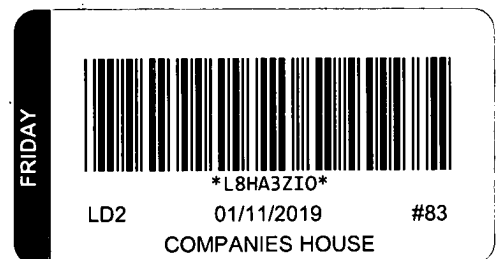


Registered number: 05390107

eleQtra Limited

Report and Group Financial Statements

31 December 2018



Directors

G J Cohen
E Hamilton
R P Parry

Secretary

E Hamilton

Auditors

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Registered Office

5 Margaret Street
London W1W 8RG

Directors' report

to the members of eleQtra Limited

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 2018.

Results and dividends

The Group profit for the year after taxation amounted to £263,673 (2017: £21,545). The directors did not pay a dividend during the year (2017 £312,760).

An indication of the likely future developments in the business of the Group are included in the Strategic Report.

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

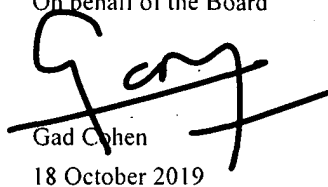
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors each director has 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 U.K. LLP as auditors will be put to the members at the Annual General Meeting.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the Board


Gad Cohen
18 October 2019

Directors' report

to the members of eleQtra Limited

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;
- prepare the Directors' report which comply with the requirement of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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

Opinion

We have audited the financial statements of eleQtra Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2018 which comprise consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated and parent statement of changes in equity, consolidated statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Independent auditors' report

to the members of eleQtra Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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.

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

- 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
- the 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors report and from the requirement to prepare a Strategic report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

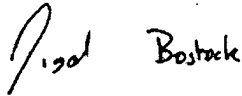
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors' report

to the members of eleQtra Limited

Use of our report

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's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nigel Bostock
Senior Statutory Auditor
for and on behalf of

Crowe U.K. LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London EC4Y 8EH

31 October 2019

Group profit and loss account

for the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	4	5,585,284	6,772,575
Development costs		(912,499)	(1,724,432)
Administrative expenses		<u>(4,183,838)</u>	<u>(5,019,745)</u>
Operating profit	5	488,947	28,398
Interest receivable and similar income		8,520	18,512
Interest payable and similar expense	8	<u>(120,832)</u>	-
Profit on ordinary activities before taxation		376,635	46,910
Tax	9	<u>(112,962)</u>	<u>(25,365)</u>
Profit for the financial year		<u>263,673</u>	<u>21,545</u>

All amounts relate to continuing activities.

Group statement of other comprehensive income

for the year ended 31 December 2018

	2018 £	2017 £
Profit for the financial year	263,673	21,545
Exchange difference on translation	<u>14,530</u>	<u>(21,320)</u>
Total comprehensive profit for the year	<u>278,203</u>	<u>225</u>

Notes 1 to 20 form an integral part of these financial statements

Group balance sheet

at 31 December 2018

Company registered number: 05390107

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	10	10,787	32,089
		<u>10,787</u>	<u>32,089</u>
Current assets			
Debtors	12	983,360	1,400,610
Cash at bank and in hand		<u>1,240,252</u>	<u>1,591,849</u>
		2,223,612	2,992,459
Creditors: amounts falling due within one year	13	<u>(1,743,994)</u>	<u>(2,812,715)</u>
Net current assets		<u>479,618</u>	<u>179,744</u>
Total assets less current liabilities		<u>490,405</u>	<u>211,833</u>
Provisions for liabilities	14	<u>(6,514)</u>	<u>(15,699)</u>
Net assets		<u>483,891</u>	<u>196,134</u>
Capital and reserves			
Called up share capital	15	1,002	1,002
Other reserve	16	9,554	—
Translation reserve	16	70,666	56,136
Profit and loss account	16	<u>402,669</u>	<u>138,996</u>
Shareholders' funds		<u>483,891</u>	<u>196,134</u>

The financial statements were approved by the Board of Directors on the 18 October 2019 and were signed on its behalf by:



Gal Cohen

Director

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

Company balance sheet

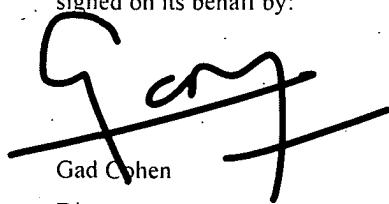
at 31 December 2018

Company registered number: 05390107

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	10	10,787	31,365
Investments	11	—	—
		<u>10,787</u>	<u>31,365</u>
Current assets			
Debtors	12	1,225,693	1,593,947
Cash at bank and in hand		<u>1,226,992</u>	<u>1,402,617</u>
		2,452,685	2,996,564
Creditors: amounts falling due within one year	13	<u>(2,253,471)</u>	<u>(3,003,655)</u>
Net current assets		<u>199,214</u>	<u>(7,091)</u>
Total assets less current liabilities		210,001	24,274
Provisions for liabilities	14	<u>(6,514)</u>	<u>(15,699)</u>
Net assets		<u>203,487</u>	<u>8,575</u>
Capital and reserves			
Called up share capital	15	1,002	1,002
Other reserve	16	9,554	—
Profit and loss account	16	<u>192,931</u>	<u>7,573</u>
Shareholders' funds		<u>203,487</u>	<u>8,575</u>

The profit for the Company for the financial year ended 31 December 2018 was £185,358 (2017: £251,768).

The financial statements were approved by the Board of Directors on the 18 October 2019 and were signed on its behalf by:


Gad Cohen
Director

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

Group statement of changes in equity

at 31 December 2018

	Share capital £	Other reserve £	Translation reserve £	Retained earnings £	Total equity £
At 1 January 2017	1,002	-	77,456	430,211	508,669
Profit for the year	-	-	-	21,545	21,545
Comprehensive income					
Exchange difference on translation	-	-	(21,320)	-	(21,320)
	-	-	(21,320)	21,545	225
Transaction with owners					
Interim dividends paid	-	-	-	(312,760)	(312,760)
At 31 December 2017	1,002	-	56,136	138,996	196,134
Profit for the year	-	-	-	263,673	263,673
Comprehensive income					
Exchange difference on translation	-	-	14,530	-	14,530
	-	-	14,530	263,673	278,203
Transaction with owners					
Options issued	-	9,554	-	-	9,554
At 31 December 2018	1,002	9,554	70,666	402,669	483,891

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

Company statement of changes in equity

at 31 December 2018

	Share capital £	Other reserve £	Retained earnings £	Total equity £
At 1 January 2017	1,002	-	68,565	69,567
Profit for the year	-	-	251,768	251,768
Transaction with owners				
Interim dividends paid	-	-	(312,760)	(312,760)
At 31 December 2017	1,002	-	7,573	8,575
Profit for the year	-	-	185,358	185,358
Transaction with owners				
Options issued	-	9,554	-	9,554
At 31 December 2018	1,002	9,554	192,931	203,487

Notes 1 to 20 form an integral part of these financial statements

Group statement of cash flows

for the year ended 31 December 2018

	2018 £	2017 £
Cash flow from operating activities		
Operating profit	488,947	28,399
Adjustments for:		
Depreciation of tangible fixed assets	21,311	11,188
Profit-sharing	70,266	-
Share based payment	9,554	-
Changes in fair value of forward contracts	1,447	(38,791)
Provision of doubtful debts	150,000	50,000
	<u>741,525</u>	<u>50,796</u>
Movements in working capital:		
(increase)/decrease in debtors	223,285	(107,588)
(decrease)/increase in creditors	<u>(1,237,183)</u>	<u>914,737</u>
Cash generated (used in)/from operations	<u>(272,373)</u>	<u>857,945</u>
Taxation paid	<u>9,012</u>	<u>(124,848)</u>
Net cash generated (used in)/by operating activities	<u>(263,361)</u>	<u>733,097</u>
Cash flow from investing activities		
Purchase of tangible fixed assets	-	(41,157)
Interest received	8,520	18,512
Interest payable	<u>(120,832)</u>	<u>-</u>
Net cash generated used in investing activities	<u>(112,312)</u>	<u>(22,645)</u>
Cash flow from financing activities		
Dividends paid	-	(312,760)
Share options issued	<u>9,554</u>	<u>-</u>
Net cash used in financing activities	<u>9,554</u>	<u>(312,760)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(366,119)</u>	<u>397,691</u>
Cash and cash equivalents at the beginning of the year	1,591,849	1,215,364
Exchange differences on translation	<u>14,522</u>	<u>(21,206)</u>
Cash and cash equivalents at the end of the year	<u>1,240,252</u>	<u>1,591,849</u>

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

Notes to the financial statements

for the year ended 31 December 2018

1. General information

EleQtra Limited (the "Company") 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 5 Margaret Street, London W1W 8RG.

