Company Registration number No. 09809303

DEE (RIFT EXPLORATION) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2019

CONTENTS

Report and Financial Statements

Corporate information
for the year ended 31 March 2019

DIRECTORS:	Michael Francis Walsh Anupam Sharma
COMPANY SECRETARY	TMF Global Services (UK) Limited 8th Floor, 20 Farringdon Street London EC4A 4AB, United Kingdom
REGISTERED OFFICE:	Almack House 28 King Street London SW1Y 6QW, United Kingdom
REGISTERED NUMBER:	09809303 (England and Wales)

Directors' Report

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption in accordance with part 15 of the Companies Act, 2006 'The Small companies and Groups (Accounts and Directors Report - Regulations 2008). The Company is not required to prepare a Strategic Report.
The directors present their report and the financial statements of DEE (Rift Exploration) Limited or the ("Company") for the year ended 31 March 2019.

PRINCIPAL ACTIVITY
The principal activities of the company are exploration, exploitation and development of oil and natural gas fields in Sub Saharan Africa.

GOING CONCERN

The Directors are satisfied that the Company is a part of Group (headed by Delonex Energy Limited) that has adequate resources to continue to operate for the foreseeable future. The Group's forecasts and projections show that it has sufficient financial resources on the basis of continuing support from its investors who have committed capital of USD 600MM. The Directors recognize a potential risk of investors not honoring capital calls against the committed amounts; however, they are of the view that such a possibility is unlikely. The Group has sufficient financial resources considering its cash in hand, to meet its committed obligations over the next 12 months. As a consequence, the Directors have a reasonable expectation that the Group is well placed to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

FINANCIAL RISK MANAGEMENT

The Company is exposed to liquidity risk, credit risk and foreign currency risk. The policy for managing these risks is outlined below:

Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The Company maintains good relationships with its bank, which has a high credit rating and its cash requirements are anticipated via the budgetary process.

Credit risk

The Company is mainly exposed to credit risk from its bank balances and trade and other receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Management considers the above measures to be sufficient to control the credit risk exposure.

Foreign currency risk

The Company is exposed to foreign currency risk. The functional currency of the Company is US Dollars. The directors believe that foreign currency risk is at an acceptable level and believe the cost of hedging against the risk would outweigh the benefits.

CAPITAL STRUCTURE
The Company is entirely financed through equity extended from its ultimate parent company, Delonex Energy Limited. The Company requests further capital funding for investment and operating expenditure when the need arises.

Directors' Report (continued)

DIRECTORS
The following directors have held office throughout the year and to the date of the report.

Michael Francis Walsh
Anupam Sharma

There are no qualifying indemnities in place in respect of the directors.

RELATED PARTY TRANSACTIONS

Details of related party transactions are given in note 16 to the financial statements.

This Directors' Report was approved by the Board on November 27, 2019 and signed on its behalf by

Michael Francis Walsh
Director

Directors' responsibilities statement

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Profit or Loss & Comprehensive Income
for the year ended 31 March 2019

	Notes	31 March 2019 USD	31 March 2018 USD
Exploration Expenses	7	(14,960)	(527,663)
Operating Loss		**(14,960)**	**(527,663)**
Loss before tax		**(14,960)**	**(527,663)**
Income tax expense	9	-	-
Loss for the year		**(14,960)**	**(527,663)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(14,960)**	**(527,663)**

The notes on pages 16 to 18 form an integral part of these financial statements.

Statement of financial position
At 31 March 2019

	Notes	31 March 2019	31 March 2018
		USD	USD
Assets			
Current assets			
Trade and other receivables	10	-	8,078
		-	**8,078**
Total assets		**-**	**8,078**
Equity and liabilities			
Equity			
Share capital	12	6,898,594	6,849,012
Retained earnings	13	(6,969,615)	(6,954,655)
Total equity		**(71,021)**	**(105,643)**
Current liabilities			
Trade and other payables	14	71,021	113,721
		71,021	**113,721**
Total liabilities		**71,021**	**113,721**
Total equity and liabilities		**-**	**8,078**

The notes on pages 16 to 18 form an integral part of these financial statements.
For the year ended 31st March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

• The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and

• The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were signed on behalf of the Board by.

