PME African Infrastructure Opportunities plc

Interim Report

Period ended 30 June 2019

Contents

Directors and Advisers

Directors	Paul Macdonald (Executive Chairman) Lawrence Kearns (Executive Director) all of the registered office below
Registered Office	Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Nominated Adviser	Cenkos Securities plc 6 7 8 Tokenhouse Yard London EC2R 7AS
Broker	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET
Administrator and Registrar	Mainstream Fund Services (IOM) Limited Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Independent Auditor	PricewaterhouseCoopers LLC Sixty Circular Road Douglas Isle of Man IM1 1SA

Chairman's Statement

On behalf of the board of directors (the "Board" or "Directors") of PME African Infrastructure Opportunities plc ("PME" or the "Company" and together with its subsidiaries the "Group"), I am pleased to present the unaudited interim results for the Company for the six months ended 30 June 2019.

The remit of the Company's Directors under the Company's investing policy is to seek to realise the remaining assets of the Company and to return both existing cash reserves and the net proceeds of realisation of the remaining assets to shareholders.

Investments

The Company has one remaining unrealised asset, a building in Dar-es-Salaam, Tanzania (the ''Dar-es-Salaam Property"). The Dar-es-Salaam Property, which is managed by a local managing agent, is currently 81.4% let and continues to trade profitably.

In 2010 PME Properties Limited acquired the Dar-es-Salaam Property from Dovetel (T) Limited ("Dovetel"), the Company's former telecommunication investee company in Tanzania. Dovetel was also a tenant of part of the Dar-es-Salaam Property but, due to non-repayment of rent, was evicted in December 2017. On 22 February 2018 the Directors were informed that a representative from First Seal Ltd, the company which had acquired the share capital of Dovetel, had made a complaint to the police in relation to the eviction. PME Properties Limited explained to the police that the eviction was conducted through the Court Broker who was legally authorised and, therefore, the eviction was not a criminal matter. There is no further information on this matter.

The Dar-es-Salaam Property has three tenants. One tenant has a lease agreement for 628 square metres of floor space, which expires in May 2021. The second tenant rents 809 square metres of floor space with a lease agreement which expires in October 2019. This tenant has requested a reduction in the rent after October 2019 and the negotiations with the tenant are ongoing. The third tenant leases 1,206 square metres of floor space and has a lease agreement which expires in February 2020. The managing agent is attempting to let two vacant areas, totaling 600 square metres of floor space.

The Directors have concluded that the fair value of the Dar-es-Salaam Property remains at US$3.62m. This valuation is in line with the value assessed by the local expert as at 31 December 2018 and takes into account both current vacancy levels, the upcoming tenant lease expiry dates, and the current economic climate in Tanzania.

There is still uncertainty about the economic position of Tanzania and the market for high-end office accommodation has not improved. The prospect of selling the building in the short term for a reasonable price remains uncertain.

It was previously reported by the Company's lawyers that the caveat on the land register had not been removed. The formal process to remove the caveat has started with an application submitted to the High Court in Tanzania. The court has subsequently requested that the application to the court be signed in country. A visit to Tanzania is planned for later this month at which time the application will be signed for the second time and, thereafter, resubmitted to the courts.

The Company has been working with its subsidiary's tax advisers and the Tanzanian Revenue Authority ("TRA") in respect of the tax years 2013 to 2015. The Government has offered a tax amnesty in respect of this period. The negotiations have now been concluded and the Tanzanian subsidiary has paid TRA TZS 324,509,292 (US$142,204) with respect to the back taxes. This is considerably more than originally assumed. The difference is withholding tax credits amounting to TZS 159,133,997 (US$69,196) which have not yet been allowed. The TRA will allow these credits provided the Tanzanian subsidiary can provide the appropriate evidence of payment. These particular amounts had been deducted by the tenants and the net amount paid to the Tanzanian subsidiary. The tenant should then have paid the deducted amounts to the TRA. The Tanzanian subsidiary will now work with the tenants to obtain the proof of payment but noting many of the difficulties in proving historic compliance, especially when key information is held by external parties, a successful outcome cannot be assured.

