

Osillo & Co

**EIZOOBA ENERGY ONE LIMITED**

INCORPORATED IN UGANDA

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2017**

**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, 2017, 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 maintainance 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: 23 May 2017

**EIZOOBA ENERGY ONE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**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 Obbralla 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 2017**

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.

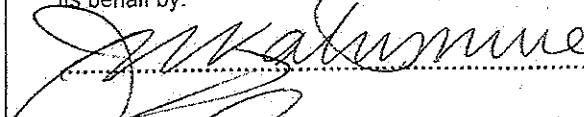
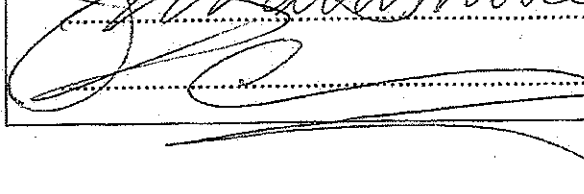
The directors acknowledge that they are ultimately responsible for the system of internal controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control 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, 2017, 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 17... Which have been prepared on the going concern basis, were approved by the board on 22 May 17... And signed on its behalf by:

 DIRECTOR  
 DIRECTOR

23 May 17

## Independent Auditor's Report

To the shareholders of EIZOBA ENERGY ONE LIMITED

### Report on the Financial Statements

We have audited the annual financial statements of EIZOBA ENERGY ONE LIMITED set out on pages 4 to 14 which comprise the statement of financial position, statement of comprehensive income and income statement, statement of changes in equity and retained earnings and statement of cash flow for the period then ended and a summary of significant accounting policies and other explanatory notes.

### Director's 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.

### Auditor's 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 auditor's 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.

### Opinion

In our opinion, the annual financial statements give a true and fair view of the state of financial affairs of the Company as at 30th June 2016 and of its profitability and 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 and Regulatory 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

Date: 23/5/2017

Kampala, Uganda

Formerly: CPA John E. Osillo & CPA Fredrick Owoye

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31ST MARCH 2017

	Note	U.Shs. 2017	U.Shs. 2016
Sales revenue	2		-
Other Incomes			-
Total Income			-
Cost of sales	3	(24,647,766)	(14,222,737)
Gross Profit		(24,647,766)	(14,222,737)
Other operating expenses	4		-
Operating profit before Interest and taxes		(24,647,766)	(14,222,737)
Finance charges			-
Operating Profit before Tax		(24,647,766)	(14,222,737)
Taxation			-
Other comprehensive income			-
Results after taxation		(24,647,766)	(14,222,737)

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

**EIZOOBA ENERGY ONE LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2017**

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<b>ASSETS</b>	<b>Note</b>	<b>As at 31 March 2017</b>		<b>As at 31 March 2016</b>	
		<b>UGX</b>		<b>UGX</b>	
<b>Non-current assets</b>					
Property, Plant and Equipment	6	150,980,000		150,980,000	
Deferred Tax Asset	8	-	150,980,000	-	150,980,000
<b>Current Assets</b>					
Trade and other receivables	9	-		-	
Cash and Cash Equivalents	10	-	-	-	-
<b>Total Assets</b>			<b>150,980,000</b>		<b>150,980,000</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital employed</b>					
Share capital	11	57,471,682		57,471,682	
Retained Profit / Loss		(102,681,755)	(45,210,073)	(30,091,284)	27,380,398
<b>Non current liabilities</b>					
Related Parties	13	196,052,664	196,052,664	123,599,602	123,599,602
<b>Current Liabilities</b>					
Trade and other payables	14	137,409	137,409	-	-
<b>Total equity and liabilities</b>			<b>150,980,000</b>		<b>150,980,000</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 22 May 2017

 **MANAGING DIRECTOR**

 **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED  
31ST MARCH, 2017

	Share Capital UGX	Retained Earnings UGX	Total UGX
<u>Balance at 1st April 2015</u> Share Capital	57,471,682	(15,868,546)	41,603,136
As restated	57,471,682	(15,868,546)	41,603,136
Net profit/ Loss for the year	-	(14,222,737)	(14,222,737)
Taxation	-	-	-
Balance at 31st March 2016	57,471,682	(30,091,284)	27,380,398
<u>Balance at 1st April 2016</u>	57,471,682	(30,091,284)	27,380,398
Prior year adjustment	-	(47,942,706)	(47,942,706)
As restated	57,471,682	(78,033,990)	(20,562,308)
Net profit/ Loss for the year	-	(24,647,766)	(24,647,766)
Taxation	-	-	-
Balance at 31st March 2017	57,471,682	(102,681,755)	(45,210,073)