Michael Francis Walsh – Director
November 27, 2019

Statement of changes equity

for the period ended 31 March 2019

	Share capital USD	Retained earnings USD	Total USD
As at 31 March 2017	**6,849,012**	**(6,426,992)**	**422,020**
Total comprehensive loss for the period	-	(527,663)	(527,663)
As at 31 March 2018	**6,849,012**	**(6,954,655)**	**(105,643)**
Total comprehensive loss for the year	-	(14,960)	(14,960)
Transactions with shareholders:			
Issue of share capital	49,582	-	49,582
As at 31 March 2019	**6,898,594**	**(6,969,615)**	**(71,021)**

The notes on pages 16 to 18 form an integral part of these financial statements.

Statement of Cash Flows
for the year ended 31 March 2019

	Notes	31 March 2019 USD	31 March 2018 USD
Cash flow from Operating activities			
Loss before tax		(14,960)	(527,663)
Adjustments			
Provision for VAT receivables		-	526,663
Working capital adjustments:			
Decrease in trade and other receivables		8,078	82,537
(Decrease) in trade and other payables		(42,700)	(82,537)
	-	**(49,582)**	-
Net cash flows from operating activities		**(49,582)**	-
Cash flow from Financing activities			
Issue of share capital		49,582	-
Net cash inflow from financing activities		**49,582**	-
Increase/(Decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 01 April 2018		-	-
Cash and cash equivalents at 31 March 2019		-	-

The notes on pages 16 to 18 form an integral part of these financial statements

Accounting policies
For the year ended 31 March 2019

1. General Information

DEE (Rift Exploration) Limited (the 'Company') is a wholly owned subsidiary of Delonex Ethiopia Holdings (Two) Limited, and is incorporated and domiciled as a limited Company in England and Wales. The Company's principal activities are the exploration, exploitation and development of oil and natural gas fields in sub-Saharan Africa.

2. Basis of preparation

The financial statements of the Company for the year ended 31 March 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union.

a) Basis of measurement

The financial statements have been prepared on a historical cost convention except for financial instruments that have been measured at fair value.

b) Interest in Joint arrangements

The Company has interests in joint arrangements where partners have joint control established through contractual agreement. The Company interests in these arrangements are accounted for by recognising its proportionate share in assets and liabilities of these jointly controlled licenses.

3. Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future after considering the risks set out in the Directors' Report on pages 4 & 5. Accordingly, they continue to adopt the going concern basis in preparing the Annual Accounts.

4. Summary of significant accounting policies

a) Revenue from Contracts from Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

b) Foreign currency translations

The Company's financial statements are presented in USD, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in a normal operating cycle
- expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability, for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in a normal operating cycle
- due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

Accounting policies
For the year ended 31 March 2019 continued

Current versus non-current classification (continued)
The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Exploration and evaluation assets
The Company follows the successful efforts based accounting policy for oil and gas exploration and evaluation assets. The success or failure of each exploration effort is assessed for each well.

i. Pre-License Costs
Pre license costs incurred prior to obtaining the right to explore are expensed immediately in income statement.

ii. License and Property Acquisition costs
Expenditure incurred on the acquisition of license interests and leasehold properties (including signature bonus, training and community development etc.) is initially capitalized on a license-by-license basis. These costs are held, un-depleted, within intangibles assets as exploration and evaluation costs until such time as the exploration phase on the License area is complete or commercial reserves have been discovered. Upon recognition of proved reserves, which includes internal approval for development, the relevant expenditure is transferred to Oil and Gas properties.
Annual license costs and rentals incurred to explore in the license area are capitalized as part of license and property acquisition costs.
Acquisition cost which are incurred as part of farm in transactions are also initially capitalized and later being transferred to Oil and Gas properties, in the manner discussed above.

iii. Exploration and Evaluation Cost
All direct and indirect costs (including general and administrative expenses) incurred in the exploration phase as part of determining the oil and gas exploration targets is capitalized initially within intangible assets and subsequently allocated to drilling activity.
All direct and indirect costs (G&A) relating to exploration, appraisal and drilling are initially capitalized on well-by-well basis. Exploratory well costs are written off in the income statement / other comprehensive income on completion of the well if the outcome is a dry well. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of extractable hydrocarbons, including the cost of appraisal wells where hydrocarbons are not found, are initially capitalized as an intangible asset. Following the appraisal of a successful exploration well, if commercial reserves are established and the project is internally sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) impairment losses recognised, then the remaining balances are transferred to Oil and Gas properties. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written off to the statement of profit or loss.

