

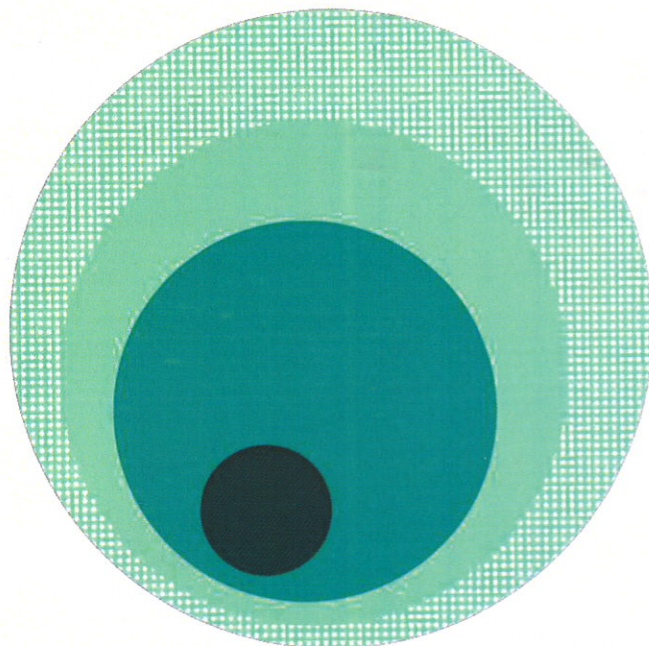
SOLANTIS

**Solantis Solar Limited
Financial statements
for the year ended 30 June
2018**

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your statutory
compliance
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Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

General Information

Country of incorporation and domicile	Uganda
Nature of business and principal activities	To carry on the business with in the broader field of solar, renewable energy and energy efficiency
Directors	Ms Ines Schreckeneder Mr Lukas Gruener
Registered office	Plot 22C, Prince Charles Drive Kololo, Kampala, Uganda
Postal address	P.O Box 710 Kampala, Uganda
Holding company	Act Innovative GMBH incorporated in Austria
Bankers	Stanbic Bank (U) Limited Bank Austria
Auditors	UHY Thakkar & Associates Certified Public Accountants Plot 1, Mackenzie Close P.O Box 9098 Kololo, Kampala Uganda
Secretary	Winnie Neumbe

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

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Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Directors' Responsibilities and Approval

The directors are required by the Ugandan Companies Act, (No 1) 2012, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2019 and, in the 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 foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor's and their report is presented on page 4 - 6.

The financial statements set out on page 9, which have been prepared on the going concern basis, were approved by the board of directors on 25/11/2018 and were signed on its behalf by:

Approval of financial statements



Director



Director

Independent Auditor's Report

To the members of Solantis Solar Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Solantis Solar Limited set out on pages 9 to 22, which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Solantis Solar Limited as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Ugandan Companies Act, (No 1) 2012.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 24 in the financial statements, which indicates that the company incurred a net loss of US\$ 901,353,213- 2017 US\$ 367,313,674 and Accumulated losses of US\$ 1,502,675,085 2017 US\$ 1,380,675,085. As stated in note 24, these events or conditions, along with other matters as set forth in note 24, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Ugandan Companies Act, (No 1) 2012, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Ugandan Companies Act, (No 1) 2012, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error,

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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant 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 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 the directors 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.

Independent Auditor's Report

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 audit;
- ii) in our opinion, proper books of accounts have been maintained by the company so far as appears from our examination of those books; and,
- iii) the company's statement of financial position and the statement of comprehensive incomes are in agreements with the books of accounts

The engagement partner on the audit resulting into this independent auditors report is CPA Sam Thakkar - P0179.



Sam Thakkar FCCA (UK), CPA (U)
UHY Thakkar & Associates
Certified Public Accountants
Plot 1, Mackenzie Close
Kololo, Kampala

25/01/2019
Kampala

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Solantis Solar Limited for the year ended 30 June 2018.

