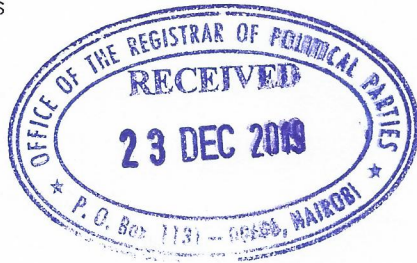
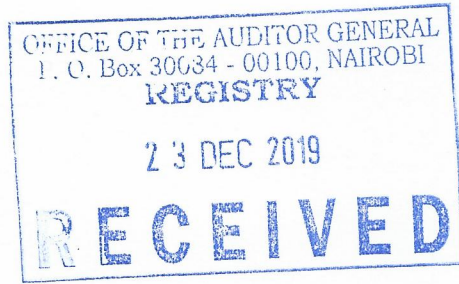


**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 Shs	2018 Shs
Revenue	1	1,327,363	1,235,000
Direct costs	2	-	-
Gross profit		1,327,363	1,235,000
Other income	3	-	6,850
		1,327,363	1,241,850
Administrative expenses		(454,255)	(382,700)
Other operating expenses		(382,414)	(408,330)
Profit from operating activities		490,694	450,820
Finance costs	4	-	-
Profit before tax	5	490,694	450,820
Tax charge	6	-	-
Profit for the year		490,694	450,820



The notes on pages 5 to 10 form an integral part of these financial statements.

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 BALANCE SHEET AS AT 30 JUNE 2019

	Notes	2019 Shs	2018 Shs
<b>EQUITY</b>			
Capital and reserves			
Share capital	7	100,000	100,000
Retained earnings		1,188,966	698,272
		<u>1,288,966</u>	<u>798,272</u>
Non-current liabilities			
Borrowings	8	2,584,060	3,941,323
Total non-current liabilities		<u>2,584,060</u>	<u>3,941,323</u>
Total equity		<u>3,873,026</u>	<u>4,739,595</u>
<b>REPRESENTED BY</b>			
Non-current assets			
Property, plant and equipment	9	684,233	811,647
		<u>684,233</u>	<u>811,647</u>
Current assets			
Trade and other receivables	10	3,566,347	4,575,000
Cash at bank and in hand	11	965,415	758,457
		<u>4,531,762</u>	<u>5,333,457</u>
Current liabilities			
Trade and other payables	12	1,342,969	1,405,509
		<u>1,342,969</u>	<u>1,405,509</u>
Net current assets		<u>3,188,793</u>	<u>3,927,948</u>
		<u>3,873,026</u>	<u>4,739,595</u>



The financial statements on pages 6 to 9 were approved for issue by the Board of Directors on 1st September 2019 and were signed on its behalf by:

.....Director



.....Director

The notes on pages 5 to 10 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Share capital Shs	Retained earnings Shs	Total Shs
At 1 July 2018	100,000	698,272	798,272
Net profit for year	-	490,694	490,694
At 30 June 2019	<u>100,000</u>	<u>1,188,966</u>	<u>1,288,966</u>
At 1 July 2017	100,000	247,452	347,452
Net profit for year	-	450,820	450,820
At 30 June 2018	<u>100,000</u>	<u>698,272</u>	<u>798,272</u>

The notes on pages 5 to 10 form an integral part of these financial statements.



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 Shs	2018 Shs
Operating activities			
Net profit for the year		490,694	450,820
Adjustment for:			
Income tax charge	6	-	-
Operating profit before working capital changes		490,694	450,820
Depreciation	6	127,414	158,330
Changes in working capital:			
- Increase in trade and other receivables	10	1,008,653	175,177
- Increase in trade and other payables	12	(62,540)	(808,505)
Net cash generated from/(used in) operating activities		1,564,221	(24,178)
Proceeds from long-term borrowings	8	(1,357,263)	(63,891)
Net cash used in investing activities		(1,357,263)	(63,891)
Investing activities			
Property, plant and equipment purchase	9	-	(7,540)
Issue of shares	7	-	-
Net cash (used in)/generated from investing activities		-	(7,540)
Increase in cash and cash equivalents		206,958	(95,609)
Movement in cash and cash equivalents			
At 1 July 2018		758,456	854,065
Decrease in the year		206,958	(95,609)
At 30 June 2019	11	965,414	758,456



The notes on pages 5 to 10 form an integral part of these financial statements.

