



REDINGTON GREEN ENERGY LIMITED

ANNUAL FINANCIAL STATEMENTS AND REPORTS

FOR THE PERIOD ENDED 31ST MARCH 2024

Redington Green Energy Limited
Annual financial statements and reports
For the period ended 31st March 2024

CONTENTS

	PAGE
Company information	1
Report of the directors	2
Statement of directors' responsibilities	3
Report of the independent auditor	4 - 5
Financial statements:	
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes	10 - 21
Supplementary information:	
Schedule of operating expenditure	Appendix I

Redington Green Energy Limited
Company information
For the period ended 31st March 2024

Board of directors	Arun Srinivasan* Viswnath Pallasena Vaidhyanathan* * Indian
Company secretary	Faith Wangari Kariko P.O. Box 42724 - 00100 Nairobi, Kenya.
Registered office	Sarit Centre P.O. Box 383 - 00606 Nairobi, Kenya.
Independent auditor	RSM Eastern Africa LLP Certified Public Accountants 1st Floor, Pacis Centre, Slip Road, off Waiyaki Way, Westlands P.O. Box 349 - 00606 Nairobi, Kenya.
Principal bankers	I&M Bank Limited Park Avenue P.O. Box 30238 - 00100 Nairobi, Kenya.
Legal advisers	Conrad Law Adocates LLP Crawford Business Park State House Road P.O. Box 3217 - 00100 Nairobi, Kenya.

Redington Green Energy Limited
Report of the directors
For the period ended 31st March 2024

The directors submit their report together with the audited financial statements for the period ended 31st March 2024. These special purpose financial statements cover a 6 month period from the date of incorporation. These are the first audited financial statements for the company.

Incorporation

The company is domiciled in Kenya where it is incorporated as a private company limited by shares under the Kenyan Companies Act, 2015. The address of the registered office is set out on page 1.

Directorate

The directors who held office during the year and to the date of this report are set out on page 1.

Principal activities

The principal activities of the company is that of providing energy solutions through solar technologies.

Recommended dividend

The directors do not recommend the declaration of a dividend for the period.

Business review

Redington Green Energy Ltd was incorporated in Kenya on 17th Oct 2023, the company is into Distribution of Renewable Energy solutions, the company is now ready with its identification of suppliers & partners going to be traded with & the next full year the company is expected to generate good results.

The upcoming Financial years are expected to be more favourable as the full year of business is going to fall in the coming year. The company will put all its efforts in growing its size substantially. The market opportunity is sizeable as there are untapped areas for Redington to get a better growth in the initial period of its operations.

Statement as to disclosure to the company's auditor

With respect to each director at the time this report was approved:

- (a) there is, so far as the director is aware, no relevant audit information of which the company's auditor is unaware; and
- (b) the director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Terms of appointment of the auditor

The directors approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KSh 200,000 has been charged to profit or loss in the year.

By order of the board

.....
Director

Nairobi 8th May 2024

Redington Green Energy Limited
Statement of directors' responsibilities
For the period ended 31st March 2024

The Directors are required to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that: (a) show and explain the transactions of the company; and (b) disclose, with reasonable accuracy, the financial position of the company.

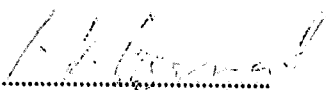
The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. They also accept responsibility for:

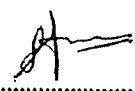
- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 8th May 2024 and signed on its behalf by:


.....
Director


.....
Director



RSM Eastern Africa LLP
Certified Public Accountants

1st Floor, Pacis Centre, Slip Road
Off Waiyaki Way, Westlands
P. O. Box 349 – 00606, Nairobi, Kenya

T: +254 (0) 20 361 4000/4451747/8/9
M: +254 (0) 706 347950/772 786111
E: info@ke.rsm-ea.com

www.rsm.global/kenya

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF REDINGTON GREEN ENERGY LIMITED

Opinion

We have audited the accompanying financial statements of Redington Green Energy Limited (the "Company"), set out on pages 6 to 21, which comprise the balance sheet as at 31st March 2024, the profit and loss account and statements of changes in equity and cash flows for the year then ended, and notes, including material accounting policy information.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. Other information comprises the information in the reports accompanying the Annual Financial Statements, other than our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standard, 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.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF REDINGTON GREEN ENERGY LIMITED (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events 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 the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA George Mutua**, Practising Certificate No. A/0011.