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 company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to its separate financial statements. Exemptions have been taken in relation to the presentation of the statement of cash flow.

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 following principal accounting policies have been applied:

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors have taken notice of the Financial Report Council Guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2016' which requires the reasons for this decision to be explained.

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 financial statements for the Group and Company have been prepared on a going concern basis. In making this assessment the Directors have considered the following key assumptions and factors:

- The Group and Company had net assets of £483,891 at 31 December 2018 (2017: £196,134) and the Group made a profit for the financial year then ended of £263,673 (2017: £21,545).
- The Group and Company's principal activity has primarily comprised their operation of a long term contract with InfraCo Africa Limited for the provision of development services up to April 2020 which is now effectively focused on the completion of a number of projects. The Group and Company evaluate and anticipate that there will continue to be committed funding to fulfil these services and meet ongoing costs for the projects currently in progress. Further revenue streams may arise in respect of additional success fees generated on completion of such projects.
- The Directors continue to explore new business opportunities and projects for the Group and Company as they seek wider diversification of the business and future project, investment and funding opportunities.
- The Directors can take mitigating actions as necessary to manage the cost base of the business and cash flow requirements in the event of any shortfall in funding and/or reduction in anticipated revenues and/or any early termination of funding and/or the contract with InfraCo Africa Limited.

Notes to the financial statements

for the year ended 31 December 2018

2. Accounting policies (continued)

Going concern (continued)

- In evaluating the net assets/net liabilities of the Group and Company the directors have considered the level of accrued income which results from billings and proceeds received in advance of work undertaken which assists in managing the working capital requirements of the business and anticipate that a similar cycle will continue to follow over the next 12 months. Management continue to anticipate and have a reasonable expectation that, based upon these key assumptions and factors, the Group and Company should be cash generative and be able to meet their working capital requirements, debts and liabilities as they fall due.

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.

The financial statements do not include any adjustments that may result from any significant changes in the assumptions used.

Basis of consolidation

The Group financial statements consolidate the results of the Company and its subsidiary, eleQtra Inc, for the year ended 31 December 2018.

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 2018

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.

Notes to the financial statements

for the year ended 31 December 2018

2. Accounting policies (continued)

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.

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.

Notes to the financial statements

for the year ended 31 December 2018

2. Accounting policies (continued)

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.

Share based payment

The Group provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

The Group has no cash-settled arrangements.

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.

Notes to the financial statements

for the year ended 31 December 2018

4. Turnover

£5,365,121 (2017: £6,631,523) 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. £53,024 (2017: £Nil) of the Group turnover is the result of activities carried out in Mozambique from services carried under a contract with Globelec plc, a company registered in England and Wales. £164,139 (2017: £103,584) of the Group turnover is the result of activities carried out in Ghana from services carried under a contract with Engie SA, a company registered in France. £Nil (2017: £37,468) 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:

	2018 £	2017 £
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	22,000
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	21,311	11,188
Changes in fair value of forward contract - (gain)/loss	(1,447)	38,791
Provision of doubtful debts	150,000	50,000
Operating lease rentals	303,472	285,602
Foreign exchange loss	<u>8,154</u>	<u>40,857</u>

6. Directors' remuneration

	2018 £	2017 £
Remuneration	<u>1,014,755</u>	<u>957,136</u>
Highest paid director	<u>373,895</u>	<u>409,272</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>1</u>	<u>1</u>

Notes to the financial statements

for the year ended 31 December 2018

7. Staff costs

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

	2018 £	2017 £
Wages and salaries	2,741,874	3,236,900
Social security costs	172,129	263,859
Other pension costs	69,373	99,632
	<u>2,983,376</u>	<u>3,600,391</u>

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

	No.	No.
Administration/compliance	7	8
Fund management	10	11
	<u>17</u>	<u>19</u>

8. Interest payable and similar expense

	2018 £	2017 £
Other receivable	<u>(120,832)</u>	<u>-</u>

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax on profit of the year	83,933	10,337
Foreign tax relief	<u>(22,141)</u>	<u>(4,709)</u>
	61,792	5,628
Foreign tax – current year	22,141	4,709
Overseas tax	<u>38,214</u>	<u>9,114</u>
Total current tax	122,147	19,451
Deferred tax:		
Origination and reversal of timing differences	(9,185)	5,914
Effect of change in tax rates	-	-
Total deferred tax	<u>(9,185)</u>	<u>5,914</u>
Total tax charge	<u>112,962</u>	<u>25,365</u>

