InfraCo Africa Limited

Company Registration No: 05196897

Annual Report

For the year ended 31 December 2017

INFRACO AFRICA LIMITED

COMPANY INFORMATION

Directors	Peter Barlow Brian Count Roderick Evison Alexander Katon Katharine Painter Maria Msiska
Company secretary	Jordan Company Secretaries Limited
Registered number	05196897
Registered office	The Dutch House Fourth Floor 307-308 High Holborn London WC1V 7LL
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor Times House Throwley Way Sutton Surrey SM1 4JQ

INFRACO AFRICA LIMITED

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INFRACO AFRICA LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their Report together with the financial statements of InfraCo Africa Limited (the "Company") for the year ended 31 December 2017.

Directors

The Directors who served during the year were:

Peter Barlow
Brian Count
Roderick Evison
Alexander Katon
Katharine Painter
Maria Msiska

Principal activities and change of name

The principal activity of the Company is that of infrastructure project development in Sub-Saharan Africa.

The Company takes on high transaction risks associated with early stages of the project cycle with the aim of selling its interests to private investors once the development process has been completed.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

The results of the Group for the year, set out on page 7, show a loss on ordinary activities before tax of £9,698,153 (2016: loss of £7,762,199). The shareholders' funds of the Group, set out on page 8, total £45,559,098 (2016: 41,458,725).

Dividends

No dividends were declared or paid by the Company during the year (2016: £nil).

Going concern

The Company meets its day to day working capital through the sale of development projects, associated success fees and through grants received and share capital issued. The Directors have considered the Company's cash flow requirements for the 12 months following the approval date of these accounts and on the basis of this the Directors consider that the company will continue to have sufficient funds for the foreseeable future. The Directors have seen assurances regarding future grants and share capital issued which the Directors feel is sufficient for the financial statements to be prepared on the going concern basis. In December 2017 additional funding commitment of $10m has been made available to InfraCo Africa from SECO as well as GBP equivalent of $15m from DFID. The financial statements do not include any adjustments that would result were funding to be withdrawn.

Statement of disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and

- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INFRACO AFRICA LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Auditors

The auditors for the year were Mazars LLP.

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

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

Alexander Katon
Director

Date: 29/3/2018

INFRACO AFRICA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Directors' 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 International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, www.infracoafrica.com. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INFRACO AFRICA LIMITED

Opinion

We have audited the financial statements of InfraCo Africa Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise of the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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.

Use of the audit 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.

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 group's or the parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INFRACO AFRICA LIMITED

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.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

INFRACO AFRICA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INFRACO AFRICA LIMITED

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.

Mike B

Mike Bailey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Times House, Throwley Way
Sutton, Surrey
SM1 4JQ

Date 29 MARCH 2018

INFRACO AFRICA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Income	**1,3**	1,330,807	1,275,128
Fair value gains through profit or loss	**9**	2,372,723	296,902
Project development fees	**4**	(9,565,174)	(9,786,825)
Administrative (expenses)/income	**5**	(4,865,276)	20,655
Operating loss	**6**	**(10,726,920)**	**(8,194,140)**
Interest receivable and similar income	**8**	1,043,767	431,941
Loss on ordinary activities before taxation		**(9,683,153)**	**(7,762,199)**
Tax on profit/loss on ordinary activities	**10**	(15,000)	-
Loss for the financial year		**(9,698,153)**	**(7,762,199)**

The parent company has taken advantage of section 408 of Companies Act 2006 and has not included its own profit and loss account in these Financial Statements. The company's loss of the year was £9,181,764 (2016: loss £7,762,199).

The amounts above all relate to continuing operations.

There were no other items of comprehensive income.

The notes on pages 11 to 34 form part of these financial statements.

INFRACO AFRICA LIMITED

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 Company £	2017 Group £	2016 Company £	2016 Group £
Assets					
Non-current assets					
Property, plant and equipment	11	28,018	93,156	17,383	17,383
Investment in subsidiaries	12	7,283,757	7,283,677	6,709,204	6,709,204
Investment in associates	12	9,038,522	9,038,522	5,044,569	5,044,569
Total non-current assets		**16,350,297**	**16,415,355**	**11,771,156**	**11,771,156**
Current assets					
Trade and other receivables	13	2,793,957	2,275,318	3,166,081	3,166,081
Cash at bank and in hand	15	30,047,947	30,048,035	31,016,709	31,016,709
Total current assets		32,841,904	32,323,353	34,182,790	34,182,790
Total assets		**49,192,201**	**48,738,708**	**45,953,946**	**45,953,946**
Equity and liabilities					
Capital and reserves					
Share capital	17	123,888,099	123,888,099	110,089,573	110,089,573
Retained earnings		(77,812,612)	(78,329,001)	(68,630,848)	(68,630,848)
Total Shareholders' Funds - Equity		**46,075,487**	**45,559,098**	**41,458,725**	**41,458,725**
Current liabilities					
Trade and other payables	14	3,116,714	3,179,610	4,495,221	4,495,221
Total equity and liabilities		**49,192,201**	**48,738,708**	**45,953,946**	**45,953,946**