d. Mutua

**for and on behalf of RSM Eastern Africa LLP
Certified Public Accountants
Nairobi**

STANLEY
..... 2024
155/2024

Redington Green Energy Limited
Financial statements
For the period ended 31st March 2024

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2024

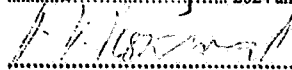
	Note	2024 KSh
Other income	5	11,501
Administrative expenses		(7,622,174)
Establishment expenses		<u>(552,857)</u>
Operating loss		(8,163,530)
Finance costs	6	<u>(399,387)</u>
Loss before tax	7	(8,562,917)
Tax expense	8	<u>-</u>
Loss for the year		<u><u>(8,562,917)</u></u>

Redington Green Energy Limited
Financial statements
For the period ended 31st March 2024

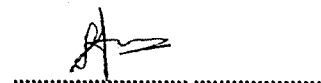
BALANCE SHEET AT 31ST MARCH 2024

	Note	2024 KSh
EQUITY		
Share capital	9	16,500,000
Accumulated losses		<u>(8,562,917)</u>
Total equity		<u>7,937,083</u>
Non-current liabilities		
Lease liability	16	<u>7,355,626</u>
		<u>7,355,626</u>
		<u>15,292,709</u>
REPRESENTED BY		
Non-current assets		
Equipment	10	104,839
Right of use assets	11	<u>8,063,760</u>
		<u>8,168,599</u>
Current assets		
Other receivables	12	1,473,221
Cash and cash equivalents	13	<u>8,793,478</u>
		<u>10,266,699</u>
Current liabilities		
Other payables	15	2,168,372
Lease liability	16	<u>974,217</u>
		<u>3,142,589</u>
Net current liabilities		<u>7,124,110</u>
		<u>15,292,709</u>

The financial statements on pages 6 to 21 were approved for issue by the board of directors on 27th May 2024 and were signed on its behalf by:



Director



Director

Redington Green Energy Limited
Financial statements
For the period ended 31st March 2024

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2024

	Note	Share capital KSh	Accumulated losses KSh	Total KSh
At incorporation		-	-	-
Shares issued	9	16,500,000	-	16,500,000
Loss for the period		<u>-</u>	<u>(8,562,917)</u>	<u>(8,562,917)</u>
At 31st March 2024		<u>16,500,000</u>	<u>(8,562,917)</u>	<u>7,937,083</u>

Redington Green Energy Limited
Financial statements
For the period ended 31st March 2024

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2024

	Note	2024 KSh
Cash flows from operating activities		
Loss before tax		(8,562,917)
Adjustments for:		
Depreciation of equipment	10	6,161
Amortisation of right of use assets	11	546,696
Interest expense on lease liability	6	<u>399,387</u>
Operating loss before working capital changes		<u>(7,610,673)</u>
Increase in other receivables		(1,473,221)
Increase in other payables		<u>2,168,372</u>
Cash used in operations		<u>(6,915,522)</u>
Cash flows from investing activities		
Purchase of equipment	10	<u>(111,000)</u>
Net cash used in investing activities		<u>(111,000)</u>
Cash flows from financing activities		
Issue of share capital	9	16,500,000
Payment of lease liability	16	<u>(680,000)</u>
Net cash generated from financing activities		<u>15,820,000</u>
Net increase in cash and cash equivalents		8,793,478
Cash and cash equivalents at start of year		<u>-</u>
Cash and cash equivalents at end of year	13	<u><u>8,793,478</u></u>

NOTES

1. General information

Redington Green Energy Limited ('the Company') is incorporated in Kenya under the Kenyan Companies Act as a Private Limited Liability Company and is domiciled in Kenya. The Company principal activity is providing energy solutions through solar technologies. These are the first financial statements of the company from the date incorporation to 31st March 2024.

For purposes of the Kenyan Companies Act, the balance sheet is represented by the statement of financial position and the profit and loss account is represented by the statement of comprehensive income in these financial statements.

2. Material accounting policy information

The accounting policy information considered material in the preparation of these financial statements is set out below:

a) Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. They are presented in Kenya Shillings, which is also the functional currency (see (c) below).