Empowerment and Liberation Party

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For the year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2019 Shs	2018 Shs
1 Revenue		
Sales	<u>1,327,363</u>	<u>1,235,000</u>
2 Direct costs		
Supply services	<u>-</u>	<u>-</u>
3 Other income		
Gain on exchange	-	10
Interest income	-	6,840
Total other income	<u>-</u>	<u>6,850</u>
4 Finance costs		
Interest on bank loans	<u>-</u>	<u>-</u>
Total finance costs	<u>-</u>	<u>-</u>
5 Loss before tax		



a) The following items have been recognised as expenses in arriving at loss before tax:

	2019 Shs	2018 Shs
Employee benefit expenses	11,200	10,800
Depreciation of property, plant and equipment (Note 9)	127,414	158,330
	<u>138,614</u>	<u>169,130</u>

b) Employee benefit expenses

The following items are included in the employee benefits expenses:

	2019 Shs	2018 Shs
Salaries, wages and allowances	163,652	150,000
Retirement benefit costs and terminal dues	11,200	10,800
Total employee benefits expenses	<u>174,852</u>	<u>160,800</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2019 Shs	2018 Shs
6 Income tax		
Current tax	-	-
Tax charge	-	-

Income tax is calculated at 30% of the estimated assessable profit for the year.

The tax expense for the year differs from the theoretical amount that would result from applying the statutory tax rate of 30% to profit/(loss) before tax as follows:

	2019 Shs	2018 Shs
Loss before tax	-	-
Tax calculated at the statutory rate of 30%	-	-
Deferred tax not recognised(Note 10)	-	-
Tax charge	-	-
Tax payable	-	-
Current tax charge	-	-
Tax paid	-	-
At 30 June 2019	-	-



	No. of ordinary	Issued and fully paid Shs
7 Share capital		
At 30 June 2019	1,000	100,000

The total number of authorised ordinary shares is 1,000 with a par value of Shs. 100 each. The total number of shares issued and fully paid is 1,000 ordinary shares with a par value of Shs 100 each.

	2019 Shs	2018 Shs
8 Borrowings		
Non-current		
Loans	3,941,323	150,000
Loan from related party	(1,357,263)	3,791,323
	<u>2,584,060</u>	<u>3,941,323</u>

The movement in long term borrowings is as follows:

	2019 Shs	2018 Shs
At 1 July 2018	3,941,323	4,005,214
Amounts borrowed	(1,357,263)	(63,891)
At 30 June 2019	<u>2,584,060</u>	<u>3,941,323</u>

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using the rate based upon the borrowing rate.

Loans from related parties are interest free, unsecured and not repayable within the next 12 months.

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 For the year ended 30 June 2019

NOTES (CONTINUED)

9 Property, plant and equipment

	Furniture, fittings & equipment	Computer & equipment	Total
Cost	12.5%	30%	
At 1 July 2018	Shs 866,372	Shs 299,486	Shs 1,165,858
Additions	-	-	-
At 30 June 2019	<u>866,372</u>	<u>299,486</u>	<u>1,165,858</u>
Accumulated depreciation			
At 1 July 2018	203,056	151,155	354,211
Depreciation charge	<u>82,914</u>	<u>44,499</u>	<u>127,414</u>
At 30 June 2019	<u>285,971</u>	<u>195,654</u>	<u>481,625</u>
At 30 June 2019	<u><u>580,401</u></u>	<u><u>103,832</u></u>	<u><u>684,233</u></u>
At 30 June 2018	<u><u>663,316</u></u>	<u><u>148,331</u></u>	<u><u>811,647</u></u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2019 Shs	2018 Shs
10 Trade and other receivables		
Trade receivables	-	-
Other receivables and prepayments	<u>3,566,347</u>	<u>4,575,000</u>
Total trade and other receivables	<u><u>3,566,347</u></u>	<u><u>4,575,000</u></u>

Trade and other receivables above do not contain impaired assets which have been provided for.

The fair values of the trade and other receivables is approximately equal to their carrying amounts.

11 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the statement of financial position bank overdraft are included in borrowings in current liabilities. The year-end cash and cash equivalents comprise the following:

	2019 Shs	2018 Shs
Cash at bank	<u>965,415</u>	<u>758,457</u>
Total cash and cash equivalents	<u><u>965,415</u></u>	<u><u>758,457</u></u>





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2019 Shs	2018 Shs
12 Trade and other payables		
Trade payables	788,248	819,044
Other payables and accruals	554,721	586,465
<b>Total trade and other payables</b>	<u>1,342,969</u>	<u>1,405,509</u>

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair values.

## 13 Related party transactions and balances

The following transactions were carried out with related parties which are related through common shareholding and/or common directorships:

	2019 Shs	2018 Shs
i) Loans from related parties - (Note 8)		
At 1 July 2018	3,941,323	4,005,214
Amounts advanced	(1,357,263)	(63,891)
At 30 June 2019	<u>2,584,060</u>	<u>3,941,323</u>
ii) Directors' remuneration		
Salaries and other employment benefits	<u>-</u>	<u>-</u>



## 14 Critical accounting judgments and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including experience of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas of judgment and sources of estimation uncertainty are set out below:

## i) Property, plant and equipment - useful lives

Critical estimates are required in determining the depreciation rates for property, plant and equipment. The directors determine these rates of depreciation based on their assessment of the useful lives of the various items of property, plant and equipment.

## ii) Intangible assets

Critical estimates are made by directors in determining the amortisation rates for intangible assets. The management determines these rates of amortisation based on their assessment of the useful lives of the intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Critical accounting judgments and key sources of estimation uncertainty (Continued)

iii) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

iv) Provisions for obsolete inventories

The Company reviews inventories on an annual basis to assess the likelihood of obsolescence. In determining whether an inventory item is obsolete, directors make judgment as to whether the inventory item is relevant.

v) Provisions for doubtful debts

The Company reviews the debtors' portfolio regularly to assess the likelihood of impairment. This requires an estimation of amounts that are irrecoverable.

vi) Financial assets

The Company reviews its financial assets to assess the likelihood of impairment on an annual basis. In determining whether such assets are impaired, directors make judgements as to whether such assets are impaired and whether there are conditions that indicate potential impairment of such assets.

vii) Impairment losses

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the asset. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss, other than that arising from goodwill, is recognised as income immediately.



## SCHEDULE OF OPERATING EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2019

	2019 Shs	2018 Shs
<b>1. SELLING AND DISTRIBUTION EXPENSES</b>		
Advertising expenses	-	-
<b>Total selling and distribution costs</b>	<b>-</b>	<b>-</b>
<b>2. ADMINISTRATIVE EXPENSES</b>		
Employment:		
Salaries and wages	163,652	150,000
Post employment benefits - NSSF	11,200	10,800
<b>Total employment costs</b>	<b>174,852</b>	<b>160,800</b>
Other administration:		
Office expenses	126,534	105,000
Accounting fees	26,435	25,000
Consultancy fee	15,000	15,000
Legal fee	13,442	12,000
Secretarial fees	6,435	6,000
Subscriptions	19,065	18,000
Telephones	35,672	4,000
Printing and stationery	12,212	12,000
Bank charges	8,673	8,000
Meals and entertainment	11,435	12,000
Computer expenses and Internet	4,500	4,900
<b>Total other administrative expenses</b>	<b>279,403</b>	<b>221,900</b>
<b>Total administrative expenses</b>	<b>454,255</b>	<b>382,700</b>
<b>3. OTHER OPERATING EXPENSES</b>		
Establishment:		
Depreciation of property, plant and equipment	127,414	158,330
Rent	255,000	250,000
<b>Total other operating expenses</b>	<b>382,414</b>	<b>408,330</b>
<b>4. FINANCE COSTS</b>		
Bank interest	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

