Powergas Africa Limited
Financial statements
Year ended 31 March 2022

Registered number: 9211819

Powergas Africa Limited
Company Information

Directors
Mr Deepak Khilnani (Chairman)
Mrs Asha Khilnani

Company secretary
Navatnarajah Navendrha (resigned 7 March 2022)
Numair Khan (appointed 7 March 202)

Company Number
3236581

Registered office
7c Pembridge Villas
London
W11 3EN

Independent auditor
Kingsley Brackmann Partnership
Chartered Certified Accountants & Statutory Auditors
64 Woodcock Hill
Kenton, Middx
HA3 0JF

Powergas Africa Limited
Company financial statements

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Powergas Africa Limited
For the year ended 31 March 2022
Strategic report

Principal activities

The principal activity of the company in the year under review was that of a holding company investing into a Nigerian group whose main activity that of compressing natural gas and power generation.

Business model

Powergas Africa Limited (PAL) subsidiaries are in the business of compression and liquefaction (processing) of natural gas, as well as marketing and distribution (off-pipeline) to commercial, industrial and bulk residential customers in select African markets. PAL targets economies in Africa where an identified market opportunity exists to displace higher cost fossil fuel energy sources, principally diesel and heavy fuel oil (HFO), by supplying industrial and commercial customers with lower cost and more environmentally friendly natural gas.

The business model is designed to capture the gas chain from mid-stream and development through the ownership of processing and distribution infrastructure, to marketing to end users. The PAL business model aims to capitalize on the pent-up demand for energy by enabling the supply of natural gas to customers that require it but cannot access it due to constraints in pipe line gas infrastructure. A cornerstone of the business model is to identify a cluster of reputed/credible industrial and commercial customers that are reliant on off-grid fossil fuel sources for energy generation and/or their industrial process. We aim to identify sustainable sources of gas supply at a cost that will enable to supply gas to customers sufficient to earn a project return of at least 20% in USD terms.

Currently Nigeria is the primary and major market for PAL and the company is envisaging to expand its operations beyond Nigeria in other Sub-Saharan African countries.

Each subsidiary in the corresponding market is responsible for their investments and assets are owned accordingly, however, five key factors are common across all investments which are (1) credit worthiness of the CNG/LNG takeovers, (2) tenor of the gas sales purchase agreement (GSPA) (3) security of input natural gas supply and stability of gas supplier, ($) local regulatory conditions and (5) foreign exchange exposure.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are set out below:

The foreign exchange markets remain volatile and we have seen significant shifts in the exchange rate during the year with the US dollar and Nigerian naira. However, the policy of the Company is to substantially mitigate this risk by purchasing and selling in the same currency and selective use of foreign exchange options where these are considered appropriate.

Financial risk management

The Company is exposed to a variety of financial risks that include credit risk, liquidity risk, compliance risk, foreign exchange risk and technology risk. These risks are managed jointly by the directors and the finance department.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors on a regular basis the overall credit afforded to customers. Bank deposits are held in interest bearing accounts at a large UK banking institution and are not invested in risky or illiquid investments.

Liquidity risk

The directors regularly review the Company's financial position and cash flows to ensure that there are sufficient funds available to continue in operational existence and to meet liabilities as and when they fall due.

Compliance risk

The Company maintains the highest standards of compliance for UKBA and all applicable laws, statutes, regulations, and codes including FCPA. There have been no breaches during the year.

Foreign exchange risk

As described above, the Company purchases and sells its products and services in US dollars and Nigerian naira's. The main exposure to currency risk is the goods and services purchased in the UK or Europe which are then sold on in dollars or naira and this represents less than 5% of the total outgoings of the business as a whole and so it is not significant. Foreign exchange risk is mitigated by maintaining balances in local currencies wherever possible and only translating balances when rates are favourable.

This report was approved by the board and signed on its behalf by

Mrs A Khilnani
Director
Date: 21 December 2022

Powergas Africa Limited
For the year ended 31 March 2022
Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2022.

Results and dividends
The loss for the year amounted $3,636,941 (2021 - $377,642)
The directors did not recommend any dividend payment during the year (2021: NIL).