1. Incorporation

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

2. Nature of business

The principal activities of the company are to carry on the business of renewable energy.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Ugandan Companies Act, (No 1) 2012. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Share capital

The share capital of the company was increased from Ugx 50,000,000 to Ugx 122,000,000 during the year.

5. Dividends

The board of directors do not recommend the declaration of a dividend for the year (2017: Nil).

6. Directors

The directors in office at the date of this report are as follows:

Directors	Nationality
Ms Ines Schreckeneder	Austrian
Mr Lukas Gruener	Austrian

7. Directors interests in shares

As at 30 June 2018, the following directors of the company held direct beneficial interests (percentage) in the company.

Interest in shares

Directors	2018 Direct	2017 Direct	2018 Indirect	2017 Indirect
Ms Ines Schreckeneder	48	48	48	48

8. Holding company

The company's holding company is Act Innovative GMBH which holds 52% (2017 52%) of the company's equity. Act Innovative GMBH is incorporated in Austria.

9. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Directors' Report

10. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

11. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

12. Secretary

The company secretary is Winnie Neumbe.

Postal address

P.O Box 26870,
Kampala, Uganda

Business address

Plot 22C,
Prince Charles Drive
Kololo, Kampala

13. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and clients for their continued support of the company.

The financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 25/11/2018 2019, and were signed on its behalf by:

Approval of financial statements



Director

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Statement of Financial Position as at 30 June 2018

	Note(s)	2018 Ugx	2017 Ugx
Assets			
Non-Current Assets			
Property, plant and equipment	2	159,108,892	200,117,671
Current Assets			
Inventories	6	509,716,606	394,219,183
Trade and other receivables	5	2,064,449,081	551,494,227
Current tax receivable		20,147,223	2,754,963
Cash and cash equivalents	7	47,734,894	27,439,000
		2,642,047,804	975,907,373
Total Assets		2,801,156,696	1,176,025,044
Equity and Liabilities			
Equity			
Share capital	8	122,000,000	50,000,000
Retained income		(1,502,675,085)	(601,321,872)
		(1,380,675,085)	(551,321,872)
Liabilities			
Non-Current Liabilities			
Other borrowings	3	3,146,868,927	1,035,377,688
Related party borrowings	4	626,605,166	567,333,196
Bank borrowings	10	-	49,351,948
Deferred income	11	137,500,000	-
		3,910,974,093	1,652,062,832
Current Liabilities			
Trade and other payables	9	21,552,495	13,585,040
Provisions	12	249,305,193	61,699,044
		270,857,688	75,284,084
Total Liabilities		4,181,831,781	1,727,346,916
Total Equity and Liabilities		2,801,156,696	1,176,025,044

The financial statements and the notes on pages 7 to 24, were approved by the board of directors on the 25/11/2018 and were signed on its behalf by:


Director


Director

The accounting policies on pages 13 to 15 and the notes on pages 16 to 22 form an integral part of the financial statements.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Statement of Comprehensive Income

	Note(s)	2018 Ugx	2017 Ugx
Revenue	13	1,342,598,653	861,609,144
Cost of sales	14	(436,803,603)	(318,021,012)
Gross profit		905,795,050	543,588,132
Other income	15	43,035,900	-
Operating expenses		(1,626,939,516)	(856,594,205)
Operating loss		(678,108,566)	(313,006,073)
Finance costs	18	(223,244,647)	(54,307,601)
Loss for the year		(901,353,213)	(367,313,674)
Other comprehensive income		-	-
Total comprehensive loss for the year		(901,353,213)	(367,313,674)

The accounting policies on pages 13 to 15 and the notes on pages 16 to 22 form an integral part of the financial statements.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Statement of Changes in Equity