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



EIZOOBA ENERGY ONE LIMITED

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STATEMENT OF CASH FLOW FOR THE YEAR ENDED  
31ST MARCH 2017

	Note	2017 UGX	2016 UGX
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations	15	(72,550,472)	(54,909)
Net cash from operating activities		(72,550,472)	(54,909)
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	-
Proceeds from disposal of property, plant and equipments		-	-
Net cash used in investing activities		-	-
<b>FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings		72,453,053	-
Issue of Share holders' Capital		-	-
Net cash from financing activities		72,453,053	-
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(137,409)	(54,909)
<b>MOVEMENTS IN CASH AND CASH EQUIVALENTS</b>			
At the start of the year		-	-
Increase / (Decrease)		(137,409)	(54,909)
At the end of the year		(137,409)	(54,909)

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

**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 Value 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:

Furniture and fixtures	10.0%
Motor vehicles	25%
Computers	33.3%
Plant and equipment	15%
Office equipment	10%
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 2017**

**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.

**ELIZOBA ENERGY ONE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST MARCH 2017**

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Note

	2017 U.Shs.	2016 U.Shs.
<b>2 Revenue</b>		
Sale of goods		
<b>3 Other Income</b>		
<b>4 Operating expenses</b>		
Bank Charges		
Legal and Professional expenses	137,409	54,909
Bank Interest	24,510,357	14,167,828
<b>Total Operating expenses</b>	<b>24,647,766</b>	<b>14,222,737</b>

**CPA ENERGY ONE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 MARCH 2017**

**5 Taxation**  
 Current tax  
 Deferred tax

2017 U.Shs. '000	2016 U.Shs.
	5
	0
	0

**7 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 2016						
Cost						150,980,000
Additions	150,980,000	-	-	-	-	
Transfers		-	-	-	-	150,980,000
1 April 2016	150,980,000	-	-	-	-	150,980,000
Cost						
Additions		-	-	-	-	
Transfers		-	-	-	-	150,980,000
31st MARCH 2017	150,980,000	-	-	-	-	
Depreciation						
1 April 2016						
Cost						
Charge for the year		-	-	-	-	
1-Apr-16		-	-	-	-	
Charge for the year		-	-	-	-	
Net book value as at 31/3/2017	150,980,000					150,980,000
Net book value as at 31/3/2016	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**

## EIZOOBA ENERGY ONE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2017Note

2017	2016
U.Shs. In	U.Shs. In

**10 Cash and bank balances**

Cash on bank

	-
	-

**11 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.

Share capital(Issued and fully paid up)

57,471,682	57,471,682
57,471,682	57,471,682

**12 Shareholders Equity Contribution**

Shareholders Equity Contribution

	-
	-

**13 Long term borrowings**

Related Parties

142,126,827	101,198,774
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During the year

53,925,838	22,400,827
196,052,664	123,599,602

The loan is unsecured and carries an interest rate of 14% per annum. However it has no fixed repayment schedule.

**14 Trade and other payables**

Trade payables

Other payables (Temporary Overdraft)

Other Payables(Interest)

137,409	-
137,409	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2017

**15 Cash generated from operations**

	As at 31st March 2017 UGX	As at 31st March 2016 UGX
Operating result	(24,647,766)	(14,222,737)
Adjustments for:		
Depreciation		-
Tax paid		-
Change in working capital:		
Prior year adjustments	(47,942,706)	-
Increase / decrease in trade and other receivables	-	-
Increase / decrease in tax recoverables	-	-
Increase / decrease in trade and other payables	-	14,167,830
<b>Cash generated from operations</b>	<b>(72,590,472)</b>	<b>(54,909)</b>

**16 Movement in cash and cash equivalent**

1st April		
Cash at bank and in hand	-	54,909
Net balance in the beginning of the year	-	54,909
(Decrease)/Increase for the year	137,409	(54,909)
At the end of the year		
Cash at bank and in hand	(137,409)	-
31st March	(137,409)	-

**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.'000)