

Osillo & Co

EIZOOBA ENERGY ONE LIMITED

INCORPORATED IN UGANDA

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015**

EIZOoba ENERGY ONE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

GENERAL INFORMATION

Country of Incorporation and domicile	Uganda
Nature of business and principal activities	Supply and maintenance of renewable energy sources.
Directors	Grasolar East Frica 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

**REPORT OF THE INDEPENDENT AUDITORS TO THE
MEMBERS OF EIZOOBA ENERGY ONE LIMITED**

We have audited the accompanying financial statements of EIZOOBA ENERGY ONE LIMITED set out on pages 5 to 13 which comprise the Statement of financial position, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of the Ugandan Companies Act No.1 (2012). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

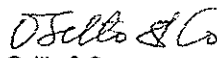
OUR OPINION

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of EIZOOBA ENERGY ONE LIMITED as at 31st March 2015, and of its statement of comprehensive income and statement of cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act No.1 (2012).

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Ugandan Companies Act No. 1 (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
- ii) In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) The Company's statement of financial position and comprehensive income are in agreement with the books of accounts.


Osillo & Co
Certified Public Accountants

Kampala, Uganda

Date: 12/05/2015

An Independent Member firm of Kreston International

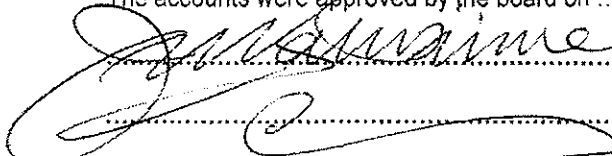
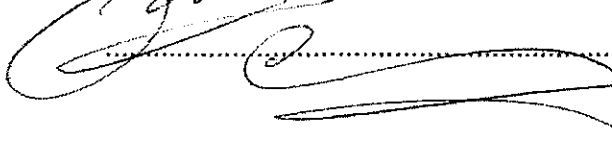
EIZOOBA ENERGY ONE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2015

ASSETS	Note	As at 31 March	
		2015	
		UGX	
Non-current assets			
Property, Plant and Equipment	6	150,980,000	150,980,000
Current Assets			
Cash and Cash Equivalents	10	54,909	54,909
Total Assets			151,034,909
EQUITY AND LIABILITIES			
Capital employed			
Share capital	11	57,471,682	
Shareholders Equity			
Retained Loss		(15,868,546)	41,603,136
Non current liabilities			
Related Parties	13	101,198,774	101,198,774
Current Liabilities			
Trade and other payables	14	8,232,999	8,232,999
Total equity and liabilities			151,034,909

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 20/04/2015

.....DIRECTOR
.....DIRECTOR

STATEMENT OF CASH FLOW FOR THE YEAR ENDED
31ST MARCH 2015

	Note	2015
OPERATING ACTIVITIES		
Cash generated from operations	15	(7,835,548)
Net cash from operating activities		(7,835,548)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(150,980,000)
Proceeds from disposal of property, plant and equipments		
Net cash used in investing activities		(150,980,000)
FINANCING ACTIVITIES		
Proceeds from long term borrowings		101,198,774
Issue of Share holders' Capital		
Net cash from financing activities		101,198,775
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(57,416,773)
MOVEMENTS IN CASH AND CASH EQUIVALENTS		
At the start of the year		
Increase / (Decrease)		54,909
At the end of the year		54,909

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

EIZOOBA ENERGY ONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2015

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.

EIZOOBA ENERGY ONE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2015

2015
U.Shs
0
0
0

5 Taxation
 Current tax
 Deferred tax

7 Property, Plant and Equipment

	Land and Buildings U.Shs	Tools and Equipment U.Shs	Motor Vehicles U.Shs	Furniture & Equipment U.Shs	Computers & Accessories U.Shs	Total U.Shs
1 April 2014						
Cost						
Additions	150,980,000					150,980,000
Transfers						
	150,980,000					150,980,000
1 April 2014						
Cost	150,980,000					150,980,000
Depreciation						
1 April 2014						
Cost	150,980,000					150,980,000
Depreciation						
1 April 2014						
Cost						
Depreciation						
1 April 2014						
Charge for the year						
1 April 2014						
Charge for the year						
Net book value as at 31/3/2015	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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2015

15 Cash generated from operations

As at 31st March 2015 UGX

Operating result	(15,868,546)
Adjustments for:	
Depreciation	-
Tax paid	-
Change 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	8,232,999
	<hr/>
Cash generated from operations	<u>(7,635,548)</u>

16 Movement in cash and cash equivalent

1st April	
Cash at bank and in hand	
Net balance in the beginning of the year	<hr/>
(Decrease)/Increase for the year	54,909
	<hr/>
At the end of the year	
Cash at bank and in hand	
	<hr/>
31st March	<u>54,909</u>

17 Country of incorporation and registered office

The company is incorporated in Uganda under the Ugandan companies Act No.1 (2012) and domiciled in Uganda.

The address of its registered office is

EIZOOBA ENERGY ONE LIMITED
KAMPALA

18 Currency

These financial statements are presented in thousands of Uganda Shillings (U.Shs)