

**Osillo & Co**

**EIZOOBA ENERGY ONE LIMITED**

**INCORPORATED IN UGANDA**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2018**

**EIZOOBA ENERGY ONE LIMITED****DIRECTORS' REPORT**

It's with pleasure that the management submit their report together with the audited financial statements for the year ended 31st March, 2018, which disclose the state of affairs of Eizooba Energy One Limited.

**Main Business Activities**

The principal activities of the Company is that of supply and maintenance of renewable energy sources.

**Results and dividends**

The results of the company for the year are shown in the income statement on page 4. However, there was limited activity during the year of income.

**Statutory requirements****Share capital**

Issued, share capital of the company is U.Shs 100,000,000/= divided into 100 ordinary shares of U.shs 100,000/= each.

Issued and fully paid up is stated on Page 13.

**Events after the reporting period**

The directors are not aware of any matter or circumstance arising since the end of the financial year.

**Directors**

The directors who held the office during the year and to the date were:

Grasolar East Frica Ltd

Frank & Cook Consulting Ltd

Ujaas Energy Ltd

Obbralia Projects SI

**Auditors**

The auditors Osillo & Company- Certified Public Accountants were appointed in office in accordance with Section 159(2) of the Companies' Act No. 1 (2012) during the year. A resolution to reappoint them will be at the Annual General Meeting.

By Order of the Board

Company Secretary

Date:

*[Signature]*  
30<sup>th</sup> April, 2018

## **EIZOOBA ENERGY ONE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

### **GENERAL INFORMATION**

Country of Incorporation and domicile	Uganda
Nature of business and principal activities	Supply and maintenance of renewable energy sources.
Directors	Grasolar East Africa Ltd Frank & Cook Consulting Ltd Ujaas Energy Ltd Obbralia Projects SI
Registered Office	Kampala
Lead Bankers	Bank Of Baroda
Auditors	Osillo & Co Certified Public Accountants Plot 3120, Old Kira Road 2nd Floor Pava House P.O. Box 3614, Kampala

**EIZOOBA ENERGY ONE LIMITED**  
**STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR**  
**ENDED 31ST MARCH 2018**

The directors are required in terms of the the Companies Act No.1 (2012) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

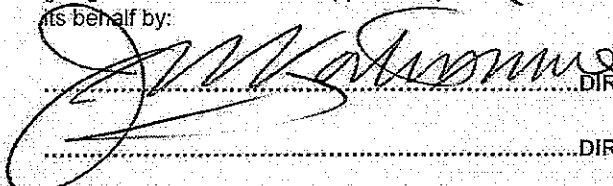
The directors acknowledge that they are ultimately responsible for the system of internal controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or Loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide reasonable, and not absolute, assurance against material misstatements or loss.

The directors have reviewed the company's cash flow forecast for the year to March 31, 2018, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the reasonable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company external auditors and their report is presented on page 3.

The annual financial statements set out on pages 3 to ..... Which have been prepared on the going concern basis, were approved by the board on ..... And signed on its behalf by:

.....DIRECTOR

.....DIRECTOR

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of Eizooba Energy One Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annual financial statements of Eizooba Energy One Limited set out on pages 4 to 13 which comprise the statement of financial position as at 31 March 2017, statement of comprehensive income, statement of changes in Equity, statement of cashflows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Eizooba Energy One Limited as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda (ICPAU). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Eizooba Energy One Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- > Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITOR'S REPORT.....cont...

- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- > Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- > Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2012, we report to you based on our audit, that:

I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

The engagement partner on the audit resulting in this independent auditor's report is CPA Owora Fredricks - P0223.



CPA Owora Fredricks

**Osillo & Co**

Certified Public Accountants

Date: 5/24/2018

## Statement of Comprehensive Income For The Year Ended 31st March 2018

	Note	U. Shs. 2018 UGX	U. Shs. 2017 UGX
Sale of Revenue	2	-	-
Other Incomes		-	-
Total Income		-	-
Cost of Sales	3	-	-
Gross Profit		-	-
Other Operating Expenses	4	2,89,22,277	2,46,47,766
Operating Profit before Interest and Taxes		(2,89,22,277)	(2,46,47,766)
Finance Charges		-	-
Operating Profit before Tax		(2,89,22,277)	(2,46,47,766)
Taxation		-	-
Other Comprehensive income		-	-
Results after taxation		(2,89,22,277)	(2,46,47,766)

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

## Statement of Financial Position as at 31st March 2018

<u>Assets</u>	Note	U. Shs. 2018 UGX	U. Shs. 2017 UGX
<b>Non Current Asset</b>			
Property Plant & Equipment	6	15,09,80,000	15,09,80,000
Deffered Tax Asset	8	-	-
<b>Current Asset</b>			
Trade and other receivables	9	-	-
Cash and Cash Equivalents	10	-	-
<b>Total Assets</b>		<b>15,09,80,000</b>	<b>15,09,80,000</b>
<b><u>Equity and Liabilities</u></b>			
<b>Capital Employed</b>			
Share Capital	11	5,74,71,682	5,74,71,682
Shareholders Equity		-	-
Retained Profit / Loss		(13,16,04,032)	(10,26,81,755)
<b>Non Current Liabilities</b>			
Related Parties	13	22,49,74,942	19,60,52,664
<b>Current Liabilities</b>			
Bank Overdraft		-	-
Trade and other Payables	14	1,37,409	1,37,409
<b>Total equity and liabilities</b>		<b>15,09,80,000</b>	<b>15,09,80,000</b>

The report of the Auditors is on Page 3

The notes on Pages 8 to 14 form an integral part of these financial statements.

