

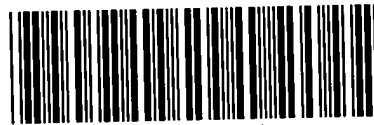
Registered number: 05390107

## **eleQtra Limited**

### **Report and Group Financial Statements**

31 December 2017

TUESDAY



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27/11/2018

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COMPANIES HOUSE

**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**

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 2017.

### Results and dividends

The Group profit for the year after taxation amounted to £21,545 (2016: £619,549). The directors paid an interim dividend of £312,760 during the year (2016 £450,000).

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

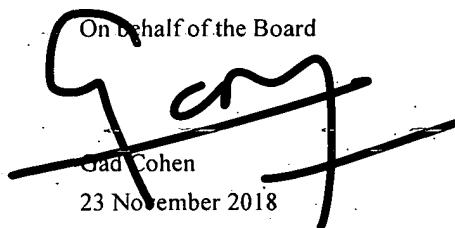
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors each director has 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

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP

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

On behalf of the Board



Gad Cohen  
23 November 2018

## 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 2017, 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

The activity level of the business was lower in 2017 as less projects were undertaken on behalf of InfraCo Africa and project work and the number of staff was therefore reduced. In 2016, 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. 2017 included the receipt of funds from the final sale of the Chiansi project but this was at a lower level.

In 2017, the business invested in its proprietary projects at a higher level than in 2016 and thereby increased development expenses. This, along with increasing need to fund Africa based related businesses, pushed the business into a loss for 2017. Given the constraints, we also saw the continuing focus on cost management particularly on overheads in the UK and USA.

The key achievements on projects for InfraCo Africa in 2017 were the financial closes on Chiansi and Chanyanya Agri- infrastructure projects.

### 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 2017. 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 that affect our business and initiate relevant training and briefing for our staff.

## Strategic report (continued)

### Principal risks and uncertainties (continued)

Key principles to the Group's risk management are:

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.

As described in note 2, 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.

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;
- prepare the Strategic Report and 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 2017 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 2017 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.

#### **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 Strategic Report or 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.

#### **Responsibilities of directors**

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, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



### 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*

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

26 November 2018

## Group profit and loss account

for the year ended 31 December 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	4	6,772,575	9,270,692
Development costs		(1,724,432)	(2,674,856)
Administrative expenses		(5,019,745)	(5,812,834)
<b>Operating profit</b>	5	28,398	783,002
Interest receivable and similar income	8	18,512	17,983
<b>Profit on ordinary activities before taxation</b>		46,910	800,985
Tax	9	(25,365)	(181,436)
<b>Profit for the financial year</b>		<u>21,545</u>	<u>619,549</u>

All amounts relate to continuing activities.

## Group statement of other comprehensive income

for the year ended 31 December 2017

	2017 £	2016 £
Profit for the financial year	21,545	619,549
Exchange difference on translation	(21,320)	67,644
<b>Total comprehensive profit for the year</b>	<u>225</u>	<u>687,193</u>

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

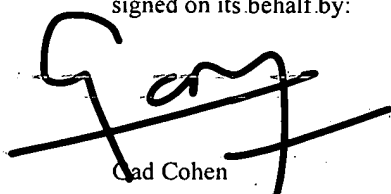
## Group balance sheet

at 31 December 2017

Company registered number: 05390107

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	32,089	2,234
		<u>32,089</u>	<u>2,234</u>
<b>Current assets</b>			
Debtors	12	1,400,610	1,300,720
Cash at bank and in hand		1,591,849	1,215,364
		<u>2,992,459</u>	<u>2,516,084</u>
<b>Creditors: amounts falling due within one year</b>	13	(2,812,715)	(1,971,580)
<b>Net current assets</b>		<u>179,744</u>	<u>544,504</u>
<b>Total assets less current liabilities</b>		<u>211,833</u>	<u>546,738</u>
<b>Provisions for liabilities</b>	14	(15,699)	(38,069)
<b>Net assets</b>		<u>196,134</u>	<u>508,669</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,002	1,002
Translation reserve	16	56,136	77,456
Profit and loss account	16	138,996	430,211
<b>Shareholders' funds</b>		<u>196,134</u>	<u>508,669</u>

The financial statements were approved by the Board of Directors on the 23 November 2018 and were signed on its behalf by:

  
Gad Cohen  
Director

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

## Company balance sheet

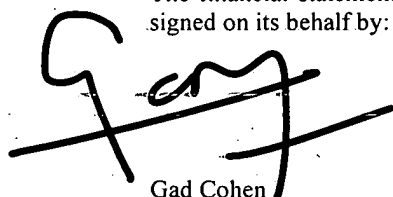
at 31 December 2017

Company registered number: 05390107

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	31,365	384
Investments	11	—	—
		<u>31,365</u>	<u>384</u>
<b>Current assets</b>			
Debtors	12	1,593,948	1,419,671
Cash at bank and in hand		<u>1,402,617</u>	<u>849,349</u>
		2,996,565	2,269,020
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,003,655)</u>	<u>(2,161,768)</u>
<b>Net current assets</b>		<u>(7,090)</u>	<u>107,252</u>
<b>Total assets less current liabilities</b>		24,275	107,637
<b>Provisions for liabilities</b>	14	<u>(15,699)</u>	<u>(38,069)</u>
<b>Net assets</b>		<u>8,575</u>	<u>69,567</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,002	1,002
Profit and loss account	16	<u>7,573</u>	<u>68,565</u>
<b>Shareholders' funds</b>		<u>8,575</u>	<u>69,567</u>

The profit for the Company for the financial year ended 31 December 2017 was £251,768 (2016: £546,644).

The financial statements were approved by the Board of Directors on the 23 November 2018 and were signed on its behalf by:



Gad Cohen  
Director

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

# Group statement of changes in equity

at 31 December 2017

	Share capital £	Other reserve	Retained earnings	Total equity £
<b>At 1 January 2016</b>	1,002	9,812	260,662	271,476
Profit for the year	-	-	619,549	619,549
<b>Comprehensive income</b>				
Exchange difference on translation	-	67,644	-	67,644
	-	67,644	619,549	687,193
<b>Transaction with owners</b>				
Interim dividends paid	-	-	(450,000)	(450,000)
<b>At 31 December 2016</b>	1,002	77,456	430,211	508,669
Profit for the year	-	-	21,545	21,545
<b>Comprehensive income</b>				
Exchange difference on translation	-	(21,320)	-	(21,320)
	-	(21,320)	21,545	225
<b>Transaction with owners</b>				
Interim dividends paid	-	-	(312,760)	(312,760)
<b>At 31 December 2017</b>	1,002	56,136	138,996	196,134

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

## Company statement of changes in equity

at 31 December 2017

	Share capital £	Retained earnings	Total equity £
<b>At 1 January 2016</b>	1,002	(28,079)	(27,077)
Profit for the year	-	546,644	546,644
<b>Transaction with owners</b>			
Interim dividends paid	-	(450,000)	(450,000)
<b>At 31 December 2016</b>	1,002	68,565	69,567
Profit for the year		251,768	251,768
<b>Transaction with owners</b>			
Interim dividends paid	-	(312,760)	(312,760)
<b>At 31 December 2017</b>	1,002	7,573	8,575

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

## Group statement of cash flows

for the year ended 31 December 2017

	2017 £	2016 £
<b>Cash flow from operating activities</b>		
Operating loss	28,399	783,002
Adjustments for:		
Depreciation of tangible fixed assets	11,188	12,184
Profit-sharing	-	78,638
Changes in fair value of forward contracts	(38,791)	8,574
Provision of doubtful debts	50,000	(179,319)
	<u>50,796</u>	<u>703,079</u>
Movements in working capital:		
(increase)/decrease in debtors	(107,588)	1,558,178
(decrease)/increase in creditors	<u>914,737</u>	<u>(3,115,159)</u>
Cash generated (used in)/from operations	857,945	(853,902)
Taxation paid	<u>(124,848)</u>	<u>(230,338)</u>
Net cash generated (used in)/by operating activities	<u>733,097</u>	<u>(1,084,290)</u>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(41,157)	-
Interest received	<u>18,512</u>	<u>17,983</u>
Net cash generated used in investing activities	<u>(22,645)</u>	<u>17,983</u>
<b>Cash flow from financing activities</b>		
Dividends paid	(312,760)	(450,000)
	<u>(312,760)</u>	<u>(450,000)</u>
Net cash used in financing activities		
Net (decrease)/increase in cash and cash equivalents	397,691	(1,516,307)
Cash and cash equivalents at the beginning of the year	1,215,364	2,659,037
Exchange differences on translation	<u>(21,206)</u>	<u>72,634</u>
Cash and cash equivalents at the end of the year	<u>1,591,849</u>	<u>1,215,364</u>

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

## Notes to the financial statements

for the year ended 31 December 2017

### 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 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 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 £196,134 at 31 December 2017 (2016: £508,669) and the Group made a profit for the financial year then ended of £21,545 (2016: £619,549).
- 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 2017

### 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 2017.

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 2017

### 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 2017

### 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 2017

## 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.

## 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

£6,735,107 (2016: £9,150,358) 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. £37,468 (2016: £120,334) 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:

	2017 £	2016 £
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	11,188	12,184
Changes in fair value of forward contract - loss/(gain)	38,791	(8,574)
provision/(Write back) of doubtful debts	50,000	(179,319)
Operating lease rentals	285,602	304,676
Foreign exchange loss/(gain)	<u>40,857</u>	<u>(384,726)</u>

## Notes to the financial statements

for the year ended 31 December 2017

### 6. Directors' remuneration

	2017 £	2016 £
Remuneration	<u>957,136</u>	<u>1,128,117</u>
Highest paid director	<u>409,272</u>	<u>567,435</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>

### 7. Staff costs

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

	2017 £	2016 £
Wages and salaries	3,236,900	4,603,152
Social security costs	263,859	294,136
Other pension costs	99,632	127,393
	<u>3,600,391</u>	<u>5,024,680</u>

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

	No.	No.
Administration/compliance	8	8
Fund management	11	13
	<u>19</u>	<u>21</u>

### 8. Interest receivable and similar income

	2017 £	2016 £
Other interest receivable	<u>18,512</u>	<u>17,983</u>

# Notes to the financial statements

for the year ended 31 December 2017

## 9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017	2016
	£	£
<b>Current tax:</b>		
UK corporation tax on profit of the year	10,338	123,949
Foreign tax relief	(4,709)	-(15,758)
Adjustments in respect of previous years	-	(1,677)
	<u>5,629</u>	<u>106,514</u>
Foreign tax – current year	4,709	15,758
Overseas tax	<u>9,114</u>	<u>61,419</u>
Total current tax	<u>19,452</u>	<u>183,691</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	5,914	(2,250)
Effect of change in tax rates	-	(5)
Total deferred tax	<u>5,914</u>	<u>(2,255)</u>
Total tax charge	<u>25,365</u>	<u>181,436</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% (2016 – 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	<u>46,911</u>	<u>800,985</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.246% (2016 – 20%)	9,029	160,197
<b>Effects of:</b>		
Expenses not deductible for tax purposes	17,119	22,528
Adjustment in respect of prior periods & changes in rate of tax	<u>(783)</u>	<u>(1,289)</u>
Current tax for the year (note 9(a))	<u>25,365</u>	<u>181,436</u>

## Notes to the financial statements

for the year ended 31 December 2017

### 9. Tax (continued)

(c) Deferred tax

	£
At 1 January	(2,215)
Deferred tax charge for the year	5,914
At 31 December (note 14)	<u>3,699</u>

The deferred tax liability consists of:

	2017 £	2016 £
Accelerated capital allowances	4,875	(297)
Other timing differences	<u>(1,176)</u>	<u>(1,918)</u>
	<u>3,699</u>	<u>(2,215)</u>

### 10. Tangible fixed assets

Group	Leasehold improvements £	Computer and office equipment £	Furniture and fittings £	Total £
Cost:				
At 1 January 2017	35,285	207,686	94,374	337,345
Additions	-	-	41,157	41,157
Foreign exchange movement	<u>(458)</u>	<u>(3,104)</u>	<u>(2,635)</u>	<u>(6,197)</u>
At 31 December 2017	<u>34,826</u>	<u>204,582</u>	<u>132,896</u>	<u>372,305</u>
Depreciation:				
At 1 January 2017	(33,435)	(207,302)	(94,374)	(335,111)
Charge for year	<u>(1,012)</u>	<u>-</u>	<u>(10,176)</u>	<u>(11,188)</u>
Foreign exchange movement	<u>344</u>	<u>3,104</u>	<u>2,635</u>	<u>6,083</u>
At 31 December 2017	<u>(34,103)</u>	<u>(204,198)</u>	<u>(101,915)</u>	<u>(340,216)</u>
Net book value:				
At 31 December 2017	<u>724</u>	<u>384</u>	<u>30,981</u>	<u>32,089</u>
At 31 December 2016	<u>1,850</u>	<u>384</u>	<u>-</u>	<u>2,234</u>

## Notes to the financial statements

for the year ended 31 December 2017

### 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>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 2017	30,000	171,894	63,990	265,884
Additions	-	-	41,157	41,157
At 31 December 2017	30,000	171,894	105,147	307,040
Depreciation:				
At 1 January 2017	(30,000)	(171,509)	(63,990)	(265,499)
Charge for year	-	-	(10,176)	(10,176)
At 31 December 2017	(30,000)	(171,509)	(74,166)	(275,675)
Net book value:				
At 31 December 2017	-	384	30,981	31,365
At 31 December 2016	-	384	-	384

### 11. Investments

<i>Cost:</i>	<i>Unlisted investments</i>
<i>£</i>	<i>£</i>
At 1 January 2017 and 31 December 2017	-

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>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Amounts owed by group undertakings	-	-	346,144	346,144
Amounts owed by related undertakings	637,156	548,577	637,156	548,577
Withholding tax	4,709	15,180	4,709	15,180
Trade debtors	414,291	257,767	392,925	257,767
Other debtors	221,319	343,045	92,203	116,464
Derivative assets	-	8,574	-	8,574
Corporation tax recoverable	5,471	-	5,471	-
Prepayments	117,663	127,577	115,339	126,965
	<u>1,400,610</u>	<u>1,300,720</u>	<u>1,593,948</u>	<u>1,419,671</u>



## Notes to the financial statements

for the year ended 31 December 2017

### 13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	63,112	10,427	45,067	-
Corporation tax	-	34,811	-	34,811
Other taxes and social security costs	319,075	33,277	312,019	13,094
Other creditors	777,516	889,511	1,272,105	1,095,904
Deferred income	1,060,302	148,943	1,060,302	148,943
Derivative liabilities	38,791	-	38,791	-
Accruals	553,919	854,611	275,371	869,016
	<u>2,812,715</u>	<u>1,971,580</u>	<u>3,003,655</u>	<u>2,161,768</u>

### 14. Provisions for liabilities

<i>Group and company</i>	<i>Dilapidations</i>	<i>Deferred tax</i>	<i>Total</i>
	£	£	£
At 1 January 2017	40,284	(2,215)	38,069
Charge for the year	<u>(28,284)</u>	<u>5,914</u>	<u>(22,370)</u>
At 31 December 2017	<u>12,000</u>	<u>3,699</u>	<u>15,699</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>2017</i>		<i>2016</i>	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £0.01 each	100,200	<u>1,002</u>	100,200	<u>1,002</u>

In 2016, the Company subdivided every share with par value of £1 into 100 ordinary share at £0.01.

### 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 £99,632 (2016 – £127,393). Contributions totalling £14,931 (2016 – £16,914 repayable) were payable by the fund at the balance sheet date.

## Notes to the financial statements

for the year ended 31 December 2017

### 18. Financial instruments

	Group	
	2017	2016
	£	£
<b>Financial assets</b>		
<i>Financial assets measured at fair value through profit or loss</i>		
Derivative financial instruments	(38,791)	8,574
<i>Financial assets measured at amortised costs</i>		
Trade debtors	414,291	257,767
Amounts owed by related undertakings	637,156	548,577
Other debtors	142,016	343,044
Cash and cash equivalents	1,591,849	1,215,364
	<u>2,785,312</u>	<u>2,364,752</u>
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised costs</i>		
Trade creditors	63,112	10,427
Other creditors	777,516	889,511
Accruals	553,919	854,611
	<u>1,394,547</u>	<u>1,754,549</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 2017, the outstanding contracts all mature within 11 months (2016: 8 months) of the year end. The Group is committed to buy US\$737,500 (2016: \$2,000,000) 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 financial derivative liability of £38,791 (2016: asset of £8,574).

### 19. Other financial commitments

At 31 December 2017 the Group had annual commitments under non-cancellable operating leases as set out below:

	2017	2016
	£	£
Operating leases commitments:		
Within 1 year	186,423	222,626
Between 2 to 5 years	101,898	125,367
Greater than 5 years	-	-
Total	<u>288,321</u>	<u>347,993</u>

## Notes to the financial statements

for the year ended 31 December 2017

### 20. Related party transactions

During the year the Company provided working capital of £145,504 (2016 – £2,059) to eleQtra (East Africa) Ltd, a company with common directors. At the year-end £521,885 (2016 – £376,381) remained outstanding, owed to the Company, of which an accumulated allowance of £260,746 (2016: £60,746) has been provided.

During the year the Company was repaid working capital of £35,063 (2016 – £57,825 repaid) from eleQtra (West Africa) Limited, a company with common directors. At the year-end £44,168 (2016 – £79,231) remained outstanding, owed to the Company.

During the year the Company provided working capital of £3,990 (2016 – £103,942) to eleQtra (South Africa) Ltd, a company with common directors. At the year-end £109,208 (2016 – £105,218) remained outstanding, owed to the Company.

During the year the Company provided working capital of £19,240 (2016 – £nil) to eleQtra Management Services LP (Cayman), an entity with common directors. At the year-end £67,733 (2016 – £48,493) remained outstanding, owed to the Company.

During the year the Company provided working capital of £1,855 (2016 – £nil) to eleQtra Limited (Cayman), an entity with common directors. At the year-end £1,855 (2016 – £nil) remained outstanding, owed to the Company.

During the year the Company provided working capital of £3,053 (2016 – £nil) to eleQtra Investments LP (Cayman), an entity with common directors. At the year-end £3,053 (2016 – £nil) remained outstanding, owed to the Company.

During the year the Company provided a loan facility of \$25,000 to Gad Cohen, a director of the Company.