PME continues to work with its local bank to have the inter group loan between PME Properties Limited and PME TZ Property (Mauritius) Limited registered with the Bank of Tanzania. Additional information has been requested by the bank in support of the Company's application for the registration of the loan. This information is being provided. A repayment cannot be made until the registration process is complete.

Chairman’s Statement (continued)

Until the registration is resolved, the Group’s Tanzanian subsidiary is not able to pass funds through to the Company. Delays in the Group’s ability to provide upstream funding to the Company has resulted in a lack of working capital at the holding company level. Optas GmbH (“Optas”), a company of which I am a 50% shareholder, is assisting the Company with its cash flow requirements. On 3 May 2019 the Company entered into a secured loan agreement with Optas to provide a loan facility of up to €400,000 to assist with general working capital requirements after the Company’s independent Director, Lawrence Kearns, having consulted with the Company’s nominated adviser, confirmed that the terms of the loan are fair and reasonable insofar as the shareholders of PME are concerned. The loan is secured on the Company’s cash receivables, is repayable within 18 months and attracts interest at a rate of 6% per annum on the utilised facility and 1% on the remaining unutilised facility. As I hold 50% of Optas’s issued share capital, Optas is deemed to be a related party of the Company and the loan is classified as a related party transaction under AIM Rule 13. To date EUR 283,000 (US$322,590) has been drawn down under the loan agreement.

Financial Results

The loss for the six months ended 30 June 2019 was US$0.081 million (2018: loss of US$0.255 million), representing US$0.0033 loss per Ordinary Share (2018: loss per Ordinary Share US$0.0104). The loss for the period was made up of the net gain in the fair value of financial assets less ongoing operating and administrative costs.

The Directors, having considered the latest valuation of the Dar-es-Salaam Property as at 31 December 2018, are of the opinion that the Dar-es-Salaam Property is reflected in the balance sheet at a realistic fair value.

As at 30 June 2019, PME’s net asset value attributable to ordinary shareholders in accordance with IFRS was US$3.6 million (US$0.15 per Ordinary Share), compared to the US$3.7 million (US$0.15 per Ordinary Share) that was reported as at 31 December 2018.

Return of Cash and Outlook

A review of the marketing process for the sale of the Dar-es-Salaam Property will be carried out during the up and coming visit. This review will consider the economic position, a review of any ongoing police enquiries, the timescale for removing the caveat and the registration of the inter group loan with the Bank of Tanzania.

There is an excess of supply for office space in Dar-es-Salaam. The rental income has already been reduced for one tenant to ensure retention. Another tenant is currently negotiating its rental contract and has requested a significant reduction. At the same time the Company is facing additional legal, tax consultancy and advisory costs. The inability of the Group’s Tanzanian subsidiary to upstream funds to the Company has resulted in the Company taking out a short-term loan. The Directors have considered the alternatives available to reduce costs and maintain the operation including reviewing the costs of maintaining the Company’s listing on the AIM market. The initial result of this review is that the Company can save around US$170,000 per annum by delisting. It is the Directors’ intention to complete this review and, if appropriate, recommend to shareholders that the Company delists from the AIM market in the coming months.

It is still the intention of the Directors to make one final tender offer to shareholders once the building has been sold but it is still not possible to give a timeline as to when this may take place.

Paul Macdonald
Chairman
13 September 2019

Statement of Comprehensive Income

	Note	(Unaudited) Period from 1 January 2019 to 30 June 2019 US$'000	(Unaudited) Period from 1 January 2018 to 30 June 2018 US$'000
Net gains on financial assets at fair value through profit or loss	3	187	43
Operating and administration expenses	10	(259)	(290)
Foreign exchange loss		(7)	(8)
Operating loss		**(79)**	**(255)**
Finance costs	4	(2)	-
Loss before income tax		**(81)**	**(255)**
Income tax	14	-	-
Loss and total comprehensive expense for the period		**(81)**	**(255)**
Basic and diluted loss per share (cents) attributable to the equity holders of the Company during the period	**6**	**(0.33)**	**(1.04)**