The accounts were approved by the board on

30th April, 2018



MANAGING DIRECTOR

DIRECTOR



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH,2018

	Share Capital UGX	Retained Earnings UGX	Total UGX
<b><u>Balance at 1st April 2016</u></b>			
Share Capital	5,74,71,682	(7,80,33,989)	(2,05,62,308)
As restated	5,74,71,682	(7,80,33,989)	(2,05,62,308)
Net Profit / Loss for the Year	-	(2,46,47,766)	(2,46,47,766)
Taxation	-	-	-
<b>Balance at 31st March 2017</b>	<b>5,74,71,682</b>	<b>(10,26,81,755)</b>	<b>(4,52,10,073)</b>
<b><u>Balance at 1st April 2017</u></b>			
Share Capital	5,74,71,682	(10,26,81,755)	(4,52,10,073)
As restated	5,74,71,682	(10,26,81,755)	(4,52,10,073)
Net Profit / Loss for the Year	-	(2,89,22,277)	(2,89,22,277)
Taxation	-	-	-
<b>Balance at 31st March 2018</b>	<b>5,74,71,682</b>	<b>(13,16,04,032)</b>	<b>(7,41,32,351)</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

	Note	U. Shs. 2018 UGX		U. Shs. 2017 UGX
<b>OPERATING ACTIVITIES</b>				
Cash generated from operation	15	(2,89,22,277.34)		(2,46,47,765.73)
<b>Net cash generated from operating activities</b>		<b>(2,89,22,277.34)</b>		<b>(2,46,47,765.73)</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment				
Proceeds from disposal of property, plant and equipments				
<b>Net cash used in investing activities</b>		<b>-</b>		<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from Short term borrowings		2,89,22,277.34		2,46,47,765.73
Issue of share holder's capital				
<b>Net cash from financing activities</b>		<b>2,89,22,277.34</b>		<b>2,46,47,765.73</b>
<b>(Decrease) / Increase in Cash and Cash Equivalents</b>		<b>-</b>		<b>-</b>
<b>Movement in cash and cash Equivalents</b>				
At start of the year		-		-
Increase / (Decrease)		-		-
At the end of the year		-		-

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

**KHENY TECHNICAL SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST MARCH 2018**

**Note**

**1 Significant accounting policies**

**a Basis of preparation**

The financial statements are prepared in compliance with International Reporting Standards (IFRS). The financial statements are presented in the functional currency, Uganda Shillings (Shs), rounded to the nearest thousand, and prepared under the historical cost convention as modified by the revaluation of certain property.

**b Adoption of International Financial Reporting Standards (IFRS) during the year**

- IAS 1 Amendment, Capital Disclosures. The amendment to IAS 1 introduces disclosures about the level of the Company's capital and how it manages capital.
- IFRS 7, Financial Instruments: Disclosures. IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The following Applicable IFRS were applied during the year:

- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash flows
- IAS 8 Accounting policies, changes in accounting estimates and errors
- IAS 10 Events after the Balance sheet date
- IAS 12 Income Taxes
- IAS 16 Property, Plant and Equipment
- IAS 18 Revenue
- IAS 24 Related Party transaction

**c Revenue Recognition**

Revenue represents the fair value of the consideration receivable for sales of goods, and is stated net of Valued Added Tax (VAT), rebates and discounts.

Interest income is recognized on a time proportion basis using the effective interest method.

**d Property, plant and equipment**

All property, plant and equipment is initially recorded at cost less subsequent depreciation. Depreciation is calculated on straight line basis to write off the cost of each asset or revalued amount to its residual value over their estimated useful life as follows:

Land	Nil
Buildings	4%

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating income.

**e Cash and cash equivalents**

Cash and cash equivalents include, cash in hand, deposit held at call with banks, other short - term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**EIZOOBA ENERGY ONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST MARCH 2018**

**Note**

**Significant accounting policies (continued)**

**f Deferred Tax**

Income tax expenses is the aggregate of the charge to the profit and loss account. In respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profits for the year, determined in accordance with The Uganda Income Tax Act. Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profits or loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for tax losses carried forward only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**g) Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined by the First In First Method.

**h) Trade receivables**

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off in the year in which they are identified.

**i) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligations can be made.

**j) Pension Obligations**

The company doesn't make contribution to a statutory pension scheme, National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company's contribution under the scheme is limited to contribution legislated from time to time.