iv. Farm-in and farm-out transactions
A farm-in / farm-out agreement is recognised when risks and rewards of ownership are transferred, which usually take place when necessary formal approvals are given by the partners and respective Governments.
For transactions involving asset in the exploration and evaluation phase, the Company has adopted an accounting policy permitted by IFRS-6 such that the Company does not record any expenditure incurred by the farmee on behalf of the Company. The Company also does not recognize any gain or loss on its farm-out arrangements, but re-designates any cost previously capitalized as in relation to the whole interest, to the partial interest retained. Net proceeds from any disposal or farm-out of an intangible exploration asset are recorded as a reduction in total carrying value of intangible exploration assets; excess (if any) being accounted as gain on disposal.

For a farm-in transaction, the Company recognizes its expenditure under the arrangement in respect of its own interest and for carried interests, where the Company is carrying any other partner for their share of expenditure in the exploration stage, the Company accounts for such partner share also in its books of accounts as and when costs are incurred.

Accounting policies
For the year ended 31 March 2019 continued

e) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss, as incurred.

f) Intangible Asset

Intangible assets are initially recognised at cost and carried net of accumulated depreciation and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination are accounted at their fair value at the date of acquisition. Intangible assets for the Company, comprises of computer software costs which are amortised over 36 months

g) Financial instruments

Financial assets

Financial assets are recognised initially at fair value, normally being the transaction price. In the case of financial assets not at fair value the same are measured at fair value through statement of profit or loss, directly attributable transaction costs are also included.

The financial assets of the Company includes trade and other receivables. These are categorised as loans and receivables. These assets are initially recognized at fair value and are subsequently measured at amortized cost less an allowance for uncollectable amounts.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument in any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities for the Company include trade and other payables which are recognized at fair value and subsequently measured at amortized cost.

h) Trade and other receivables

Trade and other receivables, including receivables from related parties, are initially recognised at fair value and subsequently measured at amortised cost less an allowance for uncollectable amounts. Collectability and impairment are assessed on a regular basis.

i) Cash and Cash Equivalents

Cash and Cash Equivalents comprises cash at bank and in hand and short-term deposits with maturity of three months or less.

j) Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method. All transactions are recognised on their transaction date.

k) Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of obligation cannot be measured reliably except where the contingent liability results as part of a business combination. The Company does not have any material contingent liability as of the reporting date.

Accounting policies
For the year ended 31 March 2019 continued

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

Company as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The Company does not have any financial leases during the reporting period. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Subsequent impact on Company as a lease

IFRS 16 'Leases' provides a new model for lessee accounting in which all leases, other than short-term leases and leases of low value, will be accounted for by the recognition on the balance sheet of a right-to-use asset and a lease liability. The subsequent amortisation of the right-to-use asset and the interest expense related to the lease liability will be recognised in profit or loss over the lease term. IFRS 16 replaces IAS 17 'Leases' and IFRIC 4 'Determining whether an arrangement contains a lease'.

The Company will adopt the standard from the first annual reporting period after its applicability i.e. from 1 April 2019. Since, the company does not have any leases, this amendment has no impact in the current year.

m) Taxation

Current income tax

Current income tax is provided at amounts expected to be paid (or recovered) using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date, in the country in which the Company operates.

Deferred income tax

Deferred tax is recognised using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Temporary differences arise particularly in connection with the tax losses carried forward. Deferred tax assets are recognised for all unutilized tax losses carried forward to the extent that it is probable that taxable profits will be available in future against which the unutilized tax losses can be offset.

n) Impairment of assets

Exploration and evaluation assets

Exploration and evaluation assets are assessed for indicators of impairment in accordance with the Company's accounting policy under IFRS 6. Exploration and evaluation assets are only assessed for impairment where the facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Indications that the carrying amount of the asset may exceed its recoverable amount include:

i. Substantive expenditure on further exploration and evaluation activities on the asset or group of assets is neither budgeted nor planned;
ii. The entity has decided to discontinue activities on the asset or group of assets as a result of failing to find commercially viable quantities of hydrocarbons; and
iii. The entity has sufficient data indicating that the carrying amount of the asset or group of assets is unlikely to be recovered in full from successful development or by sale.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The impairment loss for a CGU is recognized to

the extent carrying amount exceeds the recoverable amount, which is the higher of an asset's or CGU's fair value (less costs of disposal) and value in use.

