

Registered number

09320731

Africa Growth And Energy Solutions UK LTD
(Formerly PLC)

Report and Financial Statements

30 November 2018

API Partnership Limited t/a Chandler & Georges
Chartered Accountants

75 Westow Hill
Crystal Palace
London
SE19 1TX
Ph: 0208 761 2213

Africa Growth And Energy Solutions UK LTD

Report and accounts

Contents

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Strategic report	4-5
Independent auditor's report	6-7
Income statement	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12-16
<i>Following pages do not form part of statutory accounts</i>	
Detailed profit and loss account - summary	17
Detailed profit and loss account - detailed	18

Africa Growth And Energy Solutions UK LTD

Company Information

Directors

Sophie Johnson

Joachim Baumgaertner

Rosetta Wilson

Albert Smith

Royston McDermott Dawkins

Secretary

@UKPLC CLIENT SECRETARY LTD (appointment terminated on 21 December 2018)

Auditors

API Partnership Limited t/a Chandler & Georges

75 Westow Hill

Crystal Palace

London

SE19 1TX

Bankers

Lloyds Bank

25 Gresham Street

London

United Kingdom

EC2V 7HN

Registered office

C/O Chandler & Georges

75 Westow Hill

London

SE19 1TX

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Africa Growth And Energy Solutions UK LTD

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Directors' Report

The directors present their report and financial statements for the year ended 30 November 2018.

Directors

The following persons served as directors during the year:

Sophie Johnson

Joachim Baumgaertner

Rosetta Wilson

(appointment
terminated
on 27 July
2018)

Albert Smith

Royston McDermott Dawkins

(appointed
on 1 January
2019)

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 30 August 2019 and signed on its behalf.

Albert Smith

Director

Africa Growth And Energy Solutions UK LTD

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Africa Growth And Energy Solutions UK LTD

Strategic Report

Business review

The company's principal activity is developing and delivering renewable energy projects in Sub Saharan Africa with the ultimate aim of building a renewable energy asset portfolio.

The loss for the financial year was £3,265 (2017 loss of £47,275).

The company commenced charging management fee income in respect to the Sierra Leone project income that was received during the year £61,552 (Grant income 2017 £36,781) against which project development expenses and general overheads were incurred to develop a pipeline of solar energy projects.

The company has built an enviable solid pipeline of projects over the past few years, attracting the attention of strong investors and technical partners. It has managed to win four competitions, seeing off hundreds of competing companies from around the world, demonstrating its ability to establish itself in a growing market place.

As these pipeline projects come to fruition it is anticipated that significant revenues will commence by September 2019 and profitability achieved in 2020.

Africa still lags behind other regions of the world with regard to electricity consumption and generation. Electric power in many African countries is still inaccessible, unaffordable, and highly unreliable. With about 90% of the rural population in Sub-Saharan Africa having no access to electricity.

The company faces a number of risks and uncertainties, specifically in connection with securing ongoing project development funding, which are contingent on meeting key project milestones and attracting new investment at the first stage of its 5 year development plan.

Ultimately the directors believe that the company's success is strongly linked to the partnering, acquiring or establishing of local companies who will develop renewable energy based programmes in stable countries with a viable power purchasing framework and rate.

Principal risks and uncertainties

The company faces a number of risks and uncertainties as follows:

Funding and financing:

The company is dependent on development capital, grants and loans, which are contingent on meeting key project milestones and phases. Local delays can significantly impact the company's access to finance. The directors believe that due to the awareness of climate change and our impact on the environment, there is a strong and long-term commitment to funding sustainable renewable energy projects in developing countries, western governments, Development Finance Institutions (DFI's), non-government organisations and private sector investors. This commitment should ensure that funds are available from various sources and secured against local and international guarantees.

Political and regulatory change:

The Sub Saharan Africa countries in question have historically been subject to political and regulatory challenges and instability. Any instability of this sort could cut short projects or delay their progress. The directors believe that partnering and having a presence and strong local partnerships will assist to mitigate some of this risk.

Exposure to foreign exchange:

The overseas markets the company operates in and foreign currency loans and grants that are received, gives rise to foreign exchange risks. Foreign exchange risk is presently considered low and if necessary will be mitigated by careful use of currency contracts.

Future developments

Over the next three years the directors will deliver on the existing pipeline of projects spread across Sierra Leone, Nigeria and Cameroon (Francophone region), significantly increasing the company's turnover and pushing the company into profitability by 2020. Due to political events in Cameroon and the new government in Sierra Leone, project development and implementation has been delayed.

Financial instruments

The company is predominantly financed by shareholder loans which are interest free and repayable once the company achieves suitable cash reserves. Consequently, there is little exposure to interest rate risk.

The company does not enter into any formally designated foreign exchange hedging arrangements.

This report was approved by the board on 30 August 2019 and signed on its behalf.

Albert Smith

Director

Africa Growth And Energy Solutions UK LTD

Independent auditor's report

to the members of Africa Growth And Energy Solutions UK LTD

Opinion

We have audited the financial statements of Africa Growth And Energy Solutions UK LTD for the year ended 30 November 2018 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2018 and of its loss 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 of 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 other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report 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, 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; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Panos Karageorghis

(Senior Statutory Auditor)

for and on behalf of

API Partnership Limited t/a Chandler & Georges

Accountants and Statutory Auditors

30 August 2019

75 Westow Hill

Crystal Palace

London

SE19 1TX

Africa Growth And Energy Solutions UK LTD**Income Statement****for the year ended 30 November 2018**

	Notes	2018 £	2017 £
Turnover	2	61,552	36,781
Cost of sales		(106,790)	(6,251)
Gross (loss)/profit		<u>(45,238)</u>	<u>30,530</u>
Administrative expenses		(35,774)	(77,805)
Other operating income		77,742	-
Operating loss	3	<u>(3,270)</u>	<u>(47,275)</u>
Interest receivable		5	-
Loss on ordinary activities before taxation		<u>(3,265)</u>	<u>(47,275)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		<u><u>(3,265)</u></u>	<u><u>(47,275)</u></u>

Africa Growth And Energy Solutions UK LTD**Statement of Financial Position****as at 30 November 2018**

	Notes	2018 £	2017 £
Fixed assets			
Investments	6	20,880	20,880
Current assets			
Debtors	7	93,706	46,788
Cash at bank and in hand		290	73
		<u>93,996</u>	<u>46,861</u>
Creditors: amounts falling due within one year	8	(730,127)	(679,727)
Net current liabilities		<u>(636,131)</u>	<u>(632,866)</u>
Net liabilities		<u>(615,251)</u>	<u>(611,986)</u>
Capital and reserves			
Called up share capital	9	50,000	50,000
Profit and loss account	10	(665,251)	(661,986)
Total equity		<u>(615,251)</u>	<u>(611,986)</u>

Albert Smith

Director

Approved by the board on 30 August 2019

Africa Growth And Energy Solutions UK LTD**Statement of Changes in Equity****for the year ended 30 November 2018**

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 December 2016	50,000	-	-	(614,711)	(564,711)
Loss for the financial year				(47,275)	(47,275)
At 30 November 2017	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(661,986)</u>	<u>(611,986)</u>
At 1 December 2017	50,000	-	-	(661,986)	(611,986)
Loss for the financial year				(3,265)	(3,265)
At 30 November 2018	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(665,251)</u>	<u>(615,251)</u>

Africa Growth And Energy Solutions UK LTD**Statement of Cash Flows****for the year ended 30 November 2018**

	Notes	2018 £	2017 £
Operating activities			
Loss for the financial year		(3,265)	(47,275)
Adjustments for:			
Interest receivable		(5)	-
Increase in debtors		(46,918)	(39,659)
Increase in creditors		50,431	95,387
		<u>243</u>	<u>8,453</u>
Interest received		5	-
Cash generated by operating activities		<u>248</u>	<u>8,453</u>
Investing activities			
Payments to acquire investments		-	(20,553)
Cash used in investing activities		<u>-</u>	<u>(20,553)</u>
Net cash generated/(used)			
Cash generated by operating activities		248	8,453
Cash used in investing activities		-	(20,553)
Net cash generated/(used)		<u>248</u>	<u>(12,100)</u>
Cash and cash equivalents at 1 December		<u>42</u>	<u>12,142</u>
Cash and cash equivalents at 30 November		<u>290</u>	<u>42</u>
Cash and cash equivalents comprise:			
Cash at bank		290	73
Bank overdrafts	8	-	(31)
		<u>290</u>	<u>42</u>

Africa Growth And Energy Solutions UK LTD

Notes to the Accounts

for the year ended 30 November 2018

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

2 Analysis of turnover	2018	2017
	£	£
Grant income	-	36,781
Management fees	61,552	-
	<u>61,552</u>	<u>36,781</u>
By geographical market:		
Europe	-	36,781
Rest of world	61,552	-
	<u>61,552</u>	<u>36,781</u>
3 Operating profit	2018	2017
	£	£
This is stated after charging:		
Auditors' remuneration for audit services	7,500	7,500
Auditors' remuneration for other services	5,000	5,000
	<u>12,500</u>	<u>12,500</u>
4 Staff costs	2018	2017
Average number of employees during the year	Number	Number
Administration	2	2
Development	3	3
	<u>5</u>	<u>5</u>
5 Taxation	2018	2017
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2018	2017
	£	£
Loss on ordinary activities before tax	(3,265)	(47,275)
Standard rate of corporation tax in the UK	20%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	(653)	(9,455)
Effects of:		
Expenses not deductible for tax purposes	653	9,455
Current tax charge for period	-	-

6 Investments

	Other investments
	£
Cost	
At 1 December 2017	20,880
At 30 November 2018	20,880

The company holds 20% or more of the share capital of the following companies:

Company	Shares held			Capital and reserves	Profit (loss) for the year
	Class		%	£	£
Solar Era Holdings SL Limited	Ordinary	SL	100	156	-
AGES Agriculture Ltd	Ordinary	UK	100	101	-
AGES Cameroon Ltd	Ordinary	UK	70	100	-
Solar Era Nigeria Ltd	Ordinary	UK	100	1	-
Kwara Energy Project Ltd	Ordinary	NG	97	21,188	-

The company has entered into agreement with Responsibility Inc (a company incorporated in Mauritius) which pledged all of its shareholdings in Solar Era Holdings SL Limited in March 2019 in order to fund the development, design, construction and commissioning of 5 MW and 20 MW solar power project.

7 Debtors

	2018	2017
	£	£
Trade debtors	-	37,030
Other debtors	15,964	9,758

Prepayments and accrued income	77,742	-
	<u>93,706</u>	<u>46,788</u>

8 Creditors: amounts falling due within one year	2018	2017
	£	£
Bank overdrafts	-	31
Trade creditors	178,735	153,618
Other creditors	497,314	496,079
Accruals and deferred income	54,078	29,999
	<u>730,127</u>	<u>679,727</u>

Included in Other creditors is a Clean Development Mechanism (CDM) registration loan from United Nations Office for Project Services (UNOPS) totalling USD 99,500 (2017: USD 99,500). The company received confirmation from UNOPS on 15th July 2019 to write-off the loan amount and this has been reflected in Other Operating income and Accrued income (see note 7).

Also included in Other creditors are shareholders loans totalling £391,176 (2017:393,760). The loans are interest free and repayable once the company achieves sufficient cash reserves.

9 Share capital	Nominal value	2018 Number	2018 £	2017 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	50,000	<u>50,000</u>	<u>50,000</u>

10 Profit and loss account	2018	2017
	£	£
At 1 December	(661,986)	(614,711)
Loss for the financial year	(3,265)	(47,275)
At 30 November	<u>(665,251)</u>	<u>(661,986)</u>

11 Going concern

The financial statements have been prepared on the going concern basis. In February 2018 the company entered into a joint development contract with potential cash inflows totalling US\$2.5m by 2020. The company received funds totalling \$51,041 post year end. The Directors anticipate profitability by 2020.

12 Related party transactions

Directors

Included in professional fees is an amount of £2,400 (2017: £3,200) charged for services rendered by Green Rhino Energy Ltd, a company in which Joachim Baumgaertner is a director.

13 Controlling party

There is no single controlling party.

14 Presentation currency

The financial statements are presented in Sterling.

15 Legal form of entity and country of incorporation

Africa Growth And Energy Solutions UK LTD is a private company limited by shares and incorporated in England.

On 7 November 2018 the company changed its legal status from public limited company to private limited company.

16 Principal place of business

20-22 Wenlock Road
London
N1 7GU

The registered address of the company as follows:

C/O Chandler & Georges
75 Westow Hill
London
SE19 1TX

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.