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

Alexander Katon
Director

Date 29/3/2018

The notes on pages 11 to 34 form part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Share Capital - Company	Share Capital - Group	Retained Earnings - Company	Retained Earnings - Group	Attributable to owners of the parent - Company	Attributable to owners of the parent - Group
		£	£	£	£	£	£
Balance at 1 January 2016		88,120,815	88,120,815	(60,868,649)	(60,868,649)	27,252,166	27,252,166
Loss for the year		-	-	(7,762,199)	(7,762,199)	(7,762,199)	(7,762,199)
Total comprehensive income for the year		-	-	(7,762,199)	(7,762,199)	(7,762,199)	(7,762,199)
Issue of shares		21,968,758	21,968,758	-	-	21,968,758	21,968,758
Balance at 31 December 2016		**110,089,573**	**110,089,573**	**(68,630,848)**	**(68,630,848)**	**41,458,725**	**41,458,725**
Balance at 1 January 2017	17	110,089,573	110,089,573	(68,630,848)	(68,630,848)	41,458,725	41,458,725
Loss for the year		-	-	(9,181,764)	(9,698,153)	(9,181,764)	(9,698,153)
Total comprehensive income for the year		-	-	(9,181,764)	(9,698,153)	(9,181,764)	(9,698,153)
Issue of shares	17	13,798,526	13,798,526	-	-	13,798,526	13,798,526
Balance at 31 December 2017		**123,888,099**	**123,888,099**	**(77,812,612)**	**(78,329,001)**	**46,075,487**	**45,559,098**

INFRACO AFRICA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Cash flows from operating activities		
Loss for the year	(9,698,153)	(7,762,199)
Add/(deduct):		
Depreciation	24,225	8,115
Purchases, disposals and reclassifications of investments	(4,568,426)	(4,662,950)
Decrease in receivables	890,763	819,948
(Decrease)/increase in payables	(1,315,611)	576,905
Net cash used in operating activities	(14,667,202)	(11,020,181)
Cash flows from investing activities		
Payments for property, plant and equipment	(99,998)	(11,333)
Net cash used in investing activities	(99,998)	(11,333)
Cash flows from financing activities		
Proceeds from issue of equity instruments in the Group	13,798,526	21,968,758
Net cash generated by financing activities	13,798,526	21,968,758
Net (decrease)/increase in cash and cash equivalents	(968,674)	10,937,244
Cash and cash equivalents at the beginning of the year	31,016,709	20,079,465
Cash and cash equivalents at the end of the year	**30,048,035**	**31,016,709**

1. Accounting Policies

1.1 Basis of preparation of financial statements

InfraCo Africa Limited is a company limited by shares and registered in England and Wales, registration number 05196897. The registered office is The Dutch House, Fourth Floor, 307-308 High Holborn, London, WC1V 7LL.

The financial statements are presented in Pound Sterling (£), which is also the Company's functional currency.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The financial statements have been prepared on a historical cost basis, except for Financial instruments – fair value through profit or loss.

Basis of consolidation
The Group financial statements consolidate those of the company and its subsidiary undertakings, other than investment entities, drawn up to the balance sheet date. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group obtains and exercises control through voting rights.

The Company is an investment entity and, as such, does not consolidate the investment entities it controls. Instead, interests (equity and loans) in subsidiaries are classified as fair value through profit or loss, and measured at fair value. Investments (equity and loans) in associates are also classified as fair value through profit or loss, and measured at fair value.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Standards, amendments and interpretations

Adopted in the current year

All IFRSs issued with an effective date before the end of the reporting period have been fully adopted. There has been no material impact on the financial statements of the Company as the result of standards adopted during the reporting period.

In issue but not yet effective

The following standards, amendments and interpretations are either not relevant to the Company's operations or are currently under assessment for their applicability to the Company's operations:

Standards, amendments and interpretations adopted in the current financial year ended 31 December 2017

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the company's financial statements.

	EU effective date	**Non-EU effective date**
	Periods beginning on or after	**Periods beginning on or after**
Amendment to IAS 7 *Statement of Cash Flows*: Disclosure initiative	1 January 2017	1 January 2017
Amendment to IAS 12 *Income Taxes*: Recognition of deferred tax assets for unrealised losses	1 January 2017	1 January 2017
Annual Improvements to IFRSs (2014 - 2016): Clarification of the scope of IFRS 12 *Disclosure of Interests in Other Entities*	Expected to be endorsed Q4 2017	1 January 2017

Standards, amendments and interpretations in issue but not yet effective

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the company's financial statements.

The company is however continuing to assess the full impact that adopting the standards will have on future financial statements, and therefore the full effect is yet to be determined.

	EU effective date	**Non-EU effective date**
	Periods beginning on or after	**Periods beginning on or after**
Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term interests in Associates and Joint Ventures	Expected to be endorsed 2018	1 January 2019
Amendment to IAS 40 Investment Property: Transfers of investment property	Expected to be endorsed Q1 2018	1 January 2018
Amendment to IFRS 2 Share-based Payment: Classification and measurement of share-based payment transactions	Expected to be endorsed Q1 2018	1 January 2018

Accounting Policies (continued)

Standards, amendments and interpretations in issue but not yet effective (continued)

Amendment to IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018	1 January 2018
IFRS 9 Financial Instruments	1 January 2018	1 January 2018
Amendments to IFRS 9 Financial Instruments: Prepayment features with negative compensation	Expected to be endorsed 2018	1 January 2019
IFRS 15 Revenue from Contracts with Customers	1 January 2018	1 January 2018
Clarifications to IFRS 15 Revenue from Contracts with Customers	1 January 2018	1 January 2018
IFRS 16 Leases	1 January 2019	1 January 2019
IFRS 17 Insurance Contracts	Expected endorsement date not available	1 January 2021
Annual Improvements to IFRSs (2014 - 2016)	Expected to be endorsed Q4 2017	1 January 2018
Annual Improvements to IFRSs (2015 - 2017)	Expected to be endorsed 2018	1 January 2019
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Expected to be endorsed Q1 2018	1 January 2018
IFRIC 23 Uncertainty over Income Tax Treatments	Expected to be endorsed 2018	1 January 2019