The accompanying notes on pages 8 to 14 form an integral part of these interim financial statements

Balance Sheet

	Note	(Unaudited) As at 30 June 2019 US$'000	(Audited) As at 31 December 2018 US$'000
Assets			
Current assets			
Financial assets at fair value through profit or loss	3	3,798	3,584
Prepayments		16	26
Cash and cash equivalents		46	139
Total current assets		**3,860**	**3,749**
Total assets		**3,860**	**3,749**
Equity and liabilities			
Equity			
Issued share capital	7	246	246
Capital redemption reserve	8	1,559	1,559
Retained earnings		1,771	1,852
Total equity		**3,576**	**3,657**
Non-current liabilities			
Secured loan	4	206	-
Total non-current liabilities		**206**	**-**
Current liabilities			
Trade and other payables	9	78	92
Total current liabilities		**78**	**92**
Total liabilities		**284**	**92**
Total equity and liabilities		**3,860**	**3,749**

The interim financial statements on pages 4 to 14 were approved and authorised for issue by the Board of Directors on 13 September 2019 and signed on its behalf by:

Paul Macdonald
Director

Lawrence Kearns
Director

The accompanying notes on pages 8 to 14 form an integral part of these interim financial statements

Statement of Changes in Equity

	Share capital	Capital redemption reserve	Retained earnings	Total
	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2018	246	1,559	3,365	5,170
Comprehensive expense				
Loss for the period	-	-	(255)	(255)
Total comprehensive expense for the period	**-**	**-**	**(255)**	**(255)**
Balance at 30 June 2018	**246**	**1,559**	**3,110**	**4,915**
Balance at 1 January 2019	246	1,559	1,852	3,657
Comprehensive expense				
Loss for the period	-	-	(81)	(81)
Total comprehensive expense for the period	**-**	**-**	**(81)**	**(81)**
Balance at 30 June 2019	**246**	**1,559**	**1,771**	**3,576**

The accompanying notes on pages 8 to 14 form an integral part of these interim financial statements

Cash Flow Statement

	Note	(Unaudited) Period from 1 January 2019 to 30 June 2019 US$'000	(Unaudited) Period from 1 January 2018 to 30 June 2018 US$'000
Cash flows from operating activities			
Purchase of financial assets – loans to investee companies	3	(24)	(26)
Operating and administration expenses paid		(270)	(310)
Net cash used in operating activities		**(294)**	**(336)**
Financing activities			
Loan from third party	4	201	-
Net cash generated from financing activities		**201**	**-**
Net decrease in cash and cash equivalents		**(93)**	**(336)**
Cash and cash equivalents at beginning of period		139	554
Foreign exchange gains on cash and cash equivalents		-	-
Cash and cash equivalents at end of period		**46**	**218**

The accompanying notes on pages 8 to 14 form an integral part of these interim financial statements

Notes to the Interim Financial Statements

1 General Information

PME African Infrastructure Opportunities plc (the "Company") was incorporated and is registered and domiciled in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 19 June 2007 as a public limited company with registered number 120060C. The investment objective of PME African Infrastructure Opportunities plc and its subsidiaries (the "Group") was to achieve significant total return to investors through investing in various infrastructure projects and related opportunities across a range of countries in sub-Saharan Africa. On 19 October 2012 the shareholders approved the revision of the Company's investing policy which is now to realise the remaining assets of the Company and to return both existing cash reserves and the proceeds of realisation of the remaining assets to shareholders.

The Company's investment activities were managed by PME Infrastructure Managers Limited (the "Investment Manager") to 6 July 2012. No alternate has been appointed therefore the Board of Directors has assumed responsibility for the management of the Company's remaining assets. The Company's administration is delegated to Mainstream Fund Services (IOM) Limited (the "Administrator"). The registered office of the Company is Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB.