Accounting policies
For the year ended 31 March 2019 continued

Property plant and equipment & other Intangible Assets
Property Plant and Equipment and other intangible assets are reviewed at each year end. If there is indication based on fair market value of assets, impairment is considered in the books of account.

o) **Changes in accounting policies and new IFRS standards and interpretation**
There were new standards and interpretations, with an effective date in current financial year (after 1 April 2018) which were applicable for the first time. Other than the ones noted below, the accounting policies adopted are consistent with those of the previous year. New amendments / interpretations have not materially impacted the Company.

The IASB and IFRIC have issued the following standards and interpretations, with an effective date before and after the date of these financial statements, March 31, 2019 which are relevant to the Company and may have impact on the Company now or in the future, as described below:

(IAS / IFRS)	**International Accounting Standards**	**(Effective date)**
IFRIC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 Jan 2018
IFRS 9	Financial instruments	1 Jan 2018
IFRS 15	Revenue from contracts with customer	1 Jan 2018
IFRS 16	Leases	1 Jan 2019

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This interpretation does not have any impact on Company's financial statements.

IFRS 9 Financial instruments
IFRS 9 provides for initial recognition of all financial assets at fair value. Debt instruments may subsequently be measured at amortised cost if certain conditions are met. All equity instruments will be measured at fair value through other either comprehensive income or statement of profit or loss.
From 1 April 2018, the company classifies its financial asset debt instruments as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.
The company already recognises the financial instruments at fair value and also assesses the same for expected credit loss. The standard therefore does not have any material impact on the company.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principal of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to the customer in a methodology that appropriately reflects the consideration, which the entity expects to be entitled to receive, in exchange for those goods & services. Since the entity does not have any revenue from contracts, this amendment does not have a material impact on the Company.

IFRS 16 Leases
IFRS 16 Leases replaces the existing leasing standard (IAS 17 Leases), provides transparency on companies' lease assets and liabilities by removing off balance sheet lease financing, and will improve comparability between companies that lease and those that borrow to buy. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right-to –use the underlying asset during the lease term (i.e. the right to use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Since, the Company does not have any leases, this amendment has no impact in the current year.

Notes to the financial statements
For the year ended 31 March 2019

5. Operating loss before tax

The Company did not have any revenue generating activities during the financial period.

6. Staff Costs

Director's remuneration

No remuneration has been paid to the directors for the services rendered to the Company.

Employee costs

Except for the Directors, the Company does not have any employees, (2018: nil).

7. Exploration expenses

	Year ended 31 March 2019	Year ended 31 March 2018
	USD	USD
Exploration cost written off	14,960	527,663
	14,960	**527,663**

Note: Company has withdrawn & exited from both the blocks i.e. Rift Valley & South Omo back in 2017. Cost incurred post withdrawal from blocks have been charged to statement of profit or loss in line with the group policy.

8. Administration expenses

The Company did not incur any Administrative expenses during the year.

9. Income tax expense

Analysis of tax expense

No corporation tax liability arose during the year as the Company did not have any revenue generating activities.

From 1 April 2019 the standard rate of corporation tax is 19%. This rate will reduce further to 17% from April 2020. A deferred tax asset has not been recognised due to the uncertainty of future profits being available to offset losses carried forward.

10. Trade and other receivables

	Year ended 31 March 2019	Year ended 31 March 2018
	USD	USD
Receivables in Joint Operation	-	8,078
	-	**8,078**

11. Financial Instruments

a) Financial management

Exploration for oil and gas involves a high degree of risk and the Company is subject to the general risk factors pertaining to this business, such as

(i) volatility of oil and gas prices,
(ii) uncertainty pertaining to estimated oil and gas reserves,
(iii) operational risk related to oil and gas exploration
(iv) access to infrastructure and markets and
(v) Regional and fiscal stability.