The adoption of the above mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

The Company is however continuing to assess the full impact that adopting IFRS 15 and IFRS 9 will have on future financial statements, and therefore the full effect is yet to be determined.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

1.2 Going concern

The Company meets its day to day working capital through the sale of development projects, associated success fees and through grants received and share capital issued. The Directors have considered the Company's cash flow requirements for the 12 months following the approval date of these accounts and on the basis of this the Directors consider that the company will continue to have sufficient funds for the foreseeable future. The Directors have seen assurances regarding future grants and share capital issued which the Directors feel is sufficient for the financial statements to be prepared on the going concern basis. In December 2017 additional funding commitment of $10m has been made available to InfraCo Africa from SECO as well GBP equivalent of $15m from DFID. The financial statements do not include any adjustments that would result were funding to be withdrawn.

1.3 Joint development agreements

In accordance with its principal activity, the company enters into joint development agreements, in which the company takes on early stage development costs and risks of project development. The company is compensated for its costs by a number of means. Development fees and reimbursement of costs incurred are receivable should funds be available from the disposal of such ventures to third parties during or after the initial development phase, or by securing third party debt finance.

Revenues and amounts recoverable under joint development agreements are only recognised on a fair value basis. By their nature the outcome of such projects and ventures is subject to a high degree of uncertainty, including the ultimate commercial viability and whether the early stage development costs will be exceeded by the future proceeds of sale or other revenues.

Where the company receives revenue in the form of shares or options or other rights to equity, these are recognised as revenue in the profit and loss account based on their fair value. Factors may include that the shares or options are readily marketable and could be disposed of without restriction at the point of receipt.

Where development costs can be linked directly to the receipt of equity, the development costs are included in the carrying value of the investment to the extent such costs are covered by the value of the equity. Otherwise, development costs are expensed in the period in which they are incurred.

1.4 Revenue

Revenue from the sales of projects is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the agreed upon payments.

Provided the amount of revenue can be measured reliably and it is probable that the Company will receive any consideration, revenue is recognised in the period in which they are rendered.

1.5 Grant income

The company receives income from various entities in the form of grants to cover certain expenditure relating to its projects. Such grants are treated as deferred revenue on receipt and credited to the statement of comprehensive income as the related expenditure is incurred. Grant receipts not yet utilised are included in creditors.

1.6 Property, plant and equipment and depreciation

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 bases:

Computer equipment - 25% straight line

1.7 *Financial instruments*

Management determines the classification of its financial instruments at initial recognition.

Financial assets can be classified in the following categories:

- loans and receivables;
- financial assets at fair value through profit or loss

The Company measures all of its financial liabilities at the carrying value. Due to their short-term nature, the carrying value of trade and other payables approximates their fair value, all other financial liabilities are measured at amortised cost.

Loans and receivables and financial liabilities at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, whose recoverability is based solely on the credit risk of the customer and where the Company has no intention of trading the loan.

Both loans and receivables and financial liabilities are initially recognised at fair value including direct and incremental transaction costs. Subsequent recognition is at amortised cost using the effective interest rate method less any provision for impairment.

Financial assets at fair value through profit or loss

This category consists of investments (equity and loans) in subsidiaries and investments (equity and loans) in associates. Assets in this category are carried at fair value. The Company establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and offer price.

1.8 Subsidiaries

Subsidiaries are investees controlled by the Company. The Company controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company is an investment entity and measures investments (equity and loans) in its subsidiaries at fair value through profit or loss (Note 12). In determining whether the Company meets the definition of an investment entity, management considered the Company's structure as a whole.

1.9 Associates

Associates are investees which the Company has significant influence. The existence of significant influence by the

Company is usually evidenced in one or more of the following ways:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee; or
- provision of essential technical information

The Company is an investment entity and measures investments (equity and loans) in its associates at fair value through profit or loss (Note 12).

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

1.11 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 statement of comprehensive income.

1.12 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

1.13 Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the year to which they relate.

1.14 Dividends

Dividends are recognised when they become legally payable.

1.15 Cash and cash equivalents

Cash and cash equivalents include deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

2. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Fair value measurement
A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

During the Development Phase of the project lifecycle there is usually no identifiable market price for the investments. A Market Participant is driven by the prospects of the project and would pay a multiple of costs incurred to date by InfraCo Africa. The company's valuation policy is to write off the costs incurred prior to JDA (Joint Development Agreement) stage. Projects prior to JDA are classified as Business Opportunities and fully expensed through Profit and Loss.

At the signing of a JDA and/or other key documents e.g. Implementation Agreement (IA), Power Purchase Agreement (PPA) a value based on an appropriate valuation methodology will be attributed to the project.
In the absence of third party offer the Board needs to assess the multiple of costs that would be recoverable from a Market Participant.

During Post-Development Phase a value based on an appropriate valuation methodology in accordance with Private Equity and Venture Capital ("IPEV") valuation guidelines will be attributed to the project.

For investments that have been partially sold or where there has been a recent offer to purchase, then these investments have been valued accordingly.

