

InfraCo Africa Limited (formerly InfraCo Limited)

Company Registration No: 05196897

Directors' report and financial statements

For the year ended 31 December 2013

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

COMPANY INFORMATION

Directors

Valentine Chitalu
Keith Palmer
Stephen West
Katharine Painter
Peter Barlow
Alexander Katon
Brian Count
Rod Evison

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 (FORMERLY INFRACO LIMITED)

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INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

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.

On 30 April 2013 the company changed its name from InfraCo Limited to InfraCo Africa Limited.

Directors

The directors who served during the year were:

Valentine Chitalu
Keith Palmer
Stephen West
Katharine Painter
Peter Barlow
Alexander Katon (appointed 24 September 2013)

Since the year end the following directors have been appointed:

Brian Count (appointed 1 February 2014)
Rod Evison (appointed 17 March 2014)

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 received 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. During 2013 and post yearend, the company has received significant funding assurances from its Donors, through the Private Infrastructure Development Group Trust further supporting the activities of InfraCo Africa Limited. This includes undertakings to provide additional funding of £35m (£15m of which is available up to March 2015) over the next few years. This is in addition to the £42m committed to InfraCo Africa Limited over the next few years. The financial statements do not include any adjustments that would result were funding to be withdrawn.

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 (FORMERLY INFRACO LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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.



Peter Barlow
Director

Date: 17 March 2014

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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.

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

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

We have audited the financial statements of InfraCo Africa Limited (formerly InfraCo Limited) for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditors

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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 Auditors' 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies' regime.



Jonathan Seaman (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date: 17 March 2014

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Turnover	1,2	439,399	4,635,827
Administrative expenses	4	(12,405,493)	(6,496,934)
Operating loss	3	(11,966,094)	(1,861,107)
Income from other participating interests		9,402	-
Interest receivable and similar income	6	468,448	720,293
Amounts written back off investments	7	(678,884)	(2,125,443)
Interest payable and similar charges		-	(98,150)
Loss on ordinary activities before taxation		(12,167,128)	(3,364,407)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year	15	(12,167,128)	(3,364,407)

The amounts above all relate to continuing operations.

There were no other recognised gains and losses for 2013 or 2012 and consequently no statement of recognised gains and losses has been prepared.

The notes on pages 8 to 20 form part of these financial statements.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

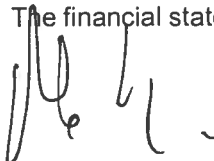
Registered number: 05196897

BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	£	2013 £	As restated 2012 £
Fixed assets				
Tangible assets	9		17,098	374
Investments	10		4,580,459	4,932,881
			<u>4,597,557</u>	<u>4,933,255</u>
Current assets				
Debtors	11	422,110	6,511,476	
Cash at bank and in hand		6,384,027	14,480,046	
		<u>6,806,137</u>	<u>20,991,522</u>	
Creditors: amounts falling due within one year	12	(1,377,304)	(3,731,259)	
Net current assets			<u>5,428,833</u>	<u>17,260,263</u>
Net assets			<u>10,026,390</u>	<u>22,193,518</u>
Capital and reserves				
Called up share capital	14		60,810,258	60,810,258
Profit and loss account	15		(50,783,868)	(38,616,740)
Shareholders' funds - equity	16		<u>10,026,390</u>	<u>22,193,518</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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



Peter Barlow
Director

Date: 17/3/14

The notes on pages 8 to 20 form part of these financial statements.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is not required to prepare group accounts by virtue of Section 398 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 received 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. During 2013 and post yearend, the company has received significant funding assurances from its Donors, through the Private Infrastructure Development Group Trust further supporting the activities of InfraCo Africa Limited. This includes undertakings to provide additional funding of £35m (£15m of which is available up to March 2015) over the next few years. This is in addition to the £42m committed to InfraCo Africa Limited over the next few years. 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 where they can be measured and assessed with reasonable certainty. 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 only if the value of the shares or options can be measured reliably, are readily marketable and could be disposed of without restriction at the point of receipt. Non-marketable shares and options are deemed unrealised and recognised in the statement of total recognised gains and losses only where their value can be reliably measured.

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.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting Policies (continued)

1.4 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 profit and loss account as the related expenditure is incurred. Grant receipts not yet utilised are included in creditors.

1.5 Tangible fixed assets 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
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1.6 Investments

Investments held as fixed assets are shown at lower of cost (less provision for impairment) and net realisable value.

1.7 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.

1.8 Foreign currencies

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

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

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

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. Turnover

	2013 £	2012 £
Sales - success fees	-	4,329,305
Grant income	367,526	306,522
Recharged costs	71,873	-
Total	<u>439,399</u>	<u>4,635,827</u>

In 2013 83.6% of turnover relates to non-UK income (2012: 100%).

3. Operating loss

The operating loss is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the company	1,785	353
Auditors' remuneration	17,500	28,712
Pension costs	11,996	1,598
PIDG TAF and other expenses	459,809	408,534
	<u>489,990</u>	<u>438,197</u>

4. Administrative expenses

	2013 £	2012 £
Contracted fees - developer services	10,304,549	8,552,355
Provision against loans to subsidiaries and associated undertakings	951,129	(3,862,540)
Other administrative expenses	1,170,104	820,068
Foreign exchange	(480,098)	578,517
PIDG TAF and other expenses	459,809	408,534
	<u>12,405,493</u>	<u>6,496,934</u>

For 2012, the provision against loans to subsidiaries and associated undertakings was negative due to the write back of a provision of £7,766,310 in connection with loans made to Kalangala Infrastructure Services Limited. Part of the loan was converted to equity.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. Directors' remuneration

	2013 £	2012 £
Aggregate remuneration	162,192	137,099

During the year retirement benefits were accruing to 1 director (2012 - NIL) in respect of defined contribution pension schemes.

6. Interest receivable and similar income

	2013 £	2012 £
Interest receivable from subsidiary and associated undertakings	468,448	720,293

7. Amounts written back/(off) investments

	2013 £	2012 £
Kalangala Infrastructure Services Limited	2,086,697	(2,099,251)
Cabeolica	(2,765,581)	(24,914)
Envalor Limited	-	(458)
Chanyanya Infrastructure Company Limited	-	(820)
Total	(678,884)	(2,125,443)

In 2012 a provision of £2,099,251 was made against the investment for Kalangala Infrastructure Services Limited and this was included within the 2012 total of £2,125,443 for 'Amounts written off investments' as shown on the statutory profit and loss account. In 2013 an amount of £2,086,697 was reversed.

8. Taxation

	2013 £	2012 £
UK corporation tax charge on loss for the year	-	-

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 £38,000,000 (2012: £28,780,000) available to carry forward against future trading profits. A deferred tax asset has not been provided as there is no certainty to its recoverability.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

9. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2013	2,338
Additions	18,509
	<hr/>
At 31 December 2013	20,847
	<hr/>
Depreciation	
At 1 January 2013	1,964
Charge for the year	1,785
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At 31 December 2013	3,749
	<hr/>
Net book value	
At 31 December 2013	17,098
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At 31 December 2012	374
	<hr/> <hr/>

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. Fixed asset investments

The 31 December 2012 financial statements have been restated to reflect the reclassification of Debtors (amounts falling due after more than one year) to Investments (Loans to associates). This reclassification reflects the nature of this balance which are shareholder loans to associates.

	Shares in subsidiary companies £	Shares in associated companies £	Loans to associates £	Total £
Cost or valuation				
At 1 January 2013 (as previously stated)	4,574,529	27,275	-	4,601,804
Prior year adjustment	-	-	2,431,606	2,431,606
At 1 January 2013 (as restated)	4,574,529	27,275	2,431,606	7,033,410
Additions	-	1,074	333,975	335,049
Foreign exchange movement	-	(8,587)	-	(8,587)
At 31 December 2013	4,574,529	19,762	2,765,581	7,359,872
Impairment				
At 1 January 2013	2,100,529	-	-	2,100,529
Charge for the year	-	-	2,765,581	2,765,581
Reversal of impairment losses	(2,086,697)	-	-	(2,086,697)
At 31 December 2013	13,832	-	2,765,581	2,779,413
Net book value				
At 31 December 2013	4,560,697	19,762	-	4,580,459
At 31 December 2012 (as restated)	2,474,000	27,275	2,431,606	4,932,881

Subsidiary and associated undertakings

The following were subsidiary and associated undertakings of the company:

Name	Class of shares	Holding
Kalangala Infrastructure Services Limited - incorporated in Uganda	Ordinary and preference shares	54.3%
Chanyanya Infrastructure Company Limited - incorporated in Republic of Zambia	Ordinary shares	80%
Chiansi Irrigation Infrastructure Company Limited - incorporated in Republic of Zambia	Ordinary shares	99%
Envalor Limited - incorporated in Mozambique	Ordinary shares	99%
Cenpower Generation Company Limited - incorporated in Republic of Ghana	Ordinary shares	24%
* Cabeolica S.A. - incorporated in Cape Verde	Ordinary shares	71%
Lake Albert Infrastructure Services Limited	Ordinary shares	99.9%
Leonawind SUARL	Ordinary shares	100%

* InfraCo owned 71% of the issued equity share capital of Cabeolica S.A. , the effective ownership of which is 16% due to the dilution of ownership resulting from rights attached to shareholder loans held by other parties.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2013, or the latest available date and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
1 - Kalangala Infrastructure Services Limited (part operational)	9,155,961	1,189,436
2 - Chanyanya Infrastructure Company Limited (operational)	(227,633)	(1,474,174)
3 - Chiansi Irrigation Infrastructure Company Limited (under development)	677	-
4 - Envalor Limited (under development)	(133,647)	(33,061)
5 - Cenpower Generation Company Limited (under development)	3,668,717	-
6 - Cabeolica S.A. (operational)	542,651	(660,465)
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- 1 - Management accounts 31 December 2013
- 2 - Management accounts 31 December 2013
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- 6 - Management accounts 31 December 2013

Lake Albert Infrastructure Services Limited and Leonawind SUARL are dormant.

Third party development costs incurred in 2013 not reimbursed

The table below shows projects under development with expenditure incurred by InfraCo Africa Limited in 2013 (including the cost of internal staff time).

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £'000
ISSIF	92
Cenpower (Ghana)	705
Envalor (Mozambique)	271
Leona Wind (Senegal)	934
Ghana Wind (Ghana)	395
Envalor Emerging Farmers (Mozambique)	113
Kikuletwa Hydro (Tanzania)	323
Monrovia Water (Liberia)	307
Nairobi Commuter Rail (Kenya)	1,226
OMVS Navigation (Senegal)	27
Volta Lake Transport (Ghana)	182
Lake Victoria marine Transport (East Africa)	294
Ghana Freight Rail (Ghana)	251
Chiansi (Zambia)	1,023
Lake Albert (Uganda)	460
Business Development	507
Beyla, inc. Simandou (Guinea)	234
Buvuma (Uganda)	19
Beira (Mozambique)	270
Kalangala (Uganda) Operating Costs	77
Muchinga Power (Zambia) Operating Costs	1
Cabeolica (Cape Verde) Operating Costs	24
	<hr/>
Total Development, Capital & Operating Costs	7,735
	<hr/> <hr/>

11. Debtors

	2013 £	2012 £
Trade debtors	86,247	146,898
Amounts owed by subsidiary and associated undertakings	19,196	418,243
Prepayments & accrued income	7,835	622,917
Other debtors	308,832	5,323,418
	<hr/>	<hr/>
	422,110	6,511,476
	<hr/> <hr/>	<hr/> <hr/>

12. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	466,969	119,135
Grants not yet utilised	856,611	1,232,042
Other taxation and social security	22,471	8,654
Accruals	31,253	1,789,592
Other creditors	-	581,836
	<hr/>	<hr/>
	1,377,304	3,731,259
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INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

13. Reconciliation of movement in grants during the year

	2013 £	2012 £
At 1 January 2013	1,232,042	1,262,476
Received during the year	-	1,018,882
Released to profit and loss account	(367,526)	(282,039)
Foreign exchange translation	(7,905)	(185,441)
Grants repaid after the year end - classified as other creditors	-	(581,836)
	<u>856,611</u>	<u>1,232,042</u>

14. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
60,810,258 Ordinary shares of £1 each	<u>60,810,258</u>	<u>60,810,258</u>

15. Reserves

	Profit and loss account £
At 1 January 2013	(38,616,740)
Loss for the financial year	(12,167,128)
	<u>(50,783,868)</u>

16. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds/(deficit)	22,193,518	(371,822)
Loss for the financial year	(12,167,128)	(3,364,407)
Shares issued during the year	-	25,929,747
	<u>10,026,390</u>	<u>22,193,518</u>

17. 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 £11,996 (2012 - £1,598). Contributions totalling £nil (2012 - £nil) were payable to the fund at the balance sheet date.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

18. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Between 2 and 5 years	30,000	-

19. Other financial commitments

On 10th May 2013, the company entered into a new service provision agreement with eleQtra (InfraCo) Ltd for the provision of development services over the next 8 years. The Company has committed to provide £37m of funding, back dated to 1 April 2012, to enable eleQtra (InfraCo) Limited to fulfil this service.

20. Related party transactions

Chanyanya Infrastructure Company Limited - 80% ownership

	2013 £	2012 £
Balance at beginning of year before provision	801,587	730,927
Advances during the year	38,333	68,541
Interest at 5%	43,855	34,822
Adjustment for foreign exchange translation	60,268	(32,703)
Provision in the year	142,457	70,662
Year end loan balance	944,043	801,587
Year end provision	944,043	801,587

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Cenpower Limited - 24 % owned

	2013 £	2012 £
Non-interest bearing loan opening balance	683,155	417,314
Interest bearing loan opening balance	205,232	193,861
Cash call	435,314	301,210
Further interest free loan issued in the year	85,675	-
Adjustment for foreign exchange translation	(30,013)	(44,025)
Interest during the year at LIBOR +12% included in closing balance	25,194	20,027
Year end loan balance	1,404,557	888,387
Provision made during the year	516,170	277,212
Year end provision	1,404,557	888,387
Working capital loan	1,866,456	1,866,456
Working capital provision b/f	1,866,456	1,866,456
Interest during the year at LIBOR +12% included in closing balance	109,746	-
Working capital foreign exchange adjustment	121,391	-
Provision in the year	231,137	-
Year end working capital loan balance	2,097,593	1,866,456
Year end provision c/f	2,097,593	1,866,456

Envalor Limited

Envalor Limited is a 99% owned subsidiary company.

Envalor Limited	2013 £	2012 £
Non-interest bearing loan opening balance	68,609	10,224
Payments/expenses added to loan in the year	-	63,621
Foreign exchange adjustment	(2,443)	(5,236)
Year end loan balance	66,166	68,609
Provision made during the year	(2,443)	68,609
Year end provision	66,166	68,609

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Africa Agricultural Development Company Limited	2013 £	2012 £
Opening balance - non-interest bearing loan	2,524,637	-
Loan issued in the year	-	2,524,637
Foreign exchange adjustment	63,809	-
Year end balance	2,588,446	2,524,637
Provision in the year	63,809	2,524,637
Year end provision	2,588,446	2,524,637
Trading balance in the year	-	-
Funds issued to Africa Agricultural Development Company Limited	-	-

Africa Agricultural Development Company Limited is a not-for-profit-distribution company registered in England and Wales. Keith Palmer, the chairman of InfraCo Africa Limited is 100% owner and non-executive Chairman of AgDevCo and Valentine Chitalu is also a board member of both companies.

Cabeolica

Cabeolica S.A. is an associated company.

	2013 £	2012 £
Opening balance	2,835,202	2,752,849
Interest accrued during the year at between 9-12%	289,654	159,158
Repaid in the year	(424,750)	-
Provided in the year	2,765,581	-
Adjustment for foreign exchange	65,474	(76,745)
Closing balance	2,765,581	2,835,202
Year end provision	2,765,581	-

The loan with Cabeolica is shown within fixed asset investments as a long term loan.

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 £367,526 (2012 - £159,624) of grant income received from the TAF. £543,930 (2012 - £919,360) 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.

21. 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.

INFRACO AFRICA LIMITED (FORMERLY INFRACO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22. Restatement of comparatives

The 31 December 2012 financial statements have been restated to reflect the reclassification of Debtors (amounts falling due after more than one year) to Investments (Loans to associates). This reclassification reflects the nature of this balance which are shareholder loans to associates.