	Share capital	Retained income	Total equity
	Ugx	Ugx	Ugx
Balance at 01 July 2016	50,000,000	(234,008,198)	(184,008,198)
Loss for the year	-	(367,313,674)	(367,313,674)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(367,313,674)	(367,313,674)
Balance at 01 July 2017	50,000,000	(601,321,872)	(551,321,872)
Loss for the year	-	(901,353,213)	(901,353,213)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(901,353,213)	(901,353,213)
Increase in share capital	72,000,000	-	72,000,000
Total changes	72,000,000	-	72,000,000
Balance at 30 June 2018	122,000,000	(1,502,675,085)	(1,380,675,085)

Note(s)

8

The accounting policies on pages 13 to 15 and the notes on pages 16 to 22 form an integral part of the financial statements.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Statement of Cash Flows

	Note(s)	2018 Ugx	2017 Ugx
Cash flows from operating activities			
Cash used in operations		(1,833,931,060)	(912,964,926)
Finance costs		(223,244,647)	(54,307,601)
Net cash from operating activities		(2,057,175,707)	(967,272,527)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(121,673,737)	(148,774,916)
Sale of property, plant and equipment	2	31,500,000	-
Increase in other borrowings		2,111,491,239	558,963,627
Net cash from investing activities		2,021,317,502	410,188,711
Cash flows from financing activities			
Proceeds on share issue	8	72,000,000	-
Repayment of bank borrowings		(49,351,948)	49,351,948
Repayment of shareholders loan		59,271,970	480,385,176
Net cash from financing activities		81,920,022	529,737,124
Total cash movement for the year		46,061,817	(27,346,692)
Cash at the beginning of the year		27,439,000	54,785,692
Total cash at end of the year	7	73,500,817	27,439,000

The accounting policies on pages 13 to 15 and the notes on pages 16 to 22 form an integral part of the financial statements.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Ugandan Companies Act, (No 1) 2012. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in Uganda Shilling.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Rate %
Furniture and fixtures	Straight line	20
Motor vehicles	Straight line	25
IT equipment	Straight line	33
Motor cycle	Straight line	25
Solar Molds	Straight line	50
Kitchen Equipment	Straight line	20

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Accounting Policies

1.7 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.8 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Notes to the Financial Statements

Notes to the Financial Statements

	2018 Ugx	2017 Ugx				
2. Property, plant and equipment						
	2018	2017				
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Solar Molds	208,392,239	(187,934,857)	20,457,382	208,392,239	(83,738,737)	124,653,502
Furniture and fittings	22,264,000	(10,553,219)	11,710,781	13,588,000	(3,369,500)	10,218,500
Motor vehicles	112,000,000	(20,695,864)	91,304,136	59,500,000	(7,002,747)	52,497,253
IT equipment	21,780,491	(3,436,854)	18,343,637	4,040,000	(482,054)	3,557,946
Kitchen Equipment	1,750,000	(787,500)	962,500	1,750,000	(437,500)	1,312,500
Motor cycles	19,990,822	(3,660,366)	16,330,456	8,733,576	(855,606)	7,877,970
Total	386,177,552	(227,068,660)	159,108,892	296,003,815	(95,886,144)	200,117,671

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Depreciation eliminated on Disposal	Closing balance
Solar Molds	124,653,502	-	-	(104,196,120)	-	20,457,382
Furniture and fittings	10,218,500	8,676,000	-	(7,183,719)	-	11,710,781
Motor vehicles	52,497,253	84,000,000	(31,500,000)	(22,066,781)	8,373,664	91,304,136
IT equipment	3,557,946	17,740,491	-	(2,954,800)	-	18,343,637
Kitchen Equipment	1,312,500	-	-	(350,000)	-	962,500
Motor cycles	7,877,970	11,257,246	-	(2,804,760)	-	16,330,456
	200,117,671	121,673,737	(31,500,000)	(139,556,180)	8,373,664	159,108,892