Notes to the financial statements

for the year ended 31 December 2018

9. Tax (continued)

(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% (2017 – 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>376,635</u>	<u>46,911</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 – 19.246%)	71,561	9,029
<i>Effects of:</i>		
Expenses not deductible for tax purposes	48,085	17,119
Adjustment in respect of prior periods & changes in rate of tax	<u>(6,684)</u>	<u>(783)</u>
Current tax for the year (note 9(a))	<u>112,962</u>	<u>25,365</u>

(c) Deferred tax

	£
At 1 January	3,699
Deferred tax charge for the year	<u>(9,185)</u>
At 31 December (note 14)	<u>(5,486)</u>

The deferred tax liability consists of:

	2018 £	2017 £
Accelerated capital allowances	1,462	4,875
Other timing differences	<u>(6,948)</u>	<u>(1,176)</u>
	<u>(5,486)</u>	<u>3,699</u>

Notes to the financial statements

for the year ended 31 December 2018

10. Tangible fixed assets.

<i>Group</i>	<i>Leasehold improvements £</i>	<i>Computer and office equipment £</i>	<i>Furniture and fittings £</i>	<i>Total £</i>
Cost:				
At 1 January 2018	34,826	204,582	132,896	372,305
Disposals	-	(2,371)	-	(2,371)
Foreign exchange movement	281	1,794	1,616	3,691
At 31 December 2018	<u>35,107</u>	<u>204,005</u>	<u>134,512</u>	<u>373,625</u>
Depreciation:				
At 1 January 2018	(34,103)	(204,198)	(101,915)	(340,216)
Charge for year	(731)	-	(20,579)	(21,310)
Disposals	-	2,371	-	2,371
Foreign exchange movement	(273)	(1,794)	(1,616)	(3,683)
At 31 December 2018	<u>(35,107)</u>	<u>(203,621)</u>	<u>(124,110)</u>	<u>(362,838)</u>
Net book value:				
At 31 December 2018	<u>-</u>	<u>384</u>	<u>10,402</u>	<u>10,787</u>
At 31 December 2017	<u>724</u>	<u>384</u>	<u>30,981</u>	<u>32,089</u>

<i>Company</i>	<i>Leasehold improvements £</i>	<i>Computer and office equipment £</i>	<i>Furniture and fittings £</i>	<i>Total £</i>
Cost:				
At 1 January 2018	30,000	171,893	105,147	307,040
Disposals	-	-	-	-
At 31 December 2018	<u>30,000</u>	<u>171,893</u>	<u>105,147</u>	<u>307,040</u>
Depreciation:				
At 1 January 2018	(30,000)	(171,509)	(74,166)	(275,675)
Charge for year	-	-	(20,578)	(20,578)
At 31 December 2018	<u>(30,000)</u>	<u>(171,509)</u>	<u>(94,744)</u>	<u>(296,253)</u>
Net book value:				
At 31 December 2018	<u>-</u>	<u>384</u>	<u>10,403</u>	<u>10,787</u>
At 31 December 2017	<u>-</u>	<u>384</u>	<u>30,981</u>	<u>31,365</u>

Notes to the financial statements

for the year ended 31 December 2018

11. Investments

*Unlisted
investments*

Cost:

£

At 1 January 2018 and 31 December 2018

-

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 and its registered address is 345 Seventh Avenue, Suite 1802, New York, NY, 10001.

The Company also owns 100% of the share capital of Ada Holding Limited (formerly known as Senegal Wind Limited), a dormant company incorporated in England and Wales with the same registered address of the Company.

12. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	£	£	£	£
Amounts owed by group undertakings	-	-	346,144	346,144
Amounts owed by related undertakings	495,912	637,156	495,912	637,156
Withholding tax	-	4,709	-	4,709
Trade debtors	98,513	414,291	79,584	392,925
Other debtors	274,788	221,319	192,453	92,203
Derivative assets	1,447	-	1,447	-
Corporation tax recoverable	-	5,471	-	5,471
Prepayments	112,700	117,664	110,153	115,339
	<u>983,360</u>	<u>1,400,610</u>	<u>1,225,693</u>	<u>1,593,947</u>

13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	£	£	£	£
Trade creditors	171,243	63,112	167,888	45,067
Amounts owed to group undertakings	-	-	821,573	486,671
Corporation tax	88,643	-	88,643	-
Other taxes and social security costs	243,847	319,075	263,732	312,019
Other creditors	499,441	777,516	445,110	785,434
Deferred income	-	1,060,302	-	1,060,302
Derivative liabilities	-	38,791	-	38,791
Accruals	740,820	553,919	466,525	275,371
	<u>1,743,994</u>	<u>2,812,715</u>	<u>2,253,471</u>	<u>3,003,655</u>