The financial statements comprise a profit and loss account (income statement), balance sheet (statement of financial position), statement of changes in equity, statement of cash flows, and notes. Income and expenses. Transactions with the owners of the company in their capacity as owners are recognised in the statement of changes in equity.

Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the material accounting policy information summarised below.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the company using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the company at the end of the reporting period during which the change occurred.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

b) New and revised standards

i) Adoption of new and revised standards

One new Standard and five Amendments to standards became effective for the first time in the financial year beginning 1st April 2023 and have been adopted by the Company.

Of the five amendments, the Company had applied the following two Amendments early, in 2021:

Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)

The amendments require entities to disclose their material accounting policy information rather than their significant accounting policies.

Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Neither the new Standard nor the other three amendments have had an impact on the Company's financial statements.

i) New and revised standards that have been issued but are not yet effective

The company has not applied any other of the new or revised Standards and Interpretations that have been published but are not yet effective for the year beginning 1st January 2023, and the directors do not plan to apply any of them until they become effective. Note 26 lists all such new or revised standards and interpretations, with their effective dates, none of which is expected to have a significant impact on the company's financial statements in the period of initial application.

c) Translation of foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the company operates), which is Kenya Shillings.

Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the profit and loss account in the year in which they arise.

d) Revenue recognition

Revenue represents the fair value of consideration received or receivable for the sale of goods and services in the course of the company's activities. It is recognised when it is probable that future economic benefits will flow to the company and the amount of revenue can be measured reliably. It is stated net of Value Added Tax, rebates and trade discounts. Cash discounts are included as part of finance costs.

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

e) Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit and loss account except when it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

Current tax

Current tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Kenyan Income Tax Act.

Deferred income tax

Deferred tax is determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

f) Share capital

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

g) Financial instruments

Initial recognition

Financial instruments are recognised when, and only when, the Company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Company commits itself to the purchase or sale.

Classification

The company classifies its financial instruments into the following categories:

- i) Financial assets are classified and measured at amortised costs.
- ii) Financial liabilities are classified and measured at amortised cost.

Financial instruments held during the year were classified as follows:

- Demand and term deposits with banking institutions and trade and other receivables were classified at amortised cost:
- Borrowings and trade and other liabilities were classified at amortised cost.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

Initial measurement

- i) Financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition.
- ii) Trade receivables are measured at their transaction price.

Subsequent measurement

Financial assets and financial liabilities after initial recognition are measured at amortised cost or at fair value through profit or loss according to their classification.

Interest income, dividend income, and exchange gains and losses on monetary items are recognised in profit or loss.

Fair value is determined as set out in Note 2 (a). Amortised cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Impairment

The Company recognises a loss allowance for expected credit losses on debt instruments that are measured at amortised cost or at fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

g) Financial instruments (continued)

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Company has transferred substantially all risks and rewards of ownership, or when the Company has no reasonable expectations of recovering the asset.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

When a financial asset measured at fair value through other comprehensive income, other than an equity instrument, is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. For equity investments for which an irrevocable election has been made to present changes in fair value in other comprehensive income, such changes are not subsequently transferred to profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

h) Equipment

All categories of equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system, that is an integral part of the related hardware is capitalised as part of the computer equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that it will increase the future economic benefits associated with the item that will flow to the company over those originally assessed and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit and loss account in the year in which they are incurred.

Depreciation is calculated using the straight line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 profit.

i) Impairment of non-financial assets

Non-financial assets that are carried at amortised cost are reviewed at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

j) Leases

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

NOTES (CONTINUED)

2. Material accounting policy information (continued)

j) Leases (continued)

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

For leases that contain non-lease components, the Company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. In the balance sheet, bank overdrafts are included as borrowings under current liabilities.

l) Provisions for liabilities

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 amount of the obligation can be made.

3. Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the company, the directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

a) Significant judgements made in applying the Company's accounting policies

The judgements made by the directors in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- i) Whether credit risk on financial assets has increased significantly since initial recognition; and
- ii) Whether it is probable that future taxable profits will be available against which temporary differences can be utilised (see Note 14).

b) Key sources of estimation uncertainty

Key assumptions made about the future and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

- i) Property, plant and equipment
Critical estimates are required in determining the depreciation rates for property, plant and equipment. Management determines these rates of depreciation based on their assessment of the useful lives of the various items of property, plant and equipment.