Moreover, only few prospects that are explored are ultimately developed into production.

Further, the Company is exposed to certain types of financial risks. The business activities of the Company involve exposure to liquidity risk and foreign currency risk.

Notes to the financial statements
For the year ended 31 March 2019 continued

b) Fair value of financial assets and liabilities

The carrying amount of the financial instruments indicated below are approximately equal to the fair value since these instruments have a short term to maturity.

	Year ended 31 March 2019		Year ended 31 March 2018	
Assets:	**Fair Value**	**Carrying Amount**	**Fair value**	**Carrying Amount**
	USD	**USD**	**USD**	**USD**
Trade and other receivables	-	-	8,078	8,078
	-	**-**	**8,078**	**8,078**
Liabilities				
Trade & Other Payables	71,021	71,021	113,721	113,721
	71,021	**71,021**	**113,721**	**113,721**

c) Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The Company currently relies on funding from its parent undertaking and its cash requirements are anticipated via the budgetary process to manage its funding requirements.

d) Foreign currency risk

Funding to the Company and the majority of transactions are in USD. The Company is exposed to currency risk related to its activities because part of the Company expenses are in currencies other than USD and the Company has not entered into any agreements to reduce its exposure. However the foreign currency risk will have minimal impact.

e) Capital Management

The Company's objective is to maintain a capital structure such that it has appropriate levels of funding to ensure that the Company can meet its cash flow requirements and can support its trading activity. The Company will seek further investments from its parent entity to fund ongoing activity.

12. Share capital

	Year ended 31 March 2019	Year ended 31 March 2018
	USD	**USD**
Allotted, issued and fully paid:		
Balance at the beginning of the year	6,849,012	6,849,012
Allotted during the year	49,582	-
Balance as at the end of the year	**6,898,594**	**6,849,012**

Note: During the year, the company issued 49,582 shares for nominal value of USD 1 per share to Delonex Ethiopia Holdings (Two) Limited.

13. Retained Earnings

	Year ended 31 March 2019	Year ended 31 March 2018
	USD	**USD**
Balance as at the beginning of the year	(6,954,655)	(6,426,992)
Loss for the year	(14,960)	(527,663)
Balance as at the end of the year	**(6,969,615)**	**(6,954,655)**

Notes to the financial statements
For the period ended 31 March 2019 continued

14. Trade and other payables

Trade and other payables may broadly be classified as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
	USD	**USD**
Payable in Joint Operations	71,021	113,721
	71,021	**113,721**

Note: Payable in Joint operations represent sums payable in relation to block South Omo.

15. Capital commitments

The Company did not have any capital commitments as at March 2019.

16. Related party transactions

a) Names of related parties and nature of relationship:

(i) Ultimate Parent Company	Delonex Energy Limited (DEL)
(ii) Holding Company	Delonex Ethiopia Holdings (Two) Limited

b) Inter Company transactions during the Year:

During the year, the company issued shares worth USD 49,582 to its parent undertaking, Delonex Ethiopia Holding (Two) Limited.

17. Going Concern Assumption

Net worth of the Company has eroded however, the Directors of the company are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. The Group's forecasts and projections show that the Group has sufficient financial resources on the basis of its continued support from its investors who have committed capital of USD 600MM. The Company can raise capital calls from its ultimate parent company as and when funds are required to meet its liabilities. The financial statements have therefore been prepared on the going concern basis and that no adjustments are required to the carrying value of assets and liabilities.

18. Events after the reporting period

No material event has occurred after the closing date of the Company financial statement up to the date of presentation, which may have material impact on the decision of the user of these financial statements.

19. Ultimate Parent Company and controlling party

The Company's ultimate parent company is Delonex Energy Limited, registered in England and Wales, which is the parent company of both the smallest and largest group to consolidate these financial statements. Copies of the Delonex Energy Limited consolidated financial statements can be obtained from 1st Floor, 55 Strand, London, WC2N 5LS.

The Company's immediate parent undertaking is Delonex Ethiopia Holdings (Two) Limited.