Directors
The directors who served during the year were:
Mr Deepak Khilnani (Chairman)
Mrs Asha Khilnani

Directors' responsibilities statement
The directors are responsible for preparing the Group strategic report, 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 the International Financial Reporting Standards (IFRS). Under the company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of 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 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and

- that directors have 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 auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Kingsley Brackmann Partnership will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the Registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by

Mrs A Khilnani
Director

Date: 21 December 2022

Powergas Africa Limited
For the year ended 31 March 2022
Independent Auditors Report to the Members of Powergas Africa Limited

We have audited the financial statements of Powergas Africa Limited for the year ended 31 March 2022 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and the related notes. 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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

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 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 March 2022 and of the company's profit(loss) for the year then ended;
- the 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kingsley Brackmann Partnership

Mohan Bharj
Senior Statutory Auditor
Kingsley Brackmann Partnership
Chartered Certified Accountants
Harrow, Middlesex

Date: 21 December 2022

Powergas Africa Limited
For the year ended 31 March 2022
Statement of comprehensive income

	Notes	2022	2021
		$	$
Continuing operations			
Revenue		303,700	500,000
Cost of sales		0	0
Gross profit		303,700	500,000
Other operating income		25,082	61,083
Administrative expenses		(27,177)	(836,897)
Impairment of investments		(3,904,958)	0
Operating profit		(3,603,353)	(275,815)
Finance costs		0	0
Finance income		0	789
Profit / (loss) before tax		(3,603,353)	(275,025)
Tax (expense) / refund		0	0
Profit/(loss) after taxation from continuing operations		(3,603,353)	(275,025)
Profit/(loss) for the year		(3,603,353)	(275,025)
Other comprehensive income:			
Exchange differences		(33,588)	(102,617)
Other comprehensive income for the year, net of tax		(33,588)	(102,617)
Total comprehensive income for the year		(3,636,941)	(377,642)

Powergas Africa Limited
For the year ended 31 March 2022
Company statement of financial position

	Notes	2022	2021
		$	$
Assets			
Non-current assets			
Investments	6	32,408,050	35,713,492
Non-current assets		32,408,050	35,713,492
Current			
Trade and other receivables	7	1,736,080	1,558,039
Cash and cash equivalents	8	40,102	46,429
Current assets		1,776,183	1,604,468
Total assets		34,184,233	37,317,960
Equity and liabilities			
Equity attributable to owners of the parent:			
Share capital	11	8,399,000	8,399,000
Share premium	11	20,706,719	20,706,719
Merger reserve	12	7,745,504	7,745,504
Retained earnings		(4,542,954)	(906,013)
Total equity		32,308,268	35,945,210
Liabilities			
Deferred tax liabilities		0	0
Provisions		0	0
Non-current liabilities		0	0
Trade and other payables	10	1,875,964	1,372,751
Current liabilities		1,875,964	1,372,751
Total liabilities		1,875,964	1,372,751
Total equity and liabilities		34,184,232	37,317,960

Mrs A Khilnani
Director

Date: 21 December 2022

Powergas Africa Limited
For the year ended 31 March 2022
Company statement of changes in equity

	Share capital	Share premium	Merger reserve	Retained earnings
	$	$	$	$
Balance at 1 April 2020	8,399,000	20,706,719	7,745,504	-528,371
Dividends	-	-	-	0
Transactions with owners	-	-	-	-
Profit (loss) for the year	-	-	-	(377,642)
Total comprehensive income for the year	-	-	-	(377,642)
Balance at 31 March 2021	8,399,000	20,706,719	7,745,504	(906,013)
Dividends	-	-	-	-
Transactions with owners	-	-	-	-
Profit (loss) for the year	-	-	-	(3,636,941)
Total comprehensive income for the year	-	-	-	(3,636,941)
Balance at 31 March 2021	8,399,000	20,706,719	7,745,504	(4,542,954)

Powergas Africa Limited
For the year ended 31 March 2022
Company statement of cash flows

	2022	2021
	$	$
Profit before tax	(3,636,941)	(377,859)
Adjustments for:		
Impairment in investments	3,904,958	-
Operating cash flow before movements in working capital	268,017	(377,859)
Decrease (increase) in Receivables	(178,041)	7,270,176
(Decrease) Increase in Payables	503,213	(6,471,134)
Cash flow (used in) / from operations	593,189	421,183
Taxes paid	-	-
Net cash (used in) / from operating activities	593,189	421,183
Investing activities		
Investment in subsidiary	(599,516)	(374,754)
Net cash from / (used in) investing activities	(599,516)	(374,754)
Financing activities	-	-
Net cash used in financing activities	-	-
Net change in cash and cash equivalents	(6,327)	46,429
Cash and cash equivalents, beginning of year	46,429	-
Cash and cash equivalents, end of year	40,102	-

1 **History of the Company and nature of operations.**

Powergas Africa Limited (the "Company") was incorporated as a limited liability Company on 10 September 2014. The principal activities of the Company and its subsidiaries (the "Group") include the construction and operation of Compressing Natural Gas ("CNG") and Liquefied Natural Gas (LNG) facilities for the production and sale of CNG & LNG. The Company is incorporated in the United Kingdom with its subsidiaries incorporated in Nigeria. The registered address of the Company is 7c Pembridge Villas, London W11 3EN.

2 **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted under international accounting standards in conformity with the Companies Act 2006.

3 **Adoption of new and amended International Accounting Standards**

The company has adopted all new or amended accountancy standards and interpretations issued by the International Accountancy Standards Board (IASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

4 **Significant accounting policies**

The principle accounting policies adopted in the preparation of the accounts are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

Exemption to prepare consolidated accounts

The Company is a 100% subsidiary of Clean Energy S.A., a Lexembourg incorporated company based in the EEA. The Company has claimed exemption to prepare group accounts as it is an intermediate parent company and is included in consolidated accounts for a larger group under section 400/401 Companies Act 2006.

Going concern

The directors consider the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cause significant doubt about the ability of the company to continue as a going concern.

The going concern basis assumes that the company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business.

Judgements and estimates

The Company makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Investment in subsidiaries

Investment in subsidiaries are recognised at cost less impairment.

4 **Trade and other recivables**

Trade and other receivables are recognised initially at their transaction price in accordance with IFRS 9 and are subsequently measured at amortised cost. The Company applies the simplified approach to providing for expected credit losses (ECL) prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Expected credit losses are assessed on a forward-looking basis. The loss allowance is measured at initial recognition and throughout its life at an amount equal to lifetime ECL. Any impairment is recognised in the income statement within 'Administrative expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar intitutions and are redaily convertible to known amounts of cash. Cash equivalents are short term with an original maturity of less than 3 months.

Trade and other payables

Trade and other payables and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effecvtive interest rate method if the time value of money is significant.

Recoverability of related party balances

A significant degree of judgement is applied by management when considering whether a related party debtor is recoverable or not. The following factors are taken into account when considering whether a debtor is impaired:

- payment history of the specific customer with related companies;
- indications of financial difficulties of the specific customer through review of their financial position and performance;
- discussion with the management of the counter party and
- general economic conditions.

Revenue recognition

Revenue represents the fair value of the consideration received or receivable for sales of goods and servicves in the ordinary course of the companies activities and is stated net of value added tax, rebates and discounts.

Finance income

Finance income is recognised in the period to which it relates.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. A equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity intruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Foreign currency translation

Transactions in foreign currencies are translated into respective functional currency of the company at rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the reporting date.

The assets and liabilities of foreign operations are translated into the functional currency at the reporting date. The income and expenditure of foreign operations are translated into the functional currency at the exchange rates at the dates of the transactions or average rates where they approximate such rates.

Exchange gains and losses are recognised in the statement of comprehensive income.

Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period that are expected to apply when the asset is realised or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets are not discounted. Deferred tax liabilities are generally recognised in full.

Employee benefits

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Unpaid contributions are reflected as a liability.

Provisions

A provision is recognized only if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Equity instruments

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium represents the premium received in excess of par value on shares issued.

Merger reserve

The merger reserve recorded by the Company comprises the premium on shares issued to acquire the subsidiaries under merger relief provisions of the Companies Act 2006 and the reduction in the investment in subsidiary to the subsidiary net asset value at the reorganisation date.

5 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates are based on factors including historical experience and expectations of future events that management believes to be reasonable. However, given the judgmental nature of such estimates, actual results could be different from assumptions used. The estimates and assumptions that can have significant risks of causing material adjustments to the carrying amounts of assets and liabilities are set out below:

6 Investments

Company	Powergas Global Investments Nigeria Limited	Power Gas Natural LNG Limited	Total
	$	$	$
Cost or valuation			
At 1 April 2020	31,808,534	3,904,958	35,713,492
Additions	599,516	-	599,516
Impairment	-	(3,904,958)	(3,904,958)
At 31 March 2021	32,408,050	-	32,408,050

Interests in subsidiaries

Set out below details of the subsidiaries held directly by the Company directly and indirectly (*) during the year:

Company name	Principal place of business	Principal activity	Proportion of interest held by the company
Powergas Global Investments Limited	Nigeria	Holding company and CNG supply	100%
Gas Fuels Global Investments Limited	Nigeria	CNG Supply	60% *
Power Gas Delta Innovations Limited	Nigeria	CNG Supply	40% *

7 Trade and other receivables

Trade and other receivables consist of the following:

	2022	2021
	$	$
Trade debtors	1,040	-
Other receivables	492	3,204
Prepayments and accrued income	803,700	500,000
Related parties	930,848	1,054,835
Total receivables	1,736,080	1,558,039

The carrying value of trade and other receivables classified as loans and receivables approximate fair value.

Refer to note 20 for amounts due from related parties.

The age analysis of trade receivables are as follows:

	2022	2021
	$	$
Up to 3 months overdue	-	-
3 to 6 months overdue	1,532	3,204
Over 6 months	1,734,548	1,554,835
	1,736,080	1,558,039

8 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2022	2021
	$	$
Cash at bank and in hand	40,102	46,429

10 Trade and other payables

Trade and other payables consist of the following:

	2022	2021
	$	$
Trade payables	71,600	-
Tax and social security	-	19,889
Other creditors and accruals	240,302	816,162
Related parties	1,564,062	536,700
	1,875,964	1,372,751

The carrying value of trade and other payables classified as financial liabilities are measured at amortised cost and approximately fair value. Other payables and accruals include amounts due to related parties, refer to note 20.

11 Equity

Share capital

The share capital of Powergas Africa limited consists only of fully paid ordinary shares with a nominal (par) value of $1 per share.

	2021 No.	2020 No.	2021 $	2020 $
Shares issued and fully paid:				
At the beginning of the year	8,399,000	8,399,999	8,399,000	8,399,000
At the end of the year	8,399,000	8,399,999	8,399,000	8,399,000

10 shares at $1 each were issued on incorporation. The Company issued 2,850,414 shares (par value $1) for $14,159,000 during the prior year. The shares were issued to Africa Energy Holdings Limited on 31st August 2016 as non-cash consideration for liabilities to Natural Gas Technologies Limited assumed by Africa Energy Holdings Limited of the same value.

In 2016, 249,969 shares were issued (par value $1) for $1,662,294 as part of a further Group reorganisation. The share issue formed part of the Group reorganisation in which the Company issued shares to Africa Energy Holdings Limited as part of a transaction to acquire the shares of Power Gas Global Investments Nigeria Limited in 2015 and Powergas Natural LNG Limited in 2016. Each of the companies was controlled by the Millennium Trust before and after the transaction. The shares issued as part of the group reorganisation are reflected in the merger reserve from the start of the earliest accounting period (1 April 2014) from a Group perspective under merger accounting rules, and subsequently transferred the nominal value to share capital at date of issue in the year. A further 222,556 shares were subscribed for subsequently (par value $1) for $1,480,000 during 2015. An additional (par value $1) $1,712,000 was issued during 2016

12 Merger reserve

The Company merger reserve arises due to merger relief provisions under the Companies Act 2006.

The Company issued shares at a premium to par value of $19,015,000 as part of a Group reorganisation to acquire 100% of the share capital of Power Gas Global Investments Nigeria Limited. The premium is recorded as a merger reserve under UK law and is non-distributable. In addition, the $12,680,156 difference between the $22,380,156 consideration for the shares of PGINL and the $9,700,000 net asset value of PGINL at the date of the group reorganisation is recorded in the non-distributable merger reserve as part of the transaction. The Company issued shares at a premium to par value of $1,412,325 as part of a Group reorganisation to acquire 100% of the share capital of Powergas Natural LNG Limited.

13 Financial instruments - risk management

The Company is exposed through its operations to the following financial risks:

Foreign exchange risk

Exposures to currency exchange rates arise from the purchases of goods and raw materials, which are primarily denominated in US dollars within the related parties. To mitigate the Company's exposure to foreign currency risk, non-Naira cash flows are monitored, and payments of US dollar liabilities are made, wherever possible, using US dollar cash deposits in accordance with the Company's risk management policies. Exchange rate risk arising on purchases and sales contracts for gas are managed through re-pricing mechanisms in the contracts in the event of material changes in exchange rates.

Interest rate risk

The Company's policy is to minimize interest rate cash flow risk on long term financing. The Company's investment in fixed deposits is all paid at an agreed fixed rate with the bank. To mitigate interest rate risk exposure, the Company has a fixed interest charge on bank borrowings.

Liquidity risk

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time bands: on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long term liquidity needs for a 180 day and 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls and capital is provided by shareholders as required

Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk through creating receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised in the financial statements.

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

14 Revenues

	2022	**2021**
	$	**$**
Management charges	303,700	500,000
Revenue from continuing activities	303,700	500,000

15 Operating profit

	2022	**2021**
	$	**$**
Operating (loss) profit is stated after charging:		
Auditors' remuneration	2,500	7,500
	2,500	7,500

Powergas Africa Limited
For the year ended 31 March 2022
Notes to the accounts

16 Employee benefits expense

Expenses Recognised for employee benefits are analysed below:

	2022	2021
	$	$
Salaries	96,013	83,299
Social security costs	27,247	30,631
Pensions – defined contribution plans	2,514	2,454
	125,774	**116,383**

17 Employee numbers

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

	2022	2021
	No.	No.
Administration	2	2
	2	2

18 Directors remuneration

	2022	2021
	$	$
Remuneration	154,889	160,872
Pensions – defined contribution plans	53,600	54,000
	208,489	214,872

19 Tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows:

	2022	2021
	$	$
Profit / (Loss) before tax on continuing ac	-	-
(Loss) before tax on discontinued activities	-	-
Total profit / (loss) before tax	-	-
Tax rate	19%	19%
Expected tax expense on continuing activities	-	0
Effects of:		
Expenses not deductible for tax purposes	-	0
Actual tax expense	-	0

Powergas Africa Limited
For the year ended 31 March 2022
Notes to the accounts

20 Related party transactions

The Company's related parties include its subsidiaries, companies under common ownership and key management, as described below.

At the balance sheet date, the Company had the following balances owed to/from related parties. These entities are considered to be related parties due to beneficial ownership.

20.1 Related party transactions

	Sales 2022 $	Purchase 2022 $	Sales 2021 $	Purchases 2021 $
Powergas Global Investments Nigeria Limited	(500,000)		500,000	557,395
Gentec Energy Limited	803,700			27,260
Total	303,700	-	500,000	584,655

20.2 Related party balances

	Balance owed from 2022 $	Balance owed to 2022 $	Balance owed from 2021 $	Balance owed to 2021 $
Cogeneration Holding Limited	455		442	
Energy Holding Limited		(1,212)		(1,212)
Gentec EPC SA	245,133		245,133	
Gentec Energy Ltd		(1,040,705)		(15,597)
Myriad Limited		(6,449)		(4,194)
Powergas Global Investments Nigeria Limited	685,260	(437,292)	685,260	(437,292)
Powergas International Limited		(78,404)		(78,404)
Power Gas Natural LNG Limited	-		124,000	
Total	930,848	(1,564,062)	1,054,835	(536,700)

21 Ultimate controlling party

The company is controlled by its immediate parent company Clean Energy S.A. This company is also the ultimate parent undertaking and the ultimate controlling party of the group. The consolidated accounts for Clean Energy S.A. are available from their registered office

22 Contingent liabilities

There were no contingent liabilities as at 31 March 2022.