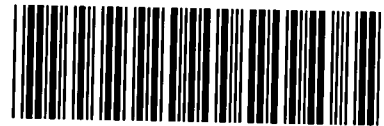


Echo Energy Bolivia (Hold Co 1) UK Ltd

Annual Report and Financial Statements

31 May 2018

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COMPANIES HOUSE

Company Information

Board of directors

Geoffrey Alan Probert

Martin George Michael Hull

Registered office

40 George Street

Marylebone

London

W1U 7DW

Registered number

10760859 (England and Wales)

Auditors

Crowe U.K. LLP

St.Bride's House

10 Salisbury Square

London

EC4Y 8EH

Directors' report

The directors present their report and the financial statements for the year ended 31 May 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and International Financial Reporting Standards ("IFRSs") 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 to 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.

Directors

The directors who served during the year were:

F M MacAulay (Appointed 5 July 2017, resigned 20 December 2018)

W P Holland (Appointed 1 September 2017, resigned 1 August 2018)

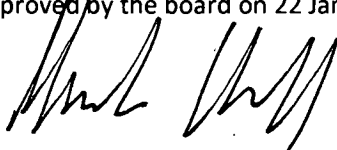
Since the period end M G M Hull (1 August 2018) and G A Probert (19 December 2018) were appointed as directors.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 January 2019 and signed on its behalf.

Martin Hull
Director



Independent auditor's report to the shareholders of Echo Energy Bolivia (Hold Co 1) UK Ltd

Opinion

We have audited the financial statements of Echo Energy Bolivia (Hold Co 1) UK Ltd for the year ended 31 May 2018 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2018 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ("FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

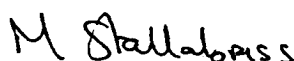
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
St Brides House
10 Salisbury Square
London EC4Y 8EH
Date: 22 January 2019

Statement of comprehensive income

Year ended 31 May 2018

Company number: 10760859

	Notes	Year to 31 May 2018 US \$
Continuing operations		
Revenue		-
Cost of sale		-
Gross profit		-
Exploration expenses		-
Administrative expenses		-
Operating loss		-
Financial expense		-
Operating loss		-
Loss before tax from continuing operations		-
Taxation		-
Loss for the period		-

The notes on pages 11 to 15 form an integral part of these financial statements.

Statement of financial position

As at 31 May 2018

	Notes	31 May 2018 US \$
Non-current assets		
Investments in subsidiaries	4	1
Current assets		
Other receivables	6	1
Current liabilities		
Trade and other payables	7	(1)
Net current assets		1
Net assets		<u>1</u>
Equity		
Share Capital	8	1
Equity shareholders' funds		<u>1</u>

These financial statements were authorised for issue and approved by the board on 22 January 2019



Martin Hull
Director

The notes on pages 11 to 15 form an integral part of these financial statements.

Statement of changes in equity

Year ended 31 May 2018

	Retained Earnings US \$	Share Capital US \$	Total US \$
1 June 2017	-	1	1
Loss for the year	-	-	-
31 May 2018	-	1	1

The notes on pages 11 to 15 form an integral part of these financial statements.

Statement of cash flows

Year ended 31 May 2018

Period to
31 May 2018
US \$

Cash flows from operating activities	-
Loss before taxation:	-
Adjustment for:	
(Increase)/decrease in trade and other receivables	(1)
Increase/(decrease) in trade and other payables	1
Cash generating operations	-
Income taxes paid	-
Net cash from operating activities	-
Cash flows from investing activities	
Investment in subsidiary undertaking	(1)
Net cash flow used in investing activities	-
Cash flows from financing activities	
Issue of share capital	1
Net (decrease)/increase in cash and cash equivalents	-
Cash and cash equivalents at 1 June	-
Cash and cash equivalents at 31 May	-

The notes on pages 11 to 15 form an integral part of these financial statements.

Notes to the financial statements

Period ended 31 May 2018

1. Accounting policies

General Information

The Company is registered and domiciled in England and Wales and incorporated under the Companies Act 2006. The nature of the Company's operations and its principle activities are set out in the Directors' report on page 3.

The Company's functional currency is the US dollar, and presentational currency is the US dollar. The principal accounting policies are summarised below:

(a) Basis of accounting

The financial statements have been prepared in accordance with IFRSs as adopted by the European Union. These financial statements are for year 1 June 2017 to 31 May 2018.