**k) Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in

**L) Use of estimates**

The preparation of financial statements in accordance with IFRS / IAS requires management to make estimates and assumptions that affect the amounts and balances reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**m) Risk management**

The company may be exposed to financial risk through currency risk, interest rate risk, and price risks which will result from both its operating and investing activities. In addition, the company does not actively engage in financial instruments and therefore does not hedge against the risks it is exposed to. When gains and losses arise as the result of foreign exchange movement, they are accounted for in income statement as other income and expenses respectively.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note	U. Shs. 2018 UGX	U. Shs. 2017 UGX
<b>2    <u>Revenue</u></b>		
Sale of goods	-	-
<b>3    <u>Other Income</u></b>	-	-
	-	-
<b>4    <u>Operating Expenses</u></b>		
Bank Charges	-	1,37,409.00
Legal and Professional expenses	-	-
Interest Expense	2,89,22,277.34	2,45,10,356.73
<b>Total Operating expenses</b>	<b>2,89,22,277.34</b>	<b>2,46,47,765.73</b>

2018 U.Shs. In	2017 U.Shs.

## 7. Property, Plant and Equipment

Property, Plant and equipment	Land and Buildings U.Shs.'000	Tools and Equipment U.Shs.'000	Motor Vehicles U.Shs.'000	Furniture & Equipment U.Shs.'000	Computers & Accessories U.Shs.'000	Total U.Shs.'000
1 April 2017						
Cost	-	-	-	-	-	-
Additions	150,980,000	-	-	-	-	150,980,000
Transfers	-	-	-	-	-	-
	150,980,000	-	-	-	-	150,980,000
1 April 2017						
Cost	150,980,000	-	-	-	-	150,980,000
Additions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
31st MARCH 2018	150,980,000	-	-	-	-	150,980,000
Depreciation	-	-	-	-	-	-
1 April 2014	-	-	-	-	-	-
Cost	-	-	-	-	-	-
	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
1-Apr-17	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Net book value as at 31/3/2018	150,980,000	-	-	-	-	150,980,000
Net book value as at 31/3/2017	150,980,000	-	-	-	-	150,980,000

### 8 Deferred Tax

At the beginning of the year  
Prior year adjustment  
During the year

At the year end

### Recognition of Deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

the utilisation of deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and

the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates

**9 Trade and other receivable**

Trade receivables

Other receivables:

## 10 Tax recoverables

At the beginning of the year  
Current Tax recognised  
During the year  
Taxation

**At the year end**

## 11 Bank Overdraft

[illegible]

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note	U. Shs. 2018 UGX	U. Shs. 2017 UGX
<b>10 <u>Cash and bank balance</u></b>		
Cash on bank	-	-
	<u>-</u>	<u>-</u>
<b>11 <u>Share Capital</u></b>		
Share capital (Issued and fully paid up)	5,74,71,681.60	5,74,71,681.60
	<u>5,74,71,681.60</u>	<u>5,74,71,681.60</u>
<b>12 <u>Share holder equity contribution</u></b>		
Shareholders equity contribution	-	-
	<u>-</u>	<u>-</u>
<b>13 <u>Long term borrowings</u></b>		
<i>Related Parties</i>		
At the beginings of the year	19,60,52,664.47	17,15,42,307.75
During the year	2,89,22,277.34	2,45,10,356.73
	<u>22,49,74,941.82</u>	<u>19,60,52,664.47</u>
<b>14 <u>Trade and Other payables</u></b>		
Trade Payables	-	-
Other Payable Interest	1,37,409.00	1,37,409.00
	<u>1,37,409.00</u>	<u>1,37,409.00</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note	U. Shs. 2018 UGX	U. Shs. 2017 UGX
<b>15 <u>Cash generated from operations</u></b>		
Operating Results	(2,89,22,277.34)	(2,46,47,765.73)
<b>Adjustment for:</b>		
Depreciation	-	-
Tax Paid	-	-
Changes in working capital:		
Increase / Decrease in inventories	-	-
Increase / Decrease in trade and other receivables	-	-
Increase / Decrease in tax recoverables	-	-
Increase / Decrease in trade and other Payables	-	-
<b>Cash generation from operation</b>	<b>(2,89,22,277.34)</b>	<b>(2,46,47,765.73)</b>
<b>16 <u>Movement in cash and cash equivalent</u></b>		
<b><u>1st April</u></b>		
Cash at bank and in hand	-	-
Net balance in beginning of the year	-	-
(Decrease) / Increase for the year	-	-
At the end of the year		
Cash at bank and in hand	-	-
31st March	-	-
<b>17 <u>Country of incorporation and registered office</u></b>		
The company is incorporated in uganda under the ugandan companies act no.1 2012 and domiciled in the Uganda		
The address of its registered office is		
EIZOOBA ENERGY ONE LIMITED		
KAMPALA		
<b>18 <u>Currency</u></b>		
These financial statements are presented in thousands of Uganda Shillings (U.Shs.)		