Notes to the financial statements

for the year ended 31 December 2018

14. Provisions for liabilities

<i>Group and company</i>	<i>Dilapidations</i>	<i>Deferred tax</i>	<i>Total</i>
	£	£	£
At 1 January 2018	12,000	3,699	15,699
Charge for the year	-	(9,185)	(9,185)
At 31 December 2018	<u>12,000</u>	<u>(5,486)</u>	<u>6,514</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

	2018		2017	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	£	<i>No.</i>	£
Ordinary shares of £0.01 each	100,200	<u>1,002</u>	100,200	<u>1,002</u>

16. Reserve

Other reserve – is the recognition of the fair value on the stock options issued to staff.

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 £69,373 (2017 – £99,632). Contributions totalling £42,177 (2017 – £14,931 payable) were repayable by the fund at the balance sheet date.

Notes to the financial statements

for the year ended 31 December 2018

18. Financial instruments

	Group	
	2018	2017
	£	£
Financial assets		
<i>Financial assets measured at fair value through profit or loss</i>		
Derivative financial instruments	1,447	(38,791)
<i>Financial assets measured at amortised costs</i>		
Trade debtors	98,513	414,291
Amounts owed by related undertakings	495,912	637,156
Other debtors	274,788	221,319
Cash and cash equivalents	1,240,252	1,591,849
	<u>2,109,465</u>	<u>2,864,615</u>
Financial liabilities		
<i>Financial liabilities measured at amortised costs</i>		
Trade creditors	171,243	63,112
Other creditors	499,441	777,516
Accruals	740,820	553,919
	<u>1,411,504</u>	<u>1,394,547</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 2018, the outstanding contracts all mature within 7 months (2017: 11 months) of the year end. The Group is committed to buy US\$100,000 (2017: \$737,500) 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 financial derivative asset of £1,447 (2017: liability of £38,791).

19. Other financial commitments

At 31 December 2018 the Group had annual commitments under non-cancellable operating leases as set out below:

	2018	2017
	£	£
Operating leases commitments:		
Within 1 year	196,119	186,423
Between 2 to 5 years	29,970	101,898
Greater than 5 years	-	-
Total	<u>226,089</u>	<u>288,321</u>

Notes to the financial statements

for the year ended 31 December 2018

20. Related party transactions

During the year the Company provided working capital of £23 (2017 – £145,504) to eleQtra (East Africa) Ltd, a company with common directors. At the year-end £521,908 (2017 – £521,885) remained outstanding, owed to the Company, of which an accumulated allowance of £260,476 (2017: £110,746) has been provided.

During the year the Company provided working capital of £26 (2017 – £35,063 repaid) from eleQtra (West Africa) Limited, a company with common directors. At the year-end £44,194 (2017 – £44,168) remained outstanding, owed to the Company.

During the year the Company provided working capital of £Nil (2017 – £3,990) to eleQtra (South Africa) Ltd, a company with common directors. At the year-end £109,208 (2017 – £109,208) remained outstanding, owed to the Company.

During the year the Company provided working capital of £3,101 (2017 – £19,240) to eleQtra Management Services LP (Cayman), an entity with common directors. At the year-end £70,834 (2017 – £67,733) remained outstanding, owed to the Company.

During the year the Company provided working capital of £2,505 (2017 – £1,855) to eleQtra Limited (Cayman), an entity with common directors. At the year-end £4,360 (2017 – £1,855) remained outstanding, owed to the Company.

During the year the Company provided working capital of £3,101 (2017 – £3,053) to eleQtra Investments LP (Cayman), an entity with common directors. At the year-end £6,154 (2017 – £3,053) remained outstanding, owed to the Company.

21. Share-based option

The Group operates a share-based payment schemes for its employees.

The employees are granted share options in the Company as part of the share scheme. The options are granted with a fixed exercise price and expire 10 years after the date of grant. Employees are required to remain in employment with the Group until exercise, otherwise the awards lapse. On exercise of the options by the employees, the Company issues new shares. There is no option exercised by the employee during the financial year.

A reconciliation of share option movements over the year to 31 December 2018 is shown below:

	2018	
	Number of option	Weighted average exercise price £
Outstanding at 1 January	14,377	4.11
Granted	-	-
Forfeited / exercised	(1,932)	4.27
Outstanding at 31 December	12,445	4.09

The Group is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to this employee schemes. The total charge for the year was £9,554.