New standards and interpretations not applied

At the date of authorisation of these financial statements, a number of standards and interpretations were in issue but not yet effective. The directors do not anticipate that the adoption of these standards and interpretations, or any of the amendments made to existing standards as a result of the annual improvements cycle, will have a material effect on the financial statements in the year if initial application.

(b) Going concern

The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as its parent undertaking has confirmed its intention and ability to provide such financial support as may be necessary to enable the Company to continue to operate as a going concern and to meet all its obligations in full for at least 12 months from the approval date of these financial statements. The Company's parent undertaking has also confirmed that the Company will not be required to pay other creditors in full.

(c) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially measured at fair value and are subsequently reassessed at the end of each accounting period.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after

deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

(u) Accounting estimates and judgements

The preparation of financial statements in conforming with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates. Revisions to these estimates are made in the period in which they are recognised.

The Company is not yet actively trading so no judgements, estimates or discretionary assumptions have been applied.

Going concern

The financial information has been prepared on a going concern basis, assuming ongoing support from the ultimate parent entity Echo Energy Plc ("the parent company", or "Echo").

(e) Use of estimates

The assumptions concerning the future, and other key sources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are not significant. The only assets held on the balance sheet are investment in subsidiary undertakings.

2. Segmental information

The Company's operations are located in Bolivia. The Company considers that there is only one business segment and as such segmental analysis has not been prepared.

3. Director's remuneration

No director's remuneration was paid or payable for the year ended 31 May 2018.

4. Investment in Subsidiaries

	31 May 2018 US \$
Investment in subsidiaries	1
	<u>1</u>

Echo Energy Bolivia (Hold Co 1) UK Limited holds 100% of the share capital of Echo Energy Bolivia (Op Co 1) UK Limited.

The results the wholly owned subsidiary (Echo Energy Bolivia (Op Co 1) UK Ltd as at 31 December 2017 were a loss of \$117,523 U.S. dollars.

5. Financial instruments and treasury risk management

The Company has not commenced active trading so risk exposure is limited.

Credit risk

The Company's principal financial assets are receivables. The Company does not pay interest on its financing received from its parent company and does not currently receive interest on financing to subsidiaries.

Liquidity risk

The Company currently has no operational revenue streams. The Company relies upon its parent company to ensure facilities are available on a group wide basis as required and to issue equity share capital and form strategic alliances in accordance with long-term cash flow forecasts.

The parent company actively manages the group's working finance to ensure the group has sufficient funds for operations and planned expansion.

The Company financial liabilities are primarily payable to the parent company.

Derivative financial instruments

The Company does not currently use derivative financial instruments as hedging is not considered necessary. Should the Company identify a requirement for the future use of such financial instruments, a comprehensive set of policies and systems as approved by the directors will be implemented.

In accordance with IAS39, "Financial instruments: recognition and measurement", the Company has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet specific requirements set out in the standard. No material embedded derivatives have been identified.

Commodity contracts

The company does not use commodity contracts and futures to hedge against price risk in commodities as these are not considered necessary.

Capital management

The Company's activities are of a type and stage of development where the most suitable capital structure is that of one entirely financed by its parent company. The directors will release the future capital to consist of share capital only.

The group's financial strategy is to utilise its resources to further appraise and test the group's projects, forming strategic alliances for specific projects where appropriate. The group keeps investors and the market informed of its progress with its projects through regular announcements and raises additional equity finance at appropriate times.

Categories of financial instruments

All of the Company financial assets are classified as loans and receivables, and all of the company's financial liabilities are classified as financial liabilities at amortised cost.

6. Other Receivables

	31 May 2018 US \$
Current	
Amounts owing from group companies	1
	<u>1</u>

7. Trade and other payables

	31 May 2018 US \$
Current	
Amounts owing to group companies	1
	<u>1</u>

8. Share capital

	31 May 2018 US \$
Issued, called up and fully paid	
1 ordinary share of £1	1
	<u>1</u>

9. Ultimate controlling party

The Company is reliant on its ultimate parent company Echo Energy Plc ("Echo") to fund the on-going activities of the Company. Echo, a company incorporated in the UK and listed on the Alternative Investment Market, holds 100% of the share capital in Echo Energy Holdings (UK) Ltd. Echo Energy Holdings (UK) Ltd owns 100% of the share capital of Echo Energy Bolivia (Hold Co 1) Ltd which in turn owns 100% of the share capital of Echo Energy Bolivia (Op Co 1) UK Ltd.

Echo produces consolidated financial statements to 31 December. A copy of the latest financial statements for Echo for the year ended 31 December 2017 can be found on the company's website: www.echoenergyplc.com.