The fair value measurement of the financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Each investment has unique risk factors associated with it. These could range from different geographical, sector, complexity and socio-political risks and thus the fair value is assessed on an investment by investment basis. Additionally, each investment carries a higher risk during development phase and thus attracts a higher discount factor in its discounted cash flow model. However, once the investment becomes operational the risk reduces and subsequently the discount factor also reduces. Sensitivity analysis based on changes in market price are detailed in note 15.

The following table sets out the techniques used to measure each of the Company's investments:

Investment class	**Valuation technique used**	**Fair value 2017 £**	**Fair value 2016 £**
Post JDA (or equivalent)	% of external costs incurred to date	7,674,252	5,299,420
Post Financial Close	Discounted cash flow and effective interest rate for loans or % of external costs incurred to date	8,647,947	6,454,353
Total		**16,322,199**	**11,753,773**

3. Income

	2017 Group £	**2016 Group and Company £**
Grant income	1,132,961	1,062,946
Recharged costs	197,846	212,182
Total	**1,330,807**	**1,275,128**

In 2017, 35.0% of income relates to non-UK income (2016: 83.4%).

4. Project development fees

	2017 Group £	2016 Group and Company £
Project development fees	9,565,174	9,786,825
	9,565,174	**9,786,825**

5. Administrative expenses/(income)

	2017 Group £	2016 Group and Company £
Other administrative expenses	3,486,128	2,076,055
Loss/(Gain) on foreign exchange	1,379,148	(2,096,710)
	4,865,276	**(20,655)**

6. Operating loss

The operating loss is stated after charging/(crediting):

	2017 Group £	2016 Group and Company £
Depreciation of property, plant and equipment	24,225	8,115
Auditors' remuneration	31,000	18,000
Pension costs	78,940	55,767
Loss/(Gain) on foreign exchange	1,379,148	(2,096,710)
Operating leases	111,376	40,652

7. Employee benefit expenses

	2017 Group £	2016 Group and Company £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	1,778,131	1,206,778
Defined contribution pension cost	78,940	55,767
Social security contributions and similar taxes	163,193	137,306
	2,020,264	**1,399,851**

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. These include the directors of the company listed on page 1.

	2017 Group £	2016 Group and Company £
Salary	433,516	283,646
Defined contribution pension cost	19,536	12,797
Social security contributions and similar taxes	46,286	31,230
	499,338	**327,673**

During the year retirement benefits were accruing to 2 directors (2016 - 1) in respect of defined contribution pension schemes.

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

	2017 Group No.	2016 Group and Company No.
Employees	16	12

8. Interest receivable and similar income

	2017 Group £	2016 Group and Company £
Interest receivable from subsidiary and associated undertakings	1,043,767	431,941

9. Fair value gains/(losses) through profit or loss

	2017 Group £	2016 Group and Company £
Subsidiaries	1,527,445	1,095,990
Associates	845,278	(799,088)
Total	**2,372,723**	**296,902**

10. Taxation

	2017	2016
	£	£
UK Tax charge:		
Current tax expense	-	-
Current tax charge		
Deferred tax asset charge	-	-
Total tax charge	-	-

Factors affecting the tax charge for the year:

	2017	2016
	£	£
Loss before tax	(9,698,153)	(7,762,199)
Tax at the standard UK rate of tax of 19.25% (2016: 20.00%)	(1,866,894)	(1,552,440)
Effect of:		
Non-deductible expenses	(196,533)	8,701
Income not chargeable to tax	-	(38,147)
Adjust closing deferred tax to average of 19.25% (2016: 20.00%)	1,578,235	1,845,596
Adjust opening deferred tax to average of 19.25% (2016: 20.00%)	(1,349,019)	(1,072,209)
Trade losses not utilised	1,834,211	-
Deferred tax not recognised	-	808,499
	-	-
Overseas tax charge:	15,000	-

On the basis of the results of the company for the year, there is no charge for corporation tax.

The company has estimated losses of £68,824,779 (2016: £61,537,240) available to carry forward against future trading profits and carried forward capital losses of £nil (2016: £nil). A deferred tax asset has not been provided as there is no certainty to its recoverability.

11. Property, plant and equipment

	Computer equipment - Company £	Computer equipment - Group £
Cost		
At 1 January 2016	30,648	30,648
Additions	11,333	11,333
At 31 December 2016 and 1 January 2017	41,981	41,981
At 1 January 2017	41,981	41,981
Additions	21,435	99,998
At 31 December 2017	63,416	141,979
Depreciation		
At 1 January 2016	16,483	16,483
Charge for the year	8,115	8,115
At 31 December 2016 and 1 January 2017	24,598	24,598
At 1 January 2017	24,598	24,598
Charge for the year	10,800	24,225
At 31 December 2017	35,398	48,823
Net book value		
At 31 December 2017	**28,018**	**93,156**
At 31 December 2016	**17,383**	**17,383**

12. Investment in subsidiaries and associates

Group	Shares in subsidiary companies £	Loans to subsidiary companies £	Shares in associated companies £	Loans to associated companies £	Total £
Cost/valuation					
At 1 January 2016	4,639,008	2,327,709	-	5,416,306	12,383,023
Additions	-	56,821	-	4,759,906	4,816,727
Repayments	-	-	-	(1,897,765)	(1,897,765)
Fair value movement	1,399,521	403,877	-	214,857	2,018,255
Foreign exchange movement	-	-	-	751,168	751,168
At 31 December 2016 and 1 January 2017	6,038,529	2,788,407	-	9,244,472	18,071,408
At 1 January 2017	6,038,529	2,788,407	-	9,244,472	18,071,408
Additions	-	133,452	-	3,343,952	3,477,404
Repayments	-	(350,573)	-	-	(350,573)
Fair value movement	653,447	-	890,552	927,052	2,471,051
Foreign exchange movement	-	(246,641)	-	(684,485)	(931,126)
At 31 December 2017	**6,691,976**	**2,324,645**	**890,552**	**12,830,991**	**22,738,164**
Impairment					
At 1 January 2016	1,278	1,520,514	-	3,770,408	5,292,200
Charge for the year	303,530	292,410	-	429,495	1,025,435
At 31 December 2016 and 1 January 2017	304,808	1,812,924	-	4,199,903	6,317,635
At 1 January 2017	304,808	1,812,924	-	4,199,903	6,317,635
Charge for the year	(303,530)	(81,258)	-	483,118	98,330
At 31 December 2017	**1,278**	**1,731,666**	-	**4,683,021**	**6,415,965**
Net book value					
At 31 December 2017	**6,690,698**	**592,979**	**890,552**	**8,147,970**	**16,322,199**
At 31 December 2016	**5,733,721**	**975,483**	-	**5,044,569**	**11,753,773**

12. Investment in subsidiaries and associates (continued)

Company	Shares in subsidiary companies £	Loans to subsidiary companies £	Shares in associated companies £	Loans to associated companies £	Total £
Cost/valuation					
At 1 January 2016	4,639,008	2,327,709	-	5,416,306	12,383,023
Additions	-	56,821	-	4,759,906	4,816,727
Repayments	-	-	-	(1,897,765)	(1,897,765)
Fair value movement	1,399,521	403,877	-	214,857	2,018,255
Foreign exchange movement	-	-	-	751,168	751,168
At 31 December 2016 and 1 January 2017	6,038,529	2,788,407	-	9,244,472	18,071,408
At 1 January 2017	6,038,529	2,788,407	-	9,244,472	18,071,408
Additions	80	133,452	-	3,343,952	3,477,484
Repayments	-	(350,573)	-	-	(350,573)
Fair value movement	653,447	-	890,552	927,052	2,471,051
Foreign exchange movement	-	(246,641)	-	(684,485)	(931,126)
At 31 December 2017	**6,692,056**	**2,324,645**	**890,552**	**12,830,991**	**22,738,244**
Impairment					
At 1 January 2016	1,278	1,520,514	-	3,770,408	5,292,200
Charge for the year	303,530	292,410	-	429,495	1,025,435
At 31 December 2016 and 1 January 2017	304,808	1,812,924	-	4,199,903	6,317,635
At 1 January 2017	304,808	1,812,924	-	4,199,903	6,317,635
Charge for the year	(303,530)	(81,258)	-	483,118	98,330
At 31 December 2017	**1,278**	**1,731,666**	**-**	**4,683,021**	**6,415,965**
Net book value					
At 31 December 2017	**6,690,778**	**592,979**	**890,552**	**8,147,970**	**16,322,279**
At 31 December 2016	**5,733,721**	**975,483**	**-**	**5,044,569**	**11,753,773**

Subsidiary and associated undertakings

The following were subsidiary and associated undertakings of the company:

Name and principal place of business	Class of Shares	Holding
InfraCo Africa (East Africa) Limited – Kenya	Ordinary Shares	100%
Kalangala Infrastructure Services Limited - Uganda	Ordinary and preference shares	54.3%
Chanyanya Infrastructure Company Limited - Republic of Zambia	Ordinary Shares	80%
Chiansi Irrigation Infrastructure Company Limited - Republic of Zambia	Ordinary shares	99%
Envalor Limited – Mozambique	Ordinary shares	99%
Envalor Emerging Farmers Company Limited - Mozambique	Ordinary shares	98.75%
Lake Albert Infrastructure Services Limited - Uganda	Ordinary shares	99.9%
Leonawind SARL - Senegal	Ordinary Shares	100%
Chiansi Farming Company – Republic of Zambia	Ordinary Shares	99.9%
Western Power Company Limited – Republic of Zambia	Ordinary Shares	31.73%
Djermaya Holdings Limited	Ordinary Shares	33%
LVMT Uganda Limited	Ordinary Shares	99%

The aggregate of the share capital and reserves as at 31 December 2017, or the latest available date and of the profit or loss for the year ended on that date for the subsidiary and associate undertakings were as follows:

Name	Assets £'000 £	Liabilities £'000 £	Profit/(Loss) £'000 £
1 - Kalangala Infrastructure Services Limited (part operational)	20,860	17,742	550
2 - Chanyanya Infrastructure Company Limited	670	3,230	(51)
3 - Chiansi Irrigation Infrastructure Company Limited	-	-	-
4 - Chiansi Farming Company	5,696	5,696	-
5 - Envalor Limited (share transfer to happen in February 2018)	-	-	-
5 - Envalor Emerging Farmers Company Limited (share transfer to happen in February 2018)	-	-	-
6 - Western Power Company Limited	4,552	4,513	21
8 - Djermaya Holdings Limited	-	-	-
7 – Lake Albert Infrastructure Services	-	-	-
8 – Leonawind SARL	-	-	-
9 – LVMT Uganda Limited	-	-	-

1 - Draft Financial Statements 31 December 2017
2 - Management accounts 31 December 2017
4 - Management accounts 30 November 2017
6 - Management accounts 31 December 2017

1. Kalangala Infrastructure Services Limited is the owner and operator offering – ferry services, power generation and distribution system, water distribution and a toll road on the island of Bugala in Uganda. The company is financed by a combination of equity and debt.

