for the year ended 31 December 2016

18. Financial instruments

	Group	
	2016	2015
	£	£
Financial assets		
<i>Financial assets measured at fair value through profit or loss</i>		
Derivative financial instruments	8,574	30,509
<i>Financial assets measured at amortised costs</i>		
Trade debtors	257,767	2,436,102
Amounts owed by related undertakings	548,577	194,641
Other debtors	343,044	220,864
Cash and cash equivalents	1,215,364	2,659,037
	<u>2,364,752</u>	<u>5,510,644</u>
Financial liabilities		
<i>Financial liabilities measured at amortised costs</i>		
Trade creditors	10,427	71,526
Other creditors	889,511	1,237,671
Accruals	854,611	1,285,467
	<u>1,754,549</u>	<u>2,594,664</u>

During the year, the Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency transaction. At 31 December 2016, the outstanding contracts all mature within 8 months (2015: 8 months) of the year end. The Group is committed to buy US\$2,000,000 (2015: \$1,500,000) and pay a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD. The fair value of the forward contracts is £8,574 (2015: £30,509).

19. Other financial commitments

At 31 December 2016 the Group had annual commitments under non-cancellable operating leases as set out below:

	2016	2015
	£	£
Operating leases commitments:		
Within 1 year	222,626	226,434
Between 2 to 5 years	125,367	382,663
Greater than 5 years		
Total	<u>347,993</u>	<u>609,097</u>

On the 1st June 2017 the Company signed a lease on the registered office.

Notes to the financial statements

for the year ended 31 December 2016

20. Related party transactions

During the year the Company provided working capital of £2,059 (2015 – £34,257) to eleQtra (East Africa) Ltd, a company with common directors. At the year-end £376,381 (2015 – £374,322) remained outstanding, owed to the Company, of which an accumulated allowance of £60,746 (2015: £240,065) has been provided.

During the year the Company was repaid working capital of £57,825 (2015 – £11,700) from eleQtra (West Africa) Limited, a company with common directors. At the year-end £ 79,231 (2015 – £21,406) remained outstanding, owed to the Company.

During the year the Company provided working capital of £103,942 (2015 – £nil) to eleQtra (South Africa) Ltd, a company with common directors. At the year-end £105,218 (2015 – £1,276) remained outstanding, owed to the Company.

During the year the Company was repaid working capital of £nil (2015 – £145,659) from eleQtra Management Services LP (Cayman), an entity with common directors. At the year-end £48,493 (2015 – £48,493) remained outstanding, owed to the Company.

During the year the Company was repaid working capital of £10,791 (2015 – £nil) from Chanyanya Infrastructure Company, a company with common directors. At year-end £nil (2015 – £10,791) remained outstanding, owed by the Company.

During the year the Company provided a loan facility of \$50,000 to Gad Cohen, a director of the Company.

21. Post balance sheet events

In February 2017, the Company granted 11,133 share options with exercise price of £11.63 each to the employees.