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Solar Molds	124,761,661	76,501,340	(76,609,499)	124,653,502
Furniture and fittings	12,914,100	-	(2,695,600)	10,218,500
Motor vehicles	-	59,500,000	(7,002,747)	52,497,253
IT equipment	-	4,040,000	(482,054)	3,557,946
Kitchen Equipment	1,662,500	-	(350,000)	1,312,500
Motor cycles	-	8,733,576	(855,606)	7,877,970
	139,338,261	148,774,916	(87,995,506)	200,117,671

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Notes to the Financial Statements

	2018 Ugx	2017 Ugx
3. Other borrowings		
Margarethe Brezovich	(4,510,670)	(4,078,020)
Norbert Hellmich	(45,106,700)	(40,780,200)
Ing. Mag. Christian	(18,042,680)	(16,312,080)
Angelika Mittelmann	(9,021,340)	(8,156,040)
Willfried Feichtinger	(13,532,010)	(12,234,060)
Gruener Edith	(22,553,350)	(20,390,100)
Markus Gruner	(115,022,085)	(103,989,510)
Rudolf Schutz	(13,532,010)	(12,234,060)
Sailer Hansjorg	(22,553,350)	(20,245,950)
Regine Von Spreckelsen Berger	(4,510,670)	(4,078,020)
Stronger Together for Development	(117,277,420)	(106,028,460)
Vesna Urlicic Sogerer	(4,510,670)	(4,078,020)
W. Und. Mag. A. Schwaiger	(90,213,400)	(81,560,400)
Waldboth Meinrad	(180,426,800)	(163,120,800)
Weinberger Stefan	(22,553,350)	(20,390,100)
Wolfgang Gruener	(45,106,700)	(40,780,200)
Stella Asiimwe	(11,276,675)	(8,472,500)
Crowd for projects	(420,168,912)	(303,200,787)
Schreckeneder Wern	(67,660,050)	(61,170,361)
Anna Domschitz	(4,510,670)	(4,078,020)
Solantis GMBH - 90,000 Euro loan	(405,960,300)	-
Solantis GMBH - 45,000 EURO loan	(202,980,150)	-
Solantis GMBH - 13,500 Euro Loan	(60,894,045)	-
Solantis GMBH - 5,000 Euro loan	(22,553,350)	-
Solantis GMBH - 29,000 Euro Loan	(130,809,430)	-
Solantis GMBH - 20,000 Euros	(90,213,400)	-
Solantis GMBH - 22,000 Euro loan	(99,234,740)	-
Solantis GMBH - 80,000 Euros	(360,853,600)	-
Solantis GMBH - 80,000 Euros	(360,853,600)	-
Solantis GMBH - 40,000 Euro loan	(180,426,800)	-
	(3,146,868,927)	(1,035,377,688)

On 02 September 2016, the company received a loan from Margarethe Brezovich amounting to Euros 1,000 to finance its working capital requirements at 5 % P.A. The loan is payable within 5 years from the date of receipt.

On 19 May 2016, the company received a loan from Norbert Hellmich amounting to Euros 10,000 to finance its working capital requirements at 8 % P.A. The loan is payable within 3 years from the date of receipt.

On 13th October 2016, the company received a loan from Willfried Feichtinger amounting to Euros 4,000 to finance its working capital requirements at 9 % P.A. The loan is payable within 4 years from the date of receipt.

On 13 October 2016, the company received a loan from Ing. Mag. Christian amounting to Euros 4,000 to finance its working capital requirements at 9 % P.A. The loan is payable within 4 years from the date of receipt.

On 3 November 2016, the company received a loan from Angelika Mittelmann amounting to Euros 2,000 to finance its working capital requirements at 6 % P.A. The loan is payable within 2 years from the date of receipt.

On 11 November 2016, the company received a loan from Willfried Feichtinger amounting to Euros 3,000 to finance its working capital requirements at 5 % P.A. The loan is payable within 3 years from the date of receipt.

On 19 May 2016, the company received a loan from Edith Gruener amounting to Euros 5,000 to finance its working capital requirements at 3 % P.A. The loan is payable within 1 year from the date of receipt.

On 18 May 2016 and 2nd September 2016, the company received loans from Markus Gruner amounting to Euros 20,000 and 5,500 respectively to finance its working capital requirements at 3 % P.A. The loans are payable within 1 year from the date of receipt.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Notes to the Financial Statements

	2018 Ugx	2017 Ugx
3. Other borrowings (continued)		
On 14 December 2016, the company received a loan from Schutz amounting to Euros 3,000 to finance its working capital requirements at 6.75 % P.A. The loan is payable within 3 years from the date of receipt.		
On 23 June 2016, the company received a loan from Sailer amounting to Euros 5,000 to finance its working capital requirements at 5% P.A. The loan is payable with 3 years from the date of receipt.		
On 14 Feb 2017, the company received a loan from Berger amounting to Euros 1,000 to finance its working capital requirements at 7 % P.A. the loan is payable within 4 years from date of receipt.		
On 7 April 2016, the company received a loan from Stronger Together for development amounting to Euros 26,000 to finance its working capital requirements. The loan is interest free and payable 1 year from the date of receipt.		
On 4 June 2016, the company received a loan from Waldboth amounting to Euros 40,000 to finance its working capital requirements at PA 5% and payable 3 years from the date of receipt.		
On 16 Feb 2017, the company received a loan from Sogerer amounting to Euros 1,000 to finance its working capital requirements at 7 % P.A. the loan is payable within 4 years from date of receipt.		
On 1 June 2016, the company received a loan from Schwaiger amounting to Euros 20,000 to finance its working capital requirements at 6 % P.A. the loan is payable within 5 years from date of receipt.		
On 10 February 2017, the company received a loan from Weinberger Stefan amounting to Euros 5,000 to finance its working capital requirements at 7% P.A. the loan is payable within 4 years from date of receipt.		
On 31 August 2016, the company received a loan from Wolfgang Gruener amounting to Euros 10,000 to finance its working capital requirements at 3% P.A. the loan is payable within 1 year from date of receipt.		
On 19 September 2016, the company received a loan from Stella Asiimwe amounting to Euros 2,500 to finance its working capital requirements at 5% P.A. the loan is payable within 5 years from date of receipt.		
On 7 March 2017, 28th April 2017, 13th June 2017, the company received loans from Crowd for Projects amounting to Euros 44,500, 18,600 and 11,250 to finance its working capital requirements at 7% P.A. The loan is payable within 4.4 years from the date of receipt.		
On 11 October 2016 and 4th October 2016, the company received loans from Schreckeneder of Euros 10,000 and 5000 to finance its working capital requirements at 3% P.A. The loan is payable within a year from the date of receipt.		
On 9 April 2016, the company received loans from Anna of Euros 1,000 to finance its working capital requirements at 5% P.A. The loan is payable within a year from the date of receipt.		
On 9 October 2017, the company received a loan from Solantis GmbH amounting to Euros 90,000 to finance its working capital requirements at 7.75% interest rate per annum. The loan is payable within four years from the date of receipt.		
On 21 June 2018, the company received an interest free loan from Solantis GmbH amounting to Euros 45,000 to finance its working capital requirements. The loan is payable within three years from the date of receipt.		
On 26 June 2018, the company received an interest free loan from Solantis GmbH amounting to Euros 13,500 to finance its working capital requirements. The loan is payable within three years from the date of receipt.		
On 12 September 2017, the company received an interest free loan from Solantis GmbH amounting to Euros 5,000 to finance its working capital requirements at an interest rate of 7% per annum. The loan is payable within four years from the date of receipt.		
On 6 July 2017 and 8 August 2017, the company received interest free loans from Solantis GmbH amounting to Euros 19,000 and 10,000 respectively to finance its working capital requirements. The loans were payable within three months from the date of receipt.		
On 10 November 2017, the company received a loan from Solantis GmbH amounting to Euros 20,000 to finance its working capital requirements at an interest rate of 7%. The loan is payable within four years from the date of receipt.		

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Notes to the Financial Statements

	2018 Ugx	2017 Ugx
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3. Other borrowings (continued)

On 6 December 2017, the company received a loan from Solantis GmbH amounting to Euros 22,000 to finance its working capital requirements at an interest rate of 7%. The loan is payable within four years from the date of receipt.

On 24 January 2018, the company received a loan from Solantis GmbH amounting to Euros 80,000 to finance its working capital requirements at an interest rate of 7%. The loan is payable within four years from the date of receipt.

On 24 April 2018, the company received an interest free loan from Solantis GmbH amounting to Euros 80,000 to finance its working capital requirements. The loan is payable within three years from the date of receipt.

4. Loans to (from) related parties

Sarah Pirker	(27,064,020)	(24,469,200)
Act innovative GBMH	(238,687,546)	(216,622,396)
Lukas Gruener	(360,853,600)	(326,241,600)
	(626,605,166)	(567,333,196)

On 4 April 2016, the company received a loan from Ines Schreckeneneder amounting to Euros 6,000 to finance its working capital requirements at 3% P.A. The loan is payable within 2 years from the date of receipt.

On 31 March 2016, the company received a loan from Sarah Pirker amounting to Euros 6,000 to finance its working capital requirements at 3% P.A. The loan is payable within 2 years from the date of receipt.

On 29 March 2016, 5th April 2016 and 29th July 2016 the company received loans from Act Innovative GMBH amounting to Euros 6,000, 5,000, 40,000 respectively to finance its working capital requirements at 3% Per Annum (per loan). The loan is payable within 2 years from the date of receipt.

On 23 August 2016, 26th August 2016, 26th September 2016, 7th October 2016, 31st October 2016 and 28th November 2016 the company received loans from Lukas Gruener amounting to Euros 30,000, 20,000, 8,000, 4,000, 8,000 and 10,000 respectively to finance its working capital requirements at 3% Per Annum (per loan). The loan is payable within 1 year from the date of receipt.

5. Trade and other receivables

Sundry debtors	1,120,217,166	493,735,716
Employee costs in advance	125,000	542,500
Prepayments-Rent	12,474,037	15,036,061
Immigration deposits	3,163,400	3,163,400
Unrealised forex loss/gain	-	39,016,550
Grant amount receivable	137,700,000	-
Advanced payments	790,769,478	-
	2,064,449,081	551,494,227

6. Inventories

Inventory in transit	-	16,587,808
Inventory	509,716,606	377,631,375
	509,716,606	394,219,183

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Notes to the Financial Statements

	2018 Ugx	2017 Ugx
7. Cash and cash equivalents (continued)		
Cash at hand	2,907,441	2,202,387
Bank balances	40,140,953	17,225,613
Airtel money	373,000	140,000
MTN Mobile Money	4,313,500	7,871,000
	47,734,894	27,439,000
8. Share capital		
Authorised		
1,000 Ordinary shares with par value of Ush. 50,000 each	50,000,000	50,000,000
Share capital pending allotment	72,000,000	-
	122,000,000	50,000,000
Issued		
1,000 Ordinary shares with a par value of Ush. 50,000 each	50,000,000	50,000,000
Share capital pending allotment	72,000,000	-
	122,000,000	50,000,000
9. Trade and other payables		
NSSF	3,999,371	3,177,128
PAYE payable	7,079,741	5,194,500
Deposits	1,228,000	-
VAT	6,575,109	4,526,396
Amounts due to related parties	-	413,000
WHT Payable	2,670,274	274,016
	21,552,495	13,585,040
10. Bank borrowings		
EFC Financial Services Limited	-	49,351,948
On 25 May 2017, the company acquired a loan from EFC Financial services Limited amounting to Ugx. 55,000,000 to purchase inventory at 40% interest per annum the loan is payable within one year from the date of receipt.		
Non-current liabilities		
At amortised cost	-	49,351,948
11. Deferred income		
Deferred income	137,500,000	-
The deferred income relates to a contract arrangement between the company and GIZ for the disturbance of 6,600 units to 30,000 Ugandans. Solantis Solar Limited is to fulfill the conditions between 29 March 2018 and 14 Feb 2019.		

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Notes to the Financial Statements

Notes to the Financial Statements

	2018 Ugx	2017 Ugx		
12. Provisions				
Reconciliation of provisions - 2018				
	Opening balance	Additions	Reversed during the year	Total
Provision for audit fees	10,933,410	13,566,070	(10,933,410)	13,566,070
Provision for interest on the borrowings	50,765,634	184,973,489	-	235,739,123
	61,699,044	198,539,559	(10,933,410)	249,305,193
Reconciliation of provisions - 2017				
	Opening balance	Additions	Reversed during the year	Total
Provision for audit fees	2,690,232	10,933,410	(2,690,232)	10,933,410
Provision for interest on borrowings	-	50,765,634	-	50,765,634
	2,690,232	61,699,044	(2,690,232)	61,699,044
13. Revenue				
Sales - Local			1,342,598,653	861,609,144
14. Cost of sales				
Opening stock			394,219,183	180,117,930
Purchases			475,075,120	457,061,984
Freight charges			-	34,815,223
Clearing charges			77,225,906	40,245,058
Closing Stock			(509,716,606)	(394,219,183)
			436,803,603	318,021,012
15. Other income				
Penalties			535,900	-
Grant income (GIZ)			42,500,000	-
			43,035,900	-
16. Employee cost				
Employee costs				
Salaries and wages			231,527,666	132,665,182
NSSF			21,163,370	11,645,105
Terminal benefits			-	133,871
Casual labour expenses			-	434,000
			252,691,036	144,878,158
17. Depreciation, amortisation and impairments				
The following items are included within depreciation, amortisation and impairments:				
Depreciation				
Property, plant and equipment			139,556,179	87,995,506

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Notes to the Financial Statements

	2018 Ugx	2017 Ugx
18. Finance costs		
Interest expense - Other borrowings	204,678,721	50,937,601
Bank interest	18,565,926	3,370,000
	223,244,647	54,307,601
19. Auditor's remuneration		
Audit Fees	17,103,164	11,094,242
20. Tax refunded		
Balance at beginning of the year	2,754,963	-
Tax deposits during the year	17,392,260	2,754,963
Balance at end of the year	(20,147,223)	(2,754,963)
	-	-

21. Contingencies and Commitments

The directors are not aware of any commitments and contingencies after the reporting period.

22. Related parties

Relationships
Ines Shreckeneder
Sarah Pirker
Act Innovative GBMH
Lukas Gruner

Shareholder
Company Secretary (Resigned Jan 2017)
Shareholder
Director

23. Comparative figures

Certain comparative figures have been reclassified.

24. Going concern

We draw attention to the fact that at 30 June 2018, the company had net losses of Ush. (901,353,213) 2017 Ush (367,313,674) and accumulated losses of Ugx 1,502,675,085 2016 Ugx (1,380,675,085).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

25. Events after the reporting period

The directors are not aware of any events after the reporting date.

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Detailed Income Statement

	Note(s)	2018 Ugx	2017 Ugx
Revenue			
Sale of goods		1,342,598,653	861,609,144
Cost of sales	14	(436,803,603)	(318,021,012)
Gross profit		905,795,050	543,588,132
Other income			
Customer penalties		535,900	-
Consulting fees		42,500,000	-
		43,035,900	-
Expenses (Refer to page 24)		(1,626,939,516)	(856,594,205)
Operating loss		(678,108,566)	(313,006,073)
Finance costs	18	(223,244,647)	(54,307,601)
Loss for the year		(901,353,213)	(367,313,674)

Solantis Solar Limited

Financial Statements for the year ended 30 June 2018

Detailed Income Statement

	Note(s)	2018 Ugx	2017 Ugx
Operating expenses			
Accountancy fees		(50,116,442)	(12,974,486)
Advertising expenses		(750,000)	(46,440,944)
Audit fees	19	(17,103,164)	(11,094,242)
Bank charges		(16,158,499)	(9,045,652)
Cleaning expenses		-	(7,088,400)
Commissions		-	(32,638,280)
Unrealised foreign exchange losses		(276,767,777)	-
Consulting fees expenses		(85,823,742)	(3,848,238)
Depreciation expense	2	(139,556,179)	(87,995,506)
Employee costs	16	(252,691,036)	(144,878,158)
Recruitment expenses		(12,258,579)	-
Accommodation expense		-	(27,033,119)
Water expenses		(2,635,513)	(1,121,557)
Facilitation expense		-	(35,553,480)
Director expenses		-	(1,285,000)
Gabbage collection expenses		(397,330)	(626,730)
Membership & subscriptions		-	(694,289)
Office expenses		(77,414,929)	(56,952,030)
Round off		-	4,210
Exchange gain/loss		-	(76,694,089)
Electricity expenses		(4,437,896)	(1,105,848)
Inventory write off		(10,049,005)	-
Facility management fees		(8,850,000)	-
Prototyping fees		(20,436,570)	-
Insurance expenses		(18,862,255)	(12,074,365)
Legal expenses		(15,464,900)	(9,154,856)
Rent expenses		(108,943,092)	(90,336,265)
Motor vehicle expenses		-	(640,100)
Trading licences		(1,042,800)	(2,629,550)
Mobile money charges		(2,396,284)	(33,200)
Motor bike hires		(26,610,500)	-
Fuel expenses		(52,281,000)	(13,820,552)
Write off		-	(10,587,282)
Postage Fees expenses		-	(400,000)
Printing and stationery Expenses		(6,057,813)	(11,723,936)
Marketing expenses		(79,056,076)	-
Loss on asset exchange		(10,126,336)	-
Repairs and maintenance		-	(9,881,067)
Motor vehicle repairs and maintenance		(18,771,542)	(2,853,700)
Security Expenses		(10,442,888)	(13,943,100)
Staff welfare Expenses		(8,901,800)	(30,661,999)
VAT writeoff		-	(4,980,805)
Telephone and Internet expenses		(36,672,519)	(13,608,324)
Training expenses		(18,752,644)	(300,000)
Transport expenses		(210,714,957)	(39,404,184)
Immigration costs		(23,180,675)	(9,568,820)
Air travel expenses		(3,214,774)	(22,926,262)
		(1,626,939,516)	(856,594,205)

The accounting policies on pages 13 to 15 and the notes on pages 16 to 22 form an integral part of the financial statements.

1 TAX COMPUTATION	Ugx	Ugx
Loss before tax as per financial Statements		(901,353,213)
Add : Disallowable Items		
Depreciation on property, plant and equipment	139,556,180	
Interest expenses - Thin capitalisation	204,678,721	
Unrealised Foreign Exchange losses	276,767,777	
Inventory Write off	10,049,005	
Asset write off	10,126,336	
Immigration costs	23,180,675	
		664,358,694
Less : Allowable Expenses		
Wear and Tear allowance	(88,826,315)	(88,826,315)
Adjusted Loss for the year		(325,820,834)
Tax loss Brought forward		(521,053,664)
Tax Loss carried forward		(846,874,498)
Corporation tax @ 30%		-

2 WEAR AND TEAR SCHEDULE

	Class I 40% Ush	Class II 35% Ush	Class IV 20% Ush	Total Ush
WDV as at 1 July 2017	2,424,000.00	38,675,000.00	169,188,097	210,287,097
Additions	17,740,491	84,000,000	19,933,246	121,673,737
Disposals	-	-	-	-
	20,164,491	122,675,000	189,121,343	331,960,834
Wear & tear allowance	(8,065,796)	(42,936,250)	(37,824,269)	(88,826,315)
WDV as at 30 June 2018	12,098,695	79,738,750	151,297,074	243,134,519