NOTES (CONTINUED)

4. Nature and extent of risks arising from financial instruments

a) Financial risk management

The company's activities expose it to a variety of financial risks including credit, liquidity and market risks. The company's overall risk management policies are set out by the board and implemented by the management, and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the company's performance by setting acceptable levels of risk. The company does not hedge against any risks.

i) Credit risk and expected credit losses

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a company-wide

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the Company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the Company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Company groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument
- industry in which the debtor operates
- nature of collateral.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

NOTES (CONTINUED)

4. Nature and extent of risks arising from financial instruments (continued)

a) Financial risk management (continued)

i) Credit risk and expected credit losses (continued)

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

	12- months expected credit losses KSh '000	Basis for measurement of loss allowance			Total KSh '000
		Lifetime expected credit losses (see note below)			
At 31st March 2024		(a) KSh '000	(b) KSh '000	(c) KSh '000	
Other receivables	758,804	-	-	-	758,804
Cash at bank	8,793,478	-	-	-	8,793,478
Gross carrying amount	9,552,282	-	-	-	9,552,282
Loss allowance	-	-	-	-	-
Exposure to credit risk	9,552,282	-	-	-	9,552,282

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- (a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
- (b) financial assets that are credit impaired at the balance sheet date;
- (c) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the company's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The company manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities to cover any shortfalls.

The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities:

	Less than one month KSh	Less than 1 year KSh	Over 1 year KSh	Totals KSh
Year ended 31st March 2024				
Other payables	-	2,168,372	-	2,168,372
	-	2,168,372	-	2,168,372

iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises two types of risks: currency risk and interest rate risk.

Currency risk

Currency risk arises on financial instruments denominated in foreign currency. The Company has trade receivables, trade payables and borrowings that are denominated in foreign currency.

The significant exposure in respect of each currency is as follows:

	US\$ KSh
Year ended 31st March 2024	
Cash and cash equivalents	71,265
Net exposure	71,265

Redington Green Energy Limited
Financial statements
For the period ended 31st March 2024

NOTES (CONTINUED)

4. Nature and extent of risks arising from financial instruments (continued)

a) Financial risk management (continued)

ii) Market risk (continued)

Management considers that an appreciation of the United States Dollar against the Kenya Shilling of 10% or a depreciation of the United States Dollar against the Kenya Shilling of 10% in the year ending 31st March 2025 are both reasonably possible. If the United States Dollar was to appreciate/depreciate against the Kenya Shilling by the said percentages, with all other factors remaining constant, the post-tax profit and equity would be lower/higher by KSh 4,989 respectively.

5. Interest income

2024
KSh

Interest income	11,501
-----------------	--------

6. Finance costs

Interest expense - lease	399,387
--------------------------	---------

7. Loss before tax expense

a) Items charged

The following items have been charged in arriving at loss before tax expense:

Employee benefits expense	4,050,834
Depreciation of equipment	6,161
Interest on lease liability	436,432
Amortisation of right-of-use assets	546,696

b) Employee benefits expense

The following items are included in employee benefits expense:

Wages and salaries	4,042,194
National Social Security Fund	8,640
	4,050,834

8. Tax expense

2024
KSh

Current income tax	-
--------------------	---

Tax expense	-
-------------	---

The tax on the company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate of 30% as follows:

Loss before income tax	(8,562,917)
-------------------------------	--------------------

Tax calculated at the statutory tax rate of 30%.	(2,568,875)
--	-------------

Tax effect of:

Deferred tax asset not recognised	2,568,875
-----------------------------------	-----------

Tax expense	-
-------------	---

Redington Green Energy Limited
Financial statements
For the period ended 31st March 2024

NOTES (CONTINUED)

9. Share capital	No. of ordinary shares	Issued and paid up capital KSh'000
At incorporation	-	-
Shares issued	1,650	16,500,000
At 31st March 2024	<u>1,650</u>	<u>16,500,000</u>

The total number of authorised ordinary shares is 149,150 with a par value of KSh 10,000 each.