Pursuant to its AIM admission document dated 6 July 2007, there was an original placing of up to 180,450,000 Ordinary Shares with Warrants attached on the basis of 1 Warrant for every 5 Ordinary Shares. Following the close of the placing on 12 July 2007, 180,450,000 Shares and 36,090,000 Warrants were issued. The Warrants lapsed in July 2012. The Shares of the Company were admitted to trading on AIM, a market of the London Stock Exchange, on 12 July 2007 when dealings also commenced.

Financial Year End
The financial year end for the Company is 31 December in each year.

Dividends
In the period to 30 June 2019 the Company declared and paid dividends of US$nil (2018: US$nil).

Going concern
In assessing the going concern basis of preparation of the interim financial statements for the period ended 30 June 2019, the Directors have taken into account the status of current negotiations on the realisation of the remaining assets and the general working capital facility of up to €400,000 as explained in note 4. The Directors consider that the Group has sufficient funds and the ability to raise further funds for its ongoing operations for the foreseeable future and therefore have continued to adopt the going concern basis in preparing these interim financial statements.

2 Summary of Significant Accounting Policies

2.1 Basis of preparation

The accounting policies applied by the Company in the preparation of these condensed financial statements are the same as those applied by the Company in its financial statements for the year ended 31 December 2018, except for the adoption of new and amended standards and interpretations as set out below.

These interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In accordance with IFRS 10, 'Consolidated financial statements', the Directors have concluded that the Company meets the definition of an investment entity and therefore it does not consolidate its subsidiaries, instead it accounts for its subsidiaries at fair value through profit or loss in accordance with IAS 39, 'Financial instruments: recognition and measurement' and prepares separate company financial statements only.

The interim financial statements for the six months ended 30 June 2019 are unaudited. The comparative interim figures for the six months ended 30 June 2018 are also unaudited.

Notes to the Interim Financial Statements (continued)

3 Financial Assets at Fair Value through Profit or Loss

The following subsidiaries of the Company which are classified as financial assets at fair value through profit or loss are held at fair value in accordance with IFRS 10:

	Country of incorporation	Percentage of shares held
PME Locomotives (Mauritius) Limited	Mauritius	100%
PME TZ Property (Mauritius) Limited	Mauritius	100%

The following company is an indirect investment of the Company and is included within the fair value of the direct investments:

	Country of incorporation	Percentage of shares held	Parent company
PME Properties Limited	Tanzania	100%	PME TZ Property (Mauritius) Limited

The following table shows a reconciliation of the opening balances to the closing balances for fair value measurements:

	30 June 2019 US$'000	31 December 2018 US$'000
Start of the period/year	3,584	4,687
Increase in loans to investee companies	24	40
Subsidiary expenses to be paid by the Company*	3	(4)
Dividend**	-	81
Movement in fair value of financial assets	187	(1,220)
End of the period/year	**3,798**	**3,584**

*The bank account for PME Locomotives (Mauritius) Limited was closed during 2017 and all money transferred to the Company's bank account. The Company is therefore responsible for its subsidiary's creditors at the period end (note 9).
** PME TZ Property (Mauritius) Limited declared a dividend of US$269,640 in August 2018 of which US$81,198 was offset against the intercompany loan with the Company.

Assets carried at amounts based on fair value are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of all financial assets at fair value through profit or loss are determined using valuation techniques which include significant unobservable inputs. The principal asset remaining in the Group is the Dar-es-Salaam property. Accordingly, the fair values are classified as level 3. There were no transfers between levels during the current period or prior year. The valuation techniques and the significant unobservable inputs are shown below.

Notes to the Interim Financial Statements (continued)

3 Financial Assets at Fair Value through Profit or Loss (continued)

	Fair value as at 30 June 2019 US$'000	Fair value as at 31 December 2018 US$'000	Valuation techniques and inputs	Significant unobservable inputs	Sensitivity to significant unobservable inputs
Real estate investments (PME TZ Property (Mauritius) Limited)	3,790	3,581	Discounted cash flow property valuation (inputs including rental income, operating costs, vacancy and discount rate) plus fair value of other net assets	Discount rate	If the discount rate were 1% higher/lower the estimated fair value would (decrease)/increase by US$18,000
Other (PME Locomotives (Mauritius) Limited)	8	3	Fair value of net assets	N/A	N/A
Total	**3,798**	**3,584**			

4 Secured Loan

On 3 May 2019 the Company entered into a secured loan agreement with Optas GmbH ("Optas") to provide a facility of up to €400,000 to assist with general working capital. The loan is secured on the Company's cash receivables, is repayable within 18 months and attracts interest at a rate of 6% per annum on the utilised facility and 1% on the remaining unutilised facility. Interest payable by the Company for the six months ended 30 June 2019 amounted to US$1,623. As at 30 June 2019 EUR 180,000 (US$204,760) has been drawn down on this facility.

Paul Macdonald holds 50% of Optas's issued share capital, therefore Optas is deemed to be a related party of the Company and the loan is a related party transaction.

5 Net Asset Value per Share

	As at 30 June 2019	As at 31 December 2018
Net assets attributable to equity holders of the Company (US$'000)	3,576	3,657
Shares in issue (thousands)	24,584	24,584
NAV per share (US$)	**0.15**	**0.15**

The NAV per share is calculated by dividing the net assets attributable to equity holders of the Company by the number of Ordinary Shares in issue.

6 Basic and Diluted Loss per Share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period.

	Period ended 30 June 2019	Period ended 30 June 2018
Loss attributable to equity holders of the Company (US$'000)	(81)	(255)
Weighted average number of Ordinary Shares in issue (thousands)	24,584	24,584
Basic loss per share (cents) from loss for the period	**(0.33)**	**(1.04)**

There is no difference between basic and diluted Ordinary Shares as there are no potential dilutive Ordinary Shares.

Notes to the Interim Financial Statements (continued)

7 Share Capital

Ordinary Shares of US$0.01 each	31 December 2018 and 30 June 2019 Number	31 December 2018 and 30 June 2019 US$'000
Authorised	500,000,000	5,000

C Shares of US$1 each	31 December 2018 and 30 June 2019 Number	31 December 2018 and 30 June 2019 US$'000
Authorised	5,000,000	5,000
Issued	-	-

Ordinary Shares of US$0.01 each	30 June 2019 US$'000	31 December 2018 US$'000
24,583,942 (31 December 2018: 24,583,942) Ordinary Shares in issue, with full voting rights	246	246

At incorporation the authorised share capital of the Company was US$10,000,000 divided into 500,000,000 Ordinary Shares of US$0.01 each and 5,000,000 C Shares of US$1.00 each. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of C Shares would be entitled to one vote per share at the meetings of the Company. The C Shares can be converted into Ordinary Shares on the approval of the Directors. On conversion each C share would be sub-divided into 100 C Shares of US$0.01 each and will be automatically converted into New Ordinary Shares of US$0.01 each.

Dividends and tender offers are recognised as a liability in the period in which they are declared and approved.

8 Capital Redemption Reserve

The capital redemption reserve is created on the cancellation of shares equal to the par value of shares cancelled. This reserve is not distributable.

9 Trade and Other Payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	30 June 2019 US$'000	31 December 2018 US$'000
Administration fees payable	24	17
Audit fee payable	20	40
CREST service provider fee payable	7	6
Subsidiary expenses to be paid by the Company (note 3)	17	13
Other sundry creditors	10	16
	78	**92**

The fair value of the above financial liabilities approximates their carrying amounts.

Notes to the Interim Financial Statements (continued)

10 Operating and Administration Expenses

	Period ended 30 June 2019 US$'000	Period ended 30 June 2018 US$'000
Administration expenses	58	59
Administrator and Registrar fees	39	30
Audit fees	20	21
Directors' fees	103	112
Professional fees	20	48
Other	19	20
Operating and administration expenses	**259**	**290**

Administrator and Registrar fees
The Administrator receives fees on a time spent basis, subject to a minimum quarterly fee of £8,250, payable quarterly in arrears.

Administration fees expensed by the Company for the period ended 30 June 2019 amounted to US$35,020 (30 June 2018: US$26,160).

The Administrator provides general secretarial services to the Company, for which it receives a minimum annual fee of £5,000. Additional fees for management information can also be charged on a time spent basis. For attendance at meetings not held in the Isle of Man, an attendance fee of £1,000 per day or part thereof is charged. The fees payable by the Company for general secretarial services for the period ended 30 June 2019 amounted to US$3,811 (30 June 2018: US$3,964).

Administration fees of the Mauritian subsidiaries for the period ended 30 June 2019 amounted to US$6,458 (30 June 2018: US$7,066).

Administration fees of PME Properties Limited for the period ended 30 June 2019 amounted to US$26,087 (30 June 2018: US$21,525).

Directors' Remuneration
The maximum amount of basic remuneration payable by the Company by way of fees to the Directors permitted under the Articles of Association is £200,000 per annum. The Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment. The Executive Directors are currently entitled to receive annual basic salaries of £75,000.

Total fees and basic remuneration (including VAT where applicable) and expenses payable by the Company for the period ended 30 June 2019 amounted to US$103,278 (30 June 2018: US$111,633) and was split as below. Directors' insurance cover payable amounted to US$14,877 (30 June 2018: US$14,877).

	Period ended 30 June 2019 US$'000	Period ended 30 June 2018 US$'000
Paul Macdonald	48	50
Lawrence Kearns	53	55
Expense reimbursement	2	7
	103	**112**

Notes to the Interim Financial Statements (continued)

11 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The chief operating decision-makers have been identified as the Board of Directors.

The Board reviews the Company's internal reporting in order to assess performance and allocate resources. It has determined the operating segments based on these reports. The Board considers the business on a project by project basis by type of business. The type of business is transport (railway) and leasehold property.

Six months ended 30 June 2019	Transport PME Locomotives US$'000	Leasehold Property PME TZ Property US$'000	Other* US$'000	Total US$'000
Net gains/(losses) on financial assets at fair value through profit or loss	(14)	201	-	187
Profit/(loss) for the period	(14)	201	(268)	(81)

* Other refers to income and expenses of the Company not specific to any specific sector such as income on un-invested funds and corporate expenses.

Six months ended 30 June 2018	Transport PME Locomotives US$'000	Leasehold Property PME TZ Property US$'000	Other** US$'000	Total US$'000
Net gains/(losses) on financial assets at fair value through profit or loss	(16)	59	-	43
Profit/(loss) for the period	(16)	59	(298)	(255)

** Other refers to income and expenses of the Company not specific to any specific sector such as income on un-invested funds and corporate expenses.

30 June 2019	Transport PME Locomotives US$'000	Leasehold Property PME TZ Property US$'000	Other* US$'000	Total US$'000
Segment assets	8	3,790	62	3,860
Segment liabilities	-	-	(284)	(284)

* Other assets comprise cash and cash equivalents US$46,426 and other assets US$16,439.

31 December 2018	Transport PME Locomotives US$'000	Leasehold Property PME TZ Property US$'000	Other** US$'000	Total US$'000
Segment assets	3	3,581	165	3,749
Segment liabilities	-	-	(92)	(92)

** Other assets comprise cash and cash equivalents US$139,141 and other assets US$26,137.

Notes to the Interim Financial Statements (continued)

12 Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: financial assets at fair value through profit or loss, trade and other receivables, cash and cash equivalents, secured loan and trade and other payables. There has been no material change in the market, credit or liquidity risk profile since the year ended 31 December 2018.

There have been no changes in risk management policies or responsibilities since the year end. The risk management is carried out by the Executive Directors.

These interim financial statements do not include all financial risk management information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2018.

13 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions. Key management is made up of the Board of Directors.

The Directors of the Company are considered to be related parties by virtue of their influence over making operational decisions. Directors' remuneration is disclosed in note 10 and the related party loan is disclosed in note 4 and note 15.

14 Income Tax Expense

The Company is resident for taxation purposes in the Isle of Man and is subject to income tax at a rate of zero per cent (2018: zero per cent).

15 Post Balance Sheet Events

Since the period end the Company has drawn down a further EUR 103,000 (US$117,830) on the Optas loan facility.