2. Chanyanya Infrastructure Company Limited is a pilot farming project implemented in the village community of Chanyanya in Zambia. The company is financed by a combination of equity and debt.

3. The Chiansi Irrigation Infrastructure Company will build upon the Chanyanya pilot project. The core objective of the project is to establish an equitable partnership between smallholder and commercial farmers in the project area, creating a centrally managed irrigated farming enterprise which will generate sustainable incomes for smallholder households. In addition, the project will leverage the bulk infrastructure constructed to provide irrigated market garden plots for use by smallholder farmers, enabling them to farm year-round for the first time. The company is not trading and therefore does not yet produce audited financial statements.

4. Chiansi Farming Company, Share Sale and Investment Agreement ("SSIA") was signed with RARO in 2016 however Conditions Precedent ("CPs") have not been met.

5. Envalor is an agri-business project in Mozambique. Sold on 16th December 2016 subject to CPs which were finalised in January 2017. Share transfer to occur in February 2018.

6. Western Power Company Limited is a hydro project in Zambia.

7. Djermaya Holdings Limited is not trading and therefore does not yet produce audited financial statements.

8. Lake Albert Infrastructure Services Limited is a dormant company.

9. Leonawind SARL is a dormant company.

10. Lake Victoria Marine Transport is a marine transport project in Kenya, Tanzania and Uganda. The company

is not trading and therefore does not yet produce audited financial statements.

13. Trade and other receivables

	2017 Company £	2017 Group £	2016 Group and Company £
Trade receivables	13,180	13,180	16,159
Amounts owed by subsidiary and associated undertakings	596,521	-	43,449
Prepayments & accrued income	1,249,649	1,293,278	1,792,056
Other receivables	934,607	968,860	1,314,417
	2,793,957	**2,275,318**	**3,166,081**

As at 31 December 2017 there were £13,180 of trade receivables past 3 months due (2016 - £13,180).

The following table sets out the ageing analysis of these receivables:

	Up to 3 months - Company £	Up to 3 months - Group £	Between 3 to 6 months - Company £	Between 3 to 6 months - Group £	Between 6 and 12 months - Company £	Between 6 and 12 months - Group £	Over 12 months - Company £	Over 12 months - Group £
At 31 Dec 2017								
Trade receivables	-	-	-	-	-	-	13,180	13,180
Other receivables	2,281,395	1,712,545	36,616	47,745	20,311	56,970	442,455	444,878
Total	**2,281,395**	**1,712,545**	**36,616**	**47,745**	**20,311**	**56,970**	**455,635**	**458,058**
At 31 Dec 2016								
Trade receivables	2,979	2,979	-	-	-	-	13,180	13,180
Other receivables	2,583,933	2,583,933	79,250	79,250	236	236	486,503	486,503
Total	**2,586,912**	**2,586,912**	**79,250**	**79,250**	**236**	**236**	**499,683**	**499,683**

14. Trade and other payables

	2017 Company £	2017 Group £	2016 Group and Company £
Trade payables	891,809	917,298	2,299,971
Grants not yet utilised (note 16)	1,812,342	1,812,342	1,679,890
Other taxation and social security	52,573	52,573	55,071
Accruals	359,990	397,397	460,289
	3,116,714	**3,179,610**	**4,495,221**

The carrying value of trade and other payables classified as financial liabilities approximates fair value.

15. Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:
- Credit risk
- Interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:
- Trade and other receivables
- Cash and cash equivalents
- Investments in unquoted equity securities and loans
- Trade and other payables

(i) Financial instruments by category

	Financial assets at fair value through profit or loss		Loans and receivables	
	2017 Group	2016 Group and Company	2017 Group	2016 Group and Company
	£	£	£	£
Financial assets				
Cash and cash equivalents	-	-	30,048,035	31,016,709
Trade and other receivables	-	-	2,275,318	3,166,081
Investments in unquoted equity securities and loans	16,322,199	11,753,773	-	-
Total financial assets	**16,322,199**	**11,753,773**	**32,323,353**	**34,182,790**

	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	
	2017	2016	2017	2016
	£	£	£	£
Financial liabilities				
Trade and other payables	-	-	3,179,610	4,495,221
Total financial liabilities	**-**	**-**	**3,179,610**	**4,495,221**

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

(iii) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below.

	Level 1	Level 2	Level 3
	£	£	£
31 December 2017			
Financial assets			
Investments in unquoted equity securities and loans	-	-	16,322,199
	-	**-**	**16,322,199**
31 December 2016			
Financial assets			
Investments in unquoted equity securities and loans	-	-	11,753,773
	-	**-**	**11,753,773**

There were no transfers between levels during the period.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the interrelationship between key unobservable inputs and fair value, are set out in the investment valuation policy as adopted by the Company.

The valuation techniques used for all investments under level 3 were one of the following:

- Discounted cash flows (DCF) analysis uses future free cash flow projections and discounts them (most often using the weighted average cost of capital) to arrive at a present value, which is used to evaluate the potential for investment.
- Percentage of external costs that would likely be recoverable from a Market Participant, based on historic experience.
- Recent sales price or offer received from an independent third party for the Company's investment.
- Net asset value (NAV) is the Company's share of the value of an investment's assets minus the value of its liabilities

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

	Investments
	£
At 1 January 2016	7,090,823
Purchases, disposals and reclassifications	4,662,950
At 31 December 2016	**11,753,773**
At 1 January 2017	11,753,773
Purchases, disposals and reclassifications	4,568,426
At 31 December 2017	**16,322,199**

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from sales of projects. Management conduct an internal "know your customer" check on all potential purchasers prior to entering into sales agreements.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only credit rated parties with minimum rating "A" are accepted.

Cash in bank and short-term deposits

A significant amount of cash is held with the following institutions:

	31 December 2017			31 December 2016	
	Rating	Cash at bank Company £	Cash at bank Group £	Rating	Cash at bank Group and Company £
Barclays Bank plc	A	30,047,947	30,048,035	A	30,967,697
Lloyds Bank plc	A	-	-	A	49,012
		30,047,947	**30,048,035**		**31,016,709**

Management monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Market risk

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Company is not susceptible to interest rate risk as it does not have any borrowings. However, the Company has issued loans to projects and these loans attract a rate of interest that is reflective of the market rate in which the project is operating.

Foreign exchange risk

Foreign exchange risk arises when the Company enter into transactions denominated in a currency other than their functional currency. Where possible, the Company will settle the liabilities in the foreign currency.

The Group also holds foreign denominated currency, Euro (€), United States Dollar ($) and Kenyan Shiling (KES) in its bank accounts. At 31 December 2017, the Company held €1,056,392 and $9,633,427 (2016: €225,597 and $10,926,961) as well as KES12,167 (2016: nil).

The effect of a 20% strengthening of the € against £ at the reporting date on the € denominated cash balance at that date would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease of net assets of £156,343 (2016: £32,209). A 20% weakening in the exchange rate would, on the same basis, have decreased post-tax loss and increased net assets by £234,514 (2016: £48,314).

The effect of a 20% strengthening of the $ against £ at the reporting date on the $ denominated cash balance at that date would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease of net assets of £1,190,088 (2016: £1,480,534). A 20% weakening in the exchange rate would, on the same basis, have decreased post-tax loss and increased net assets by £1,785,132 (2016: £2,220,800).

The effect of a 20% strengthening of the KES against £ at the reporting date on the KES denominated cash balance at that date would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease of net assets of £15 (2016: £nil). A 20% weakening in the exchange rate would, on the same basis, have decreased post-tax loss and increased net assets by £22 (2016: £nil).

Other market price risk

The effect of a 5% increase in discount factor in the valuation of assets would result in £816,110 (2016: £883,093) decrease in the fair value. A 5% decrease in the discount factor would, on the same basis, increase the net assets by the same amount (2016: £977,275).

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 180 days.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£	£	£	£	£
At 31 December 2017					
Trade and other payables	917,298	-	-	-	-
Total	**917,298**	-	-	-	-
At 31 December 2016					
Trade and other payables	2,299,971	-	-	-	-
Total	**2,299,971**	-	-	-	-

Capital Disclosures

The Company's objectives when managing capital are:

To safeguard the Company's ability to continue as a going concern and safeguard the interest of shareholders.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust its returns to shareholders or new share issues. The Company monitors its capital and assets requirements for activities on a monthly basis and manages its financing and capital accordingly.

The capital relates to equity which is wholly contained on the face of the Statement of Financial Position.

16. Reconciliation of movement in grants during the year

	2017 Company £	2017 Group £	2016 Group and Company £
Beginning of the year	1,679,890	1,679,890	551,706
Received during the year	1,269,373	1,269,373	2,082,854
Released to profit and loss account	(1,050,721)	(1,050,721)	(1,032,113)
Foreign exchange translation	(172,426)	(172,426)	220,415
Accrued during the year	86,226	86,226	-
Grants refunded	-	-	(142,972)
End of the year	**1,812,342**	**1,812,342**	**1,679,890**

The above end of year balances have been included in Trade and other payables per note 14.

17. Share capital

	2017 Company £	2017 Group £	2016 Group and Company £
Allotted, called up and fully paid			
£123,888,099 (2016 - £110,089,573)	123,888,099	123,888,099	110,589,573

During the year £13,798,526 Ordinary £1 shares were issued at par to the Company (2016: £21,968,758).

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £78,940 (Group) and £67,267 (Company) (2016 Group - £55,767). Contributions totalling £nil (2016 - £nil) were payable to the fund at the balance sheet date.

19. Operating lease commitments

At 31 December 2017 the company had total commitments under non-cancellable operating leases as follows:

	Land and buildings			Other		
	2017 Company £	2017 Group £	2016 Group and Company £	2017 Company £	2017 Group £	2016 Group and Company £
Expiry date:						
Less than 1 year	66,337	89,486	44,192	1,406	1,406	-
Between 2 and 5 years	-	104,761	20,416	3,004	3,004	-
	66,337	194,247	64,608	4,410	4,410	-

20. Other financial commitments

On 10th May 2013, the Company entered into a new service provision agreement with eleQtra Limited for the provision of development services over the next 8 years. The Company has committed to provide £37,000,000 of funding plus a percentage of proceeds from sale of projects, back dated to 1 April 2012, to enable eleQtra Limited to fulfil this service.

On 17th June 2014, the Company entered into a new developer service agreement with Aldwych Africa Developments Limited for the provision of development services over the next 3 years. The Company has committed to provide up to $15,000,000 of funding to enable Aldwych Africa Developments Limited to fulfil this service.

On 2nd November 2017, the Company entered into a new developer service agreement with CPCS Transcom for the provision of development services over the next 3 years. The Company has committed to provide up to $15,000,000 of funding to enable CPCS Transcom to fulfil this service.

On 2nd November 2017, the Company entered into a new developer service agreement with Access Power Limited for the provision of development services over the next 3 years. The Company has committed to provide up to $15,000,000 of funding to enable Access Power Limited to fulfil this service.

21. Related party transactions

During the year £3,000 was accrued to Directors of our subsidiary/associate companies.

Chanyanya Infrastructure Company Limited

Chanyanya Infrastructure Company Limited is an 80% owned subsidiary.

	2017 Group £	2016 Group and Company £
Balance at beginning of year before provision	1,653,711	1,321,128
Advances during the year	4,633	-
Interest at 5%	62,281	56,821
Adjustment for foreign exchange translation	(148,171)	275,762
Year-end loan balance	1,572,454	1,653,711
Provision b/f	1,653,711	1,321,128
Provision in the year	(81,257)	332,583
Year-end provision	1,572,454	1,653,711

Kalangala Infrastructure Services Limited

Kalangala Infrastructure Services Limited is a 54.3% owned subsidiary company.

	2017 Group £	2016 Group and Company £
Balance at beginning of year before provision	975,483	807,195
Interest accrued during the year at 7.827%	66,539	70,117
Repaid in the year	(350,573)	(73,342)
Adjustment for foreign exchange translation	(98,470)	171,513
Year end loan balance	592,979	975,483

Envalor Limited – sold on 16th December 2016

Envalor Limited is a 99% owned subsidiary company.

	2017 Group £	2016 Group and Company £
Non-interest bearing loan opening balance	159,213	199,387
Foreign exchange adjustment	-	(40,174)
Year-end loan balance	-	159,213
Provision b/f	159,213	199,387
Provision made during the year	-	(40,174)
Year-end provision	-	159,213

Cabeolica S.A.

Cabeolica S.A. - On 17 February 2016 the entire stake in Cabeolica was sold.

	2017 Group £	2016 Group and Company £
Opening balance	-	1,897,765
Repaid in the year	-	(1,897,765)
Closing balance	-	-

Western Power Company Limited

Western Power Company Limited is an associated company.

	2017 Group £	2016 Group and Company £
Balance at beginning of year before provision	1,074,883	402,318
Advances during the year	800,179	472,467
Interest at 12.5%	150,212	78,224
Adjustment for foreign exchange translation	(148,262)	121,874
Year-end loan balance	1,877,012	1,074,883
Provision b/f	283,765	402,318
Reversal of provision in the year	270,278	(118,553)
Year-end provision	554,043	283,765

Rift Valley Geothermal Holdco

Rift Valley Geothermal Holdco is an associated company.

	2017 Group £	2016 Group and Company £
Balance at beginning of year before provision	1,261,910	-
Advances during the year	1,424,760	969,542
Interest at 30%	593,317	176,581
Adjustment for foreign exchange translation	(208,126)	115,787
Year end loan balance	3,071,861	1,261,910
Provision b/f	402,000	-
Provision in the year	343,116	402,000
Year end provision	745,116	402,000

JCM Matswani Solar Corp Limited

JCM Matswani Solar Corp Limited is an associated company

	2017 Group £	2016 Group and Company £
Balance at beginning of year before provision	422,438	-
Advances during the year	186,755	379,894
Interest at 12%	53,882	15,774
Adjustment for foreign exchange translation	(40,589)	26,770
Year-end loan balance	622,486	422,438
Provision b/f	422,438	-
Reversal of provision in the year	(244,685)	422,438
Year-end provision	177,753	422,438

Redavia Tanzania Asset Limited

Redavia Tanzania Asset Limited is an associated company

	2017 Group £	2016 Group and Company £
Balance at beginning of year before provision	1,241,849	-
Advances during the year	-	1,161,490
Interest at 10%	118,441	30,655
Adjustment for foreign exchange translation	(114,040)	49,704
Year-end loan balance	1,246,250	1,241,849
Provision b/f	32,700	-
Provision in the year	221,269	32,700
Year-end provision	253,969	32,700

Fula Rapids

Fula Rapids is an associated company

	2017 Group £	2016 Group and Company £
Balance at beginning of year before provision	861,382	681,180
Advances during the year	4,399	113,649
Adjustment for foreign exchange translation	(76,313)	66,553
Year end loan balance	789,468	861,382
Provision b/f	861,382	681,180
Provision in the year	(71,914)	180,202
Year end provision	789,468	861,382

Technical Assistance Facility grant

The Technical Assistance Facility (TAF), is a company that is 100% owned by the Private Infrastructure Development Group Trust (PIDG Trust), the parent entity of InfraCo Africa Limited.

Included within turnover is £666,612 (2016 - £621,737) of grant income received from the TAF. £1,072,599 (2016 - £1,384,613) of grants not yet utilised within creditors relates to grants from the TAF. These funds will be utilised on projects as agreed in the terms of those grants, within time periods specified in grant documents.

InfraCo Africa (East Africa) Limited

During the year there were transactions with the subsidiary InfraCo Africa (East Afrcia) Limited. At the year end the balance owed to subsidiary amounted to £596,521. This amount is included within Note 13.

22. Contingent liability

A charge is being held over the Company's shares in Kalangala Infrastructure Services Limited. This charge was created to secure the senior debt funding for Kalangala Infrastructure Services Limited.

23. Events after the reporting date

There were no material events that occurred since the report date.

24. Ultimate parent undertaking and controlling party

The company's immediate and ultimate controlling entity is the Private Infrastructure Development Group Trust. The Private Infrastructure Development Group Trust does not prepare consolidated accounts.