10. Equipment

	Computer equipment KSh	Total KSh
Year ended 31st March 2024		
Additions	111,000	111,000
Depreciation charge	(6,161)	(6,161)
Closing carrying amount	<u>104,839</u>	<u>104,839</u>
At 31st March 2024		
Cost	111,000	111,000
Accumulated depreciation	(6,161)	(6,161)
Net carrying amount	<u>104,839</u>	<u>104,839</u>

Rate - %

Computers

33.3

11. Right-of-use assets

	2024 KSh
At start of year	-
Additions	8,610,456
Depreciation charge for the year	(546,696)
At end of year	<u>8,063,760</u>

12. Other receivables

Prepayments	714,417
Other receivables	758,804
	<u>1,473,221</u>

13. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

Cash at bank and in hand	<u>8,793,478</u>
--------------------------	------------------

Redington Green Energy Limited
Financial statements
For the period ended 31st March 2024

NOTES (CONTINUED)

14. Deferred tax

Deferred income tax is calculated using the enacted tax rate of 30%, except for capital gains, for which the enacted tax rate of 15% is used (2022: 30% and 15%). The capital gains tax rate was increased from 5% to 15% with effect from 1 January 2023.

	2024
	KSh
At 1st January	-
Deferred tax income relating to the origination and reversal of temporary differences	(2,568,875)
Deferred tax asset not recognised	<u>2,568,875</u>
At 31st March	<u>-</u>

Year ended 31st March 2024	At start of year KSh	Credited to profit or loss KSh	At end of year KSh
Deferred tax asset			
Equipment	-	6,476	6,476
Leased assets	-	2,419,130	2,419,130
Lease liabilities	-	(2,498,953)	(2,498,953)
Provisions	-	(97,157)	(97,157)
Loss carried forward	-	<u>(2,398,371)</u>	<u>(2,398,371)</u>
Net deferred tax asset	<u>-</u>	<u>(2,568,875)</u>	<u>(2,568,875)</u>
Deferred tax asset not recognised	<u>-</u>	<u>2,568,875</u>	<u>2,568,875</u>
Net deferred tax asset recognised	<u>-</u>	<u>-</u>	<u>-</u>

Under the Kenyan Income Tax Act, with effect from 1st July 2021, the tax losses of Ksh 7,994,569 can be carried forward indefinitely.

15. Other payables

	2024
	KSh
Other payables and accruals	<u>2,168,372</u>

16. Lease liability

Reconciliation of lease liabilities arising from financing activities:

At start of year	-
Additions	8,610,456
Interest charged to profit or loss	399,387
Payments under leases	<u>(680,000)</u>
At end of year	<u>8,329,843</u>
Non-current liability portion	7,355,626
Current liability portion	<u>974,217</u>
	<u>8,329,843</u>

NOTES (CONTINUED)

17. New and revised financial reporting standards

The Company has not applied the following new and revised standards and interpretations that have been published but are not yet effective for the year beginning 1st April 2023.

Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)

The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)

The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.

Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)

The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

Amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements (issued in May 2023)

The amendments, applicable to annual periods beginning on or after 1st January 2024, require an entity to provide additional disclosures about its supplier finance arrangements

Amendments to IAS 21 titled Lack of Exchangeability (issued in August 2023)

The amendments, applicable to annual periods beginning on or after 1st January 2025, require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)

The amendments, applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

Redington Green Energy Limited
Supplementary information
For the period ended 31st March 2024

SCHEDULE OF OPERATING EXPENDITURE

1. ADMINISTRATIVE EXPENSES	2024 KSh
Employment:	
Salaries and wages	4,042,194
Social security costs (NSSF)	8,640
Employee insurance & medical fees	9,847
Gratuity provision	127,602
Leave provision	196,252
Staff other expenses	<u>42,140</u>
Total employment costs	<u>4,426,675</u>
Other administration expenses:	
Legal and professional fees	373,500
Office utilities and expenses	132,360
Transport and travel	118,843
Software licences and maintenance	3,583
Audit fees	200,000
Foreign exchange loss	2,356,881
Bank charges	<u>10,332</u>
Total other administration expenses	<u>3,195,499</u>
Total administrative expenses	<u><u>7,622,174</u></u>
2. ESTABLISHMENT EXPENSES	
Establishment:	
Depreciation on equipment	6,161
Amortisation of right of use assets	<u>546,696</u>
Total other operating expenses	<u><u>552,857</u></u>