



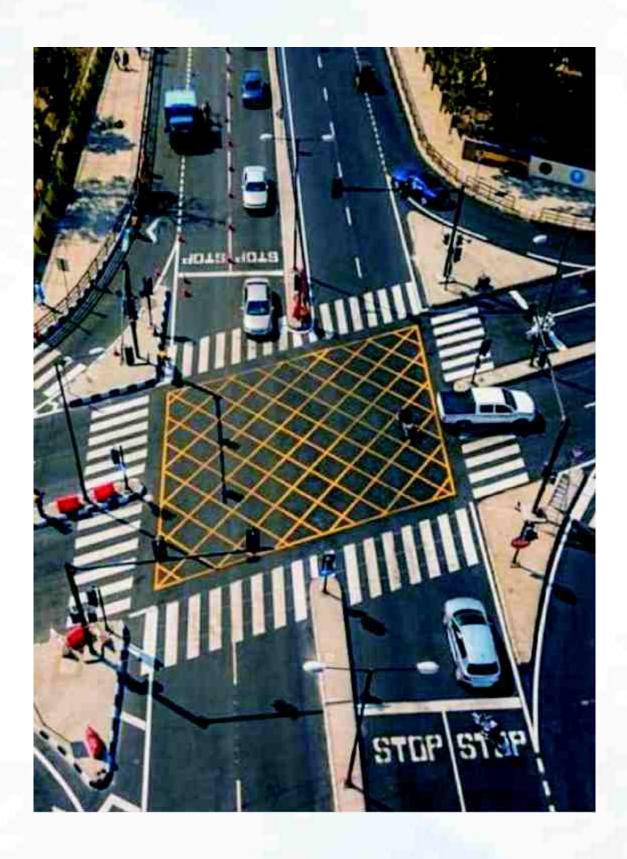




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COMPANY INFORMATION Board of Directors Appointment Date

Adeolu Adeboye 14 April 2021 Ukuevo Jackson 14 April 2021

OkaforAkalaka NIL Temitope Adeboye NIL

Tope Adebosin07 January 2022Lanre Ladipo10 November 2021Leon Kelly10 November 2021Nasir Muhammad10 November 2021

Niyi Ogunnowo NIL

Business Address: 179A Moshood Olugbani Street,

Off Ligali Ayorinde Street, Victoria Island, Lagos

RC NUMBER: 771515

Company Secretary Chris Oruete

Auditors: Sheize Professional Services

7th Floor Mulinner Towers 39, Alfred Rewane Road,

Ikoyi, Lagos.

Bankers: Access Bank Plc.

Guaranty Trus Bank Plc. Zenith International Bank Plc.

Polaris Bank Limited

United Bank for Africa Plc.

Access Bank Plc.

Eco Bank

Providus Bank Plc Keystone Bank Limited



Audited Financial Statements For the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION

Non-current assets	ASSETS	Notes	2021 ታ'000	2020 ט000'ל	
Current assets 9 2,008,844 188,026 Trade and Other Receivables 10 12,562,898 5,514,120 Investments 11 - 30,000 Prepayments 11b 34,103 - Total current assets 14,605,845 5,732,146 Total Assets 18,586,180 8,650,850 EQUITY Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities 5 - Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719		17	3,980,335	2,918,705	
Cash & Cash Equivalents 9 2,008,844 188,026 Trade and Other Receivables 10 12,562,898 5,514,120 Investments 11 - 30,000 Prepayments 11b 34,103 - Total current assets 14,605,845 5,732,146 EQUITY AND LIABILITIES EQUITY Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities 14,164,679 7,953,131 Current Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	Total Non-current assets	_	3,980,335	2,918,705	
Trade and Other Receivables Investments 10 12,562,898 5,514,120 Investments 11 - 30,000 Prepayments 11b 34,103 - Total current assets 14,605,845 5,732,146 EQUITY AND LIABILITIES 18,586,180 8,650,850 EQUITY Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	Current assets				
Investments 11 - 30,000 Prepayments 11b 34,103 - Total current assets 14,605,845 5,732,146 Total Assets 18,586,180 8,650,850 EQUITY Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities 13 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	Cash & Cash Equivalents	9	2,008,844	188,026	
Prepayments 11b 34,103 - Total current assets 14,605,845 5,732,146 Total Assets 18,586,180 8,650,850 EQUITY AND LIABILITIES Prepayments 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - - Retained Earnings 12,831,927 7,862,131 7,953,131 Total equity 14,164,679 7,953,131 Current Liabilities 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	Trade and Other Receivables	10	12,562,898	5,514,120	
Total current assets 14,605,845 5,732,146 Total Assets 18,586,180 8,650,850 EQUITY AND LIABILITIES Percent Capital Share Capital S	Investments	11	-	30,000	
Total Assets 18,586,180 8,650,850 EQUITY AND LIABILITIES EQUITY Share Capital 14 91,000 91,000 91,000 91,000 91,000 91,000 91,000 91,000 91,000 91,000 91,000 91,000 91,000 7,862,131 14,164,679 7,953,131 Current Liabilities 12 3,275,651 581,899 Bank Overdraft 16 65 - Inotal current liabilities 12 3,275,651 581,899 Bank Overdraft 16 65 - - Inotal current liabilities 12 3,275,651 581,899 Bank Overdraft 16 65 - - - - - - <th colspa<="" th=""><th></th><th>11b _</th><th></th><th></th></th>	<th></th> <th>11b _</th> <th></th> <th></th>		11b _		
EQUITY AND LIABILITIES EQUITY Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities	Total current assets	_	14,605,845	5,732,146	
EQUITY AND LIABILITIES EQUITY Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities					
EQUITY Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	Total Assets	_	18,586,180	8,650,850	
Share Capital 14 91,000 91,000 Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	-				
Revaluation Reserve 17 1,241,752 - Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	<u> </u>	14	91 000	91 000	
Retained Earnings 12,831,927 7,862,131 Total equity 14,164,679 7,953,131 Current Liabilities 3,275,651 581,899 Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719				51,000 -	
Current Liabilities 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719			, ,	7,862,131	
Trade and other Payables 12 3,275,651 581,899 Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719		_			
Bank Overdraft 16 65 - Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719					
Income Tax Payable 8 274,555 110,820 Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719	•			581,899	
Borrowings 13 871,230 5,000 Total current liabilities 4,421,501 697,719				-	
Total current liabilities 4,421,501 697,719	•	_	·	·	
		13 _			
Total Liabilities and Equity 18,586,180 8.650.850	Total current liabilities	_	4,421,501	697,719	
	Total Liabilities and Equity	<u> </u>	18,586,180	8,650,850	

These financial statements were approved by the Directors 30 March 2022 and signed on its

behalf by

Adeolu Adeboye

Chairman

Osimhen Celestine

Celestine Osimhen Financial Controller

ICAN: MB019763

Jackson Ukuevo

Chief Executive Officer

Member, Institute of Directors Nigeria

Christopher Egba Oruete, SCN071719 Company Secretary



Audited Financial Statements For the year ended 31 December 2021

DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of RONCHESS GLOBAL RESOURCES PLC (the "Company") for the year ended 31 December, 2021.

LEGAL FORM

RONCHESS GLOBAL RESOURCES PLC was incorporated on the 5th of September, 2008. In 2021, the Company converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange.

PRINCIPAL ACTIVITIES

The company is engaged in the business of Road Marking and Construction.

OPERATING RESULTS

The following is a summary of the Company's operating results:

	2021 ל'000	2020 ט000'ל
Revenue	15,082,491	10,305,021
Profit/(Loss) before tax Taxation	5,062,489 (163,735)	4,483,456 (60,196)
Profit/(Loss) after tax	4,898,754	4,428,538

DIRECTORS AND THEIR INTERESTS

The names of the present Directors are detailed on page 1. None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act 2020 of any interest in contracts with which the Company was involved during the period under review.

SHAREHOLDERS AND SHAREHOLDING

The names of the shareholders and their allotted shareholdings are as follows:

	Number of Ordinary Shares of ל e	ach	
Share Range	% Holding	1 44	2021
1 - 50,000,000	29.	90%	20,200,000
50,000,001-100,000,000	70.	10%	70,800,000
	10	0%	91,000,000

PROPOSED DIVIDEND

The directors did not recommend the payment of any dividend to shareholders for the year ended 31 December 2021.

AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company as at 31 December 2021 is N91,000,000 dividends into 91,000,000 ordinary shares of \$1 each.



Audited Financial Statements For the year ended 31 December 2021

FIVE YEAR SUMMARY

STATEMENT OF FINANCIAL POSITION					
FINANCIAL POSITION	2021 5'000	2020 ל'000	2 019 ታ'000	2018 לי000	2017 ታ'000
ASSETS Non-current assets					
Property, plant and equipment	3,980,335	2,918,705	165,341	139,649	157,665
	3,980,335	2,918,705	165,341	139,649	157,665
Current assets					
Receivables	12,562,898	5,514,120	3,256,111	2,722,006	1,242,674
Investment	-	30,000	-	-	-
Prepayment	34,103				
Cash & cash equivalents	2,008,844	188,026	4,344	179	117,866
Total current assets	14,605,845	5,732,146	3,260,455	2,722,184	1,360,540
	-				
Total Assets	18,586,180	8,650,850	3,425,797	2,861,834	1,518,205
	18,586,180	8,650,850	3,425,797	2,861,834	1,518,205
LIABILITIES	18,586,180	8,650,850	3,425,797	2,861,834	1,518,205
LIABILITIES Current liabilities					· ·
LIABILITIES Current liabilities Trade and other payables	18,586,180 3,275,651 65	8,650,850 585,777	3,425,797 48,323	2,861,834 23,126	1,518,205 3,153
LIABILITIES Current liabilities	3,275,651				· ·
LIABILITIES Current liabilities Trade and other payables Bank Overdraft	3,275,651 65	585,777 -	48,323	23,126	3,153
LIABILITIES Current liabilities Trade and other payables Bank Overdraft Tax Payable	3,275,651 65 274,555	585,777 -	48,323	23,126	3,153
LIABILITIES Current liabilities Trade and other payables Bank Overdraft Tax Payable Borrowings Total current liabilities	3,275,651 65 274,555 871,230	585,777 - 110,820	48,323 50,624	23,126 42,542	3,153 22,689
LIABILITIES Current liabilities Trade and other payables Bank Overdraft Tax Payable Borrowings Total current liabilities EQUITY	3,275,651 65 274,555 871,230 4,421,501	585,777 - 110,820 696,597	48,323 50,624 98,947	23,126 42,542 65,668	3,153 22,689 25,841
LIABILITIES Current liabilities Trade and other payables Bank Overdraft Tax Payable Borrowings Total current liabilities	3,275,651 65 274,555 871,230 4,421,501 91,000	585,777 - 110,820	48,323 50,624	23,126 42,542	3,153 22,689
LIABILITIES Current liabilities Trade and other payables Bank Overdraft Tax Payable Borrowings Total current liabilities EQUITY Share capital Revaluation Reserve	3,275,651 65 274,555 871,230 4,421,501	585,777 110,820 696,597 91,000	48,323 50,624 98,947 1,000	23,126 42,542 65,668	3,153 22,689 25,841 1,000
LIABILITIES Current liabilities Trade and other payables Bank Overdraft Tax Payable Borrowings Total current liabilities EQUITY Share capital	3,275,651 65 274,555 871,230 4,421,501 91,000 1,241,752	585,777 - 110,820 696,597	48,323 50,624 98,947	23,126 42,542 65,668 1,000	3,153 22,689 25,841
LIABILITIES Current liabilities Trade and other payables Bank Overdraft Tax Payable Borrowings Total current liabilities EQUITY Share capital Revaluation Reserve Retained earnings	3,275,651 65 274,555 871,230 4,421,501 91,000 1,241,752 12,831,927	585,777 110,820 696,597 91,000 7,863,253	48,323 50,624 98,947 1,000 3,325,849	23,126 42,542 65,668 1,000 2,795,166	3,153 22,689 25,841 1,000 1,491,363



Audited Financial Statements For the year ended 31 December 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 ל'000	2020 ל'000	2019 ל'000	2018 לי000'ל	2017 ל'000
Revenue	15,082,491	10,305,021	2,312,729	2,389,837	2,189,659
Cost of sales	(6,137,183)	(3,883,348)	(1,415,114)	(866,822)	(889,919)
Gross profit	8,945,308	6,421,673	897,615	1,523,015	1,299,740
	(0.400.455)	(4.450.550)	(250 050)	(100 110)	(=0.4.0.4.0)
Administrative expenses	(2,403,455)	(1,150,778)	(358,850)	(199,440)	(504,810)
Impairment loss on trade	(4.000.440)	(=04.04.0)			
receivables	(1,339,442)	(786,317)	-	-	-
Finance Cost	(139,921)	(1,122)	-	-	<u>-</u>
Profit before tax	5,062,489	4,483,456	538,765	1,323,576	794,930
Tax	(163,735)	(60,196)	(8,081)	(19,854)	(11,924)
Profit after tax	4,898,754	4,423,260	530,684	1,303,722	783,006
Other comprehensive					
income net of tax	71,041	5,278		80	<u>-</u>
Total comprehensive	•				
income	4,969,796	4,428,538	530,684	1,303,802	783,006



Audited Financial Statements For the year ended 31 December 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021 ታ'000	2020 ט000'ל
Revenue	4	15,082,491	10,305,021
Cost of sales	5	(6,137,183)	(3,883,348)
Gross profit		8,945,308	6,421,673
Impairment loss on trade receivables Administrative & Operational		(1,339,442)	(786,317)
Expenses	7	(2,403,455)	(1,150,778)
Finance Cost	15	(139,921)	(1,122)
Profit/(Loss) before tax		5,062,489	4,483,456
Taxation	8	(163,735)	(60,196)
Profit/(Loss) after tax		4,898,754	4,423,260
Other Comprehensive Income			
Exchange Gains	6	71,041	5,278
Total Comprehensive Income	:	4,969,796	4,428,538





INDEPENDENT AUDITOR'S REPORT To the Shareholders of RONCHESS GLOBAL RESOURCES PLC Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of RONCHESS GLOBAL RESOURCES PLC which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss, statement of changes in equity, statement of cash flow for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of RONCHESS GLOBAL RESOURCES PLC as at 31 December, 2021 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act, 2011.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The directors are responsible for the other information. The other information comprises the director's report, which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Management Partner for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Financial Reporting Council Act, 2011 and for such internal control as the directors determine are 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.



7th Floor, Mulliner Towers, 39 Alfred Rewane Road Boyl, Lagos Nigeria. T: 01 888 7978, +234 708 730 6304. E: info@shelze.com.ng | www.shelze.com.ng \$200 shelzenigeria





Auditor's Responsibilities for the Audit of 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 judgment and maintain professional scepticism throughout the audit. We also:

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of
 accounting and based on the audit evidence obtained, whether a material uncertainty exists
 relating to events or conditions that may cast significant doubt on the company's ability to
 continue as a going concern. If we conclude that a material uncertainty exists, we are
 required to draw attention in our auditor's report to the related disclosures in the financial
 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are
 based on the audit evidence obtained up to the date of our auditor's report. However, future
 events or conditions may cause the company to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including
 the disclosures, and whether the company's financial statements represent the underlying
 transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities
 or business activities within the company to express an opinion on the financial statements.
 We are responsible for the direction, supervision and performance of the Company's audit.
 We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act 2020 we expressly state that:

- We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.
- The Company has kept proper books of account, so far as appears from our examination of those books.
- III) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: Shelze Professional Services

Chartered Accountants Lagos, Nigeria 31 March 2022

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Engagement Partner: David Apaflo, FCA

FRC/2014/ICAN/00000007739



7th Floor, Mulliner Towers, 39 Alfred Rewane Road Ikoyi, Lagos Nigeria. T: 01 888 7978, +234 708 730 6304. E: info@shetze.com.ng | www.shelze.com.ng



Audited Financial Statements For the year ended 31 December 2021

1. General Information

1.1 Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies and Allied Matters Act 2020.

These financial statements were also prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). Historical cost is generally based on the consideration given in exchange for assets.

The company's functional and presentation currency is the Naira.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

2. Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

(a) Statement of Compliance

The financial statements of RONCHESS GLOBAL RESOURCES PLC is a general-purpose financial report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2011.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- ñ Financial instruments at fair value through profit or loss are measured at fair value;
- ñ Financial instruments measured at amortized value
- ñ Inventory- lower of cost and net realizable value.
- ñ Lease liabilities- measured at present value of future lease payments

Historical cost is generally based on the fair value of the considerations given in exchange for the assets.

(c) Functional and Presentation Currency

These financial statements are presented in Naira which is the Company's functional currency. All amounts have been rounded up to the nearest thousand, unless otherwise indicated.

2.1 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting



Audited Financial Statements For the year ended 31 December 2021

policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.1.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described in the notes below:

Note x: Revenue recognition - whether revenue from sales of goods and services is recognised over or at a point in time.

Note x: Trade receivables - in determining the expected credit loss to be recognised

There were no other significant judgements that could have a material impact on the reported amounts in the financial statements.

2.1.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Hence, measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

In some cases, if the input used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Note xx - Financial Instruments - Financial risk management and fair value.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company in the period presented in the financial report.

3.1 Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2021 and have not been adopted in preparing



Audited Financial Statements For the year ended 31 December 2021

these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Company are set out below. Earlier adoption is permitted; however, the Company has not early adopted the new or amended standard in preparing the financial statement.

- ñ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment Disclosure Initiative Definition of Material); and
- ñ Definition of a Business (Amendments to IFRS 3);
- ñ Interest Rate Benchmark Reform IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- ñ COVID-19-Related Rent Concessions (Amendments to IFRS 16).

3.2 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows;

- ñ Onerous Contracts Costs of Fulfilling a Contract Amendments to IAS 37 1 Jan 2022
- ñ Property, Plant & Equipment: Proceeds before Intended Use Amendments to IAS 16 - 1 Jan 2022;
- ñ Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- $\tilde{\mathsf{n}}$ Classification of Liabilities as Current and Non-current Amendments to IAS 1 1 Jan 2022
- $\tilde{\text{N}}$ Classification of Liabilities as Current and Non-current Amendments to IAS 1 1 Jan 2022



Audited Financial Statements For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS

3.3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company and to the three months' periods presented in the financial report.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized, are recognized in the statement of profit or loss in the period in which they arise.

Non-monetary assets and liabilities in a foreign currency that are measured at historical costs are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences are generally recognized in the profit or loss and presented within finance income and costs.

(ii) Fair value changes

Fair value changes on financial assets and liabilities carried at fair value through profit or loss are presented in the statement of profit or loss while fair value changes on other financial instruments at fair value are presented in the statement of other comprehensive income.

(iii) Income tax expense

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is the aggregate of the charge to the profit and loss account in respect of current income tax and education tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) and assessed at 30% of taxable profit. Education tax is assessed at 2% of the assessable profits. The directors of the Company continually evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Where the Company has tax losses that can be relieved against a tax liability for a previous year, it recognizes those losses as a recoverable, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises.



Audited Financial Statements For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS

(iv) Deferred tax

Deferred income tax is recognised, using the liability method (balance sheet method), on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

(v) Tax expense

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- ñ a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- ñ a business combination

Current tax and deferred taxes are charged or credited or other comprehensive income if the tax relates to the items that are credited or charged, in the same or a different period, directly in equity.

(vi) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Non-derivative financial assets

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.



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NOTES TO THE FINANCIAL STATEMENTS

b) Subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

c) Classification

The Company classifies its financial assets as; amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

1. Amortised cost

A financial asset is measured at amortised cost only if it is held within a business model whose objective is to hold assets to collect contractual cash flows (the held-to-collect business model); and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion).

The Company's amortised cost assets comprise trade and other receivables, loans and advances, receivables due from related parties and cash and cash equivalents, and are included in current and non-current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one year and non-current if they are to be settled after one year.

2. Fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI only if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI criterion. The Company did not have assets measured at FVOCI as at year end.

3. Fair value through profit or loss (FVTPL)

All other financial assets - i.e. financial assets that do not meet the criteria for classification as subsequently measured at either amortised cost or FVOCI - are classified as subsequently measured at fair value, with changes in fair value recognised in profit or loss.

In addition, the Company has the option on initial recognition to irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency - i.e. an 'accounting mismatch' - that would otherwise arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. The Company did not have assets measured at FVTPL as at year end.

d) De-recognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also



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NOTES TO THE FINANCIAL STATEMENTS

transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legal enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Bank or the counterparty.

f) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Company of financial assets is impaired. The impairment model in IFRS 9 is an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised. As a result, all financial assets generally carry a loss allowance.

Expected Credit Loss (ECL) is a probability-weighted estimate of credit losses - i.e. the present value of cash shortfalls - over the expected life of the financial instrument. For a financial asset that is credit-impaired, the ECLs are the difference between the asset's gross carrying amount and the present value of estimated future cash flows.

The assessment of ECLs is based on reasonable and supportable information - that is, information reasonably available without undue cost or effort at the reporting date. Impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

To assess whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort, and is relevant for the particular financial instrument being assessed. The information used includes factors that are specific to the borrower and general economic conditions. Possible data sources include internal loss experience and ratings, and external ratings, reports and statistics.

When the Company considers that there are no realistic prospects of recovery of the financial asset, the relative amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the



Audited Financial Statements For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS

reversal of the previously recognised impairment loss (in profit or loss) is recognised in the profit or loss.

Financial liabilities

Non-Derivative financial liabilities:

a. Classification

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities at amortised cost

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short-term nature while borrowings are spilt into current and non-current liabilities.

Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

b. Recognition & measurement

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

(vii) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(viii) Property, plant and equipment

I. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the period in which they were incurred.

Construction work in progress is not depreciated, it is carried at cost less any recognized impairment loss. Costs include professional fees for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policies. On completion of construction, the related amounts are transferred to the appropriate category of property, plant and equipment. Payments in advance for items of property, plant and equipment are included as prepayments in other assets and upon delivery are reclassified as additions in the appropriate category



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of property, plant and equipment. No depreciation is charged until the assets are available for use.

II. Subsequent costs

The cost of replacing a part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

III. Right-of-use-assets

The right-of-use-assets are measured at the present value of the lease liability, adjusted for any prepayment before application and discounted with the incremental borrowing rate at the date of initial application. The company does not recognize right-of-use-asset and record lease liability for the payments of short-term leases. i.e lease term assessed to be 12 months or less from the commencement date and for leases of low value assets. i.e assets which fall below the capitalization threshold for property, plant and equipment. The right-of-use-asset is being depreciated on a straight-line basis and is being recorded in the profit or loss statement.

IV. Depreciation

Depreciation is calculated on items of property, plant and equipment on a straight-line basis over the estimated useful economic lives.

The estimated useful lives for the current periods are as follows:

Asset class	Useful life (years)
Plant & Machinery	15
Generator	5
Computer Equipment	5
Furniture & Fittings	5
Motor Vehicles	5
Office Equipment	5

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Company takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

Property, plant and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.



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NOTES TO THE FINANCIAL STATEMENTS

V. De-recognition

The carrying amount of an item of property, plant and equipment will be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

VI. Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, and is recognized as an item of other income in the period in which the significant risks and rewards of ownership are transferred to the buyer.

(ix) Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(x) Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

(xi) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items, are eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while interest income received is included in investing activities.

(xii) Related Party

Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(xiii) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method while finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(xiv) Revenue recognition

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount



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NOTES TO THE FINANCIAL STATEMENTS

allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).

(xv) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Slow moving and obsolete inventory items are written off to profit or loss.

(xv) Provisions and Contingent Liabilities

a. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

b. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(xvi) Employee benefits

a. Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2004, which was updated in July 2014, the Company has a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss. The Company and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowance to the scheme.

b. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.



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c. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(xvii)Share capital

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

Ordinary shares are classified as equity. Mandatorily, redeemable preference shares are classified as liabilities.

Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares

Dividends on ordinary shares are recognized as liability in the period in which they are approved by the Company's shareholders. Dividends declared after the balance sheet dates are dealt with in the subsequent period.

(xviii) Earnings per share

Basic earnings per share is calculated by dividing net profit after tax applicable to equity holders of the Company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



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		2021 ታ'000	2020 5'000
4	Revenue	0.471	1 412 050
	Lane Marking Road Construction	9,471 15,073,019	1,412,958 8,892,063
	Rodu Construction	15,082,491	10,305,021
		15,082,491	10,305,021
5	Cost of Sales		
	Civil works	-	90
	Cost of Materials	4,758,002	3,684,200
	Freight	68,441	36,554
	Logistics	39,049	7,431
	Site Expenses	1,271,690	155,073
	·	6,137,183	3,883,348
6	Other Comprehensive Income	2	222
	Interest Received	2	323
	Investment Income	142,297	4 OFF
	Forex Gain/ (Loss)	(71,258) 71,041	4,955 5,278
		71,041	5,278
7	Administrative & Operational Expenses		
	Forex Gains/(Losses) - Banks	82,204	95,866
	Accounting Fees	2,250	1,000
	Advertising	13,838	2,135
	Association dues	5,807	-
	Audit Fees	3,000	4,300
	Bank Charges	52,059	28,256
	Branding & Business Development	18,743	-
	Cleaning and Sanitation	1,237	3,442
	Computer Expenses	75	81
	Consultancy	96,787	60,444
	CSR	9,604	-
	Depreciation	373,739	137,642
	Donation		2,950
	Electricity & Water	6,247	622
	Entertainment	1,442	-
	Fuel & Diesel	33,628	4,969
	Gift	-	1,030
	I.T Expenses	3,015	-
	Insurance	21,573	29,905
	Legal Fees	14,304	14
	License Fee	28,771	13,851
	Meals and Entertainment	508	1,545
	Medical Expenses	15,860	5,841
	Motor Vehicle Expenses	7,885	13,842
	Office Expenses	61,321	159,027
	Miscellaneous Expenses	48,987	



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NOTES TO THE FINANCIAL STATEMENTS

	Printing & Stationery	3,899	9,797
	Renovation Expenses	34,166	47.000
	Rent Paid	11,772	17,899
	Repairs & Maintenance	27,420	11,724
	Salaries & Wages	1,233,857	344,576
	Security Solling & Marketing Expanses	21,490 800	3,785
	Selling & Marketing Expenses Service charge	5,479	106,591 521
	Software Subscription	5,479	5
	Staff Welfare	4,890	17,233
	Statutory Fee	21,928	6,505
	Telephone & Internet	3,024	419
	Training	1,523	60
	Transport	16,855	18,879
	Travel & Accommodation	105,066	46,024
	Webhosting	50	10,021
	WHT Expenses	8,352	_
	WITT EXPENSES	2,403,455	1,150,778
		2,403,433	1,130,770
8	Income Tax Credit/Expense		
	Bal b/f	110,820	50,624
	Current income tax (SOPL)	163,735	60,196
	Deferred tax credit		
	Tax Payable	274,555	110,820
9	Cash and Cash Equivalents		
9	cash and cash Equivalents	2,008,844	188,026
		2,008,844	188,026
		2,000,044	100,020
10	Trade and Other Receivables		
	Trade Receivables	14,683,332	6,295,111
	Impairment	(2,125,759)	(786,317)
		12,557,572	5,508,794
	CL (CL	F 226	E 226
	Staff Loans	5,326	5,326
		12,562,898	5,514,120
11	Investments		
	Tilvestillelits		
	Investments	_	30.000
	Investments	<u> </u>	30,000 30,000
	Investments	-	30,000 30,000
1b	Investments Prepayments	-	
1b		5,000	
.1b	Prepayments Prepaid Rent		
1 b	Prepayments	5,000 29,103 34,103	



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NOTES TO THE FINANCIAL STATEMENTS

12	Trade and Other Payables		
	Trade Payables	1,859,621	148,665
	Other payables	1,416,030	432,234
	Audit fee payables	· · · · · · · · · · · · · · · · · · ·	1,000
		3,275,651	581,899
40	Parmanda a a		
13	Borrowings	240.042	
	Soft Loan	240,042	-
	Bank Loan	631,188	5,000
		871,230	5,000
14	Share Capital		
	Issued and fully paid for		
	Ordinary shares at N1.00 each	91,000	1,000
	Movements during the year:		
	At 1 January	91,000	1,000
	Issued during the year	· -	90,000
	At 31 December	91,000	91,000
15	Finance Cost		
	Interest Expense	139,921	1,122
	·	139,921	1,122
	Double Occordent		
16	Bank Overdraft Bank Overdraft		
	Dalik Overurall	65	
		<u>65</u>	-



Audited Financial Statements For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS

17 Property, plant and equipment

	Plant & Machinery	Computer Equipment	Furniture & Fittings	Motor Vehicle	Office Equipment	Generator	Total
Cost At 1 January Pavaluation Sumbre	7.000 2,497,817 883,773	10,069	7'000 48,705	7.000 441,337 453 598	7:000 154,471 51 319	7.000 65,823	5.000 3,218,221
At 31 December	3,381,589	38,227	56,181	452,381	890'809	117,141	4,653,590
Accumulated Depreciation							
At 1 January	182,318	3,745	11,383	74,389	18,807	8,874	299,516
Charge for the period	224,794	2,343	11,551	84,057	31,271	19,724	373,739
At 31 December	407,112	6,088	22,934	158,445	50,078	28,598	673,255
Net Book Amount at 31 December 2021	2,974,477	32,139	33,247	293,936	557,990	88,543	3,980,335
Net Book Amount at 31 December 2020	2,315,498	6,324	37,321	366,949	135,663	56,948	2,918,705

ñ The company assets were revalued by Messrs Aminu & Partners (FRC/2014/NIESV/00000006763) on the 1st of October 2021, and this gave rise to a Revaluation Reserve of 4.05 billion naira.



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18. Financial Risk Management

18.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks. The company therefore aims to achieve an appropriate balance between risk and returns so as to minimize the potential adverse effects of the risks on the company's financial performance.

The directors are responsible for the determination of the company's risk management objectives and policies. The company's risk management policies are designed to identify and analyse financial risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

(a) Market Risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

Interest Rate Risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's significant interest-bearing financial assets are cash and cash equivalents.

(b) Credit Risk

Credit risk represents the potential loss that the company would incur if counter parties fail to perform pursuant to the terms of their obligations to the company. At the reporting date, the main exposures to credit risk were in relation to receivables and cash and cash equivalents.

(c) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when due. The company's policy is to ensure that it always has sufficient funds to meet its liabilities when they become due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. This is achieved by monitoring rolling forecasts of the company's liquidity reserve on the basis of expected cash flows. The directors do not foresee any major liquidity risk over the next two years.

18.2 Capital Risk Management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for the directors and benefits for other stakeholders.

19 Impact of COVID-19 on the operations of the Company

There was no significant impact on the entity as at year end.

20 Litigations and Claims

There was no outstanding litigation or claim against the entity as at year end.



Audited Financial Statements For the year ended 31 December 2021

21 Capital Commitments

There were no capital commitments as at the end of the year.

22 Subsequent Events Review

There were no events after the reporting period which has material effect on the state of affairs of the company as at 31 December 2021 that have not been adequately provided or disclosed.



Audited Financial Statements For the year ended 31 December 2021

STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS		
	2021 ל'000	2020 לי000
Operating Activities	7 000	7 000
Profit/(Loss) after Tax	4,898,754	4,423,260
Adjustments for non-cash items	1,030,731	1,123,200
Depreciation & Amortization	373,739	137,642
Revaluation Surplus	1,241,752	137,012
Exchange Gain	71,041	5,278
Tax Provision	163,735	60,196
Finance Cost	139,921	1,122
Prior year Adjustments	-	107,743
Cashflow from operating activities before changes in Working		10,7, 10
capital	6,888,942	4,735,241
Movement in working capital		
Increase/decrease in current assets	(7,082,881)	(2,258,008)
Increase/decrease in curret liabilities	2,693,752	533,576
	2,499,813	3,010,809
Cash generated from operations		
Tax Cash generated from operating activities	2,499,813	3,010,809
	2,433,613	3,010,003
Investing Activities Purchase of Property, Plant and Equipment	(1,435,369)	(2,891,005)
Investment	30,000	(30,000)
Net Cash generated from Investing Activities	(1,405,369)	(2,921,005)
	(=, ===,===,	(=,==,==,
Financing Activities		00.000
Share Capital	-	90,000
Finance Cost	(139,921)	(1,122)
Long term borrowing	866,230	5,000
Net cash generated from financing activities	726,310	93,878
	4 000 770	100.500
Net increase in cash and cash equivalent	1,820,753	183,682
Cash at the beginning of the year	188,026	4,344
Cash at the end of the year	2,008,779	188,026
Represented by:		
	2 008 844	188 026
Cash Balance	2,008,844	188,026
Represented by: Cash Balance Bank Overdraft	2,008,844 (65) 2,008,779	188,026 - 188,026



Audited Financial Statements For the year ended 31 December 2021

STATEMENT OF VALUE ADDED

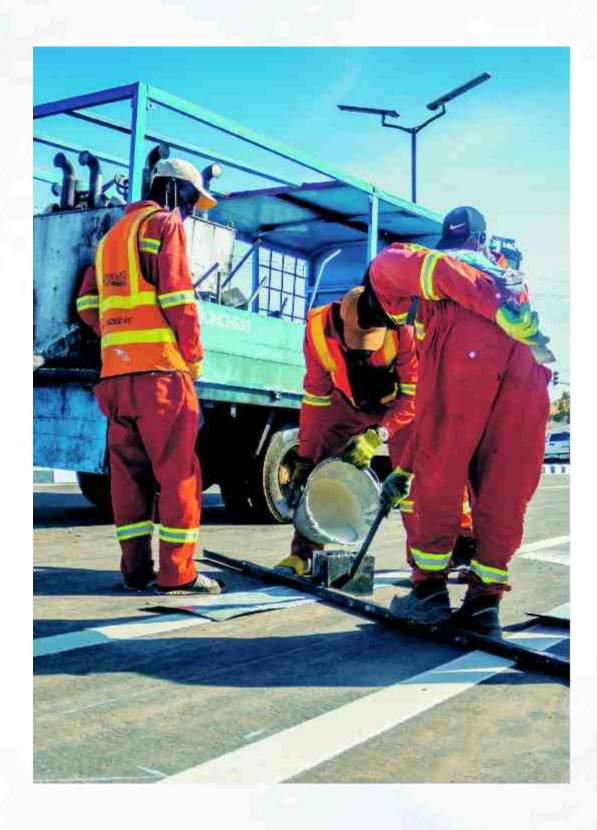
	31-Dec-21 ט00'ל	%	31-Dec-20 ל'000	%		
Gross earnings Brought-in-material and services	15,082,491 (8,195,031)		10,305,021 (5,315,653)			
Value added	6,887,459		4,989,368			
Distribution of Value Added:						
To pay employees: Wages, salaries and other benefits	1,240,269	18	361,869	7		
To pay government: Taxes	163,735	2	60,196	1		
To provider of finance: Finance cost	139,921	2	1,122	0		
Retained for future replacement of assets and expansion of business:						
Depreciation	373,739		137,642	3		
Profit for the period	4,969,796	72	4,428,538	89		
	6,887,459	100	4,989,368	100		

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.











COMPANY INFORMATION

Board of Directors Nationality Designation Adeolu Adeboye Nigerian Chairman Niyi Ogunnowo Nigerian Vice Chairman Ukuevo Jackson Nigerian **Managing Director** Independent Non-Executive Director Okafor Akalaka Nigerian Temitope Adeboye Nigerian Independent Non-Executive Director Non-Executive Director Tope Adebosin Nigerian Non-Executive Director Lanre Ladipo American American Independent Non-Executive Director Leon Kelly Nasir Muhammad Non-Executive Director Nigerian

Business Address: 179A Moshood Olugbani Street,

Off Ligali Ayorinde St, Victoria Island, Lagos

RC NUMBER: 771515

Company Secretary: Chris Oruete

Auditors: Sheize Professional Services

7, Edward Hotonu Street, Lekki Phase 1, Lekki,

Lagos.

Bankers: Access Bank Plc.

Guaranty Trust Bank Plc. Zenith International Bank Pic.

Polaris Bank Limited United Bank for Africa Plc.

Access Bank Pic. Ecobank Limited Providus Bank Pic. Keystone Bank Limited



Audited Financial Statements
For the year ended 31 December 2022

STATEMENT OF FINANCIAL POSITION

Assets	Notes	2022 ל '000	2021 ל '000
Non - current assets	Notes	7 000	7 000
Property, plant and equipment	18	6,530,544	3,980,335
Total non -current assets		6,530,544	3,980,335
Current assets			
Cash & cash equivalents	9	38.631	2,008,844
Trade and other receivables	10	14,338,257	12,562,898
Prepayments	11 _	-	34,103
Total current assets		14,376,888	14,605,845
Total assets	<u> </u>	20,907,432	18,586,180
Equity and liabilities			
Facility			
Equity	15	01 000	04.000
Share capital Revaluation reserve	15	91,000 5,359,285	91,000 1,230,752
Retained earnings	Ī	13,898,920	12,831,927
Total equity		19,349,205	14,164,679
Total oquity		-	
Total non -current liabilities			
Current liabilities			
Trade and other payables	12	249,007	3,275,651
Bank overdraft	16	190	65
Income tax payable	8	-	274,555
Borrowings	13	1,309,030	871,230
Total current liabilities		1,558,227	4,421,501
Total equity and liabilities		20,907,432	18,586,180
,,		,,	,,

These financial statements were approved by the Directors 27 March 2023 and signed on its behalf by:

Adeolu Adeboye

Chairman

Jackson Ukuevo

Chief Executive Officer

IODN: U05451

Celestine Osimhen
Financial Controller
ICAN MB019763

Christopher Egba Oruete,
CompanySecretary
NBA:SC01719



Audited Financial Statements For the year ended 31 December 2022

DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of RONCHESS GLOBAL RESOURCES PLC (the "Company") for the year ended 31 December, 2022.

LEGAL FORM

RONCHESS GLOBAL RESOURCES PLC was incorporated on the 5th of September, 2008. In 2021, the Company converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange.

PRINCIPAL ACTIVITIES

The company is engaged in the business of Road Marking and Construction.

OPERATING RESULTS

The following is a summary of the Company's operating results:

		2022 000' ל	2021 '000 ל
Revenue		8,835,700	15,082,491
Profit/(Loss) Taxation	before tax	1,267,885 (234,000)	5,062,489 (163,735)
Profit/(Loss)	after tax	1,033,885	4,898,754

DIRECTORS AND THEIR INTERESTS

The names of the present Directors are detailed on page 1. None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act 2020 of any interest in contracts with which the Company was involved during the period under review.

SHAREHOLDERS AND SHAREHOLDING Shareholding Structure/Free Float Status

	31-Dec22		31-D	ec21
		Percentag		Percentag
Description	Unit	е	Unit	е
	91,000,00		91,000,00	
Issued Share Capital	0	100%	0	100%
Substantial Shareholdings (5% and above)				
	63,791,00		63,791,00	
Jackson Ukuevo	0	70.10%	0	70.10%
	14,378,00		14,378,00	
Josephine Ukuevo	0	15.80%	0	15.80%
	12,831,00		12,831,00	
Others	0	14.10%	0	14.10%
				2.7
	91,000,00		91,000,00	
Total Substantial Shareholdings	0	100.00%	0	100.00%
Directors' Shareholdings (direct and indirect), exclu	ding			
directors with substantial interests				



Audited Financial Statements

	For the	e yea	r ended 31	December	2022	
				-		
			0.00%			0.00%
Total Directors' Shareholdings		0	0.00%	0		0.00%
Other Influential Shareholdings						
			0.00%			0.00%
			0.00%			0.00%
			0.00%			0.00%
Free Float in Units and Percentage		0	0.00%	0		0.00%
Free Float in Value		ß ∢	te e	ദ -	te e	

Declaration:

- (A) Ronchess Global Plc with a free float percentage of 14.1% as at 31 December 2022, is compliant with Exchange's free float requirements for companies listed on the Growth Board.
- (B) Ronchess Global Resources Plc with a free float value of N12,831,000. as at 31 December 2022, is compliant with the Exchange's free float requirements for companies listed on the Growth Board.



FIVE YEAR FINANCIAL SUMMARY

STATEM	IENT OF FINAN	CIAL POSITION			
	2022	2021	2020	2019	2018
	'm	m' ל	'm' ל	m' ל	'm
ASSETS					
Non - current assets					
Property, plant, and equipment	6,531	4,002	2,919	165	140
х х х <u> х</u>	6,531	4,002	2,919	165	140
Current assets					
Receivables	14,338	12,563	5,514	3,256	2,722
Prepayment	-	34	· <u>-</u>	· -	· -
Cash & cash equivalents	39	2,009	188	4	0.2
Total current assets	14,377	14,606	5,702	3,260	2,722
_	20,907	18,608	8,621	3,426	2,862
Total Assets			· 	<u> </u>	·
LIABILITIES					
Current liabilities					
Trade and other payables	249	3,276	586	48	23
Bank Overdraft	0.2	0.1	-	-	-
Tax Payable	=	275	111	51	43
Borrowings	1,309	871	-	-	-
Total current liabilities	1,558	4,422	697	99	66
EQUITY					
Share capital	91	91	91	1	1
Revaluation Reserve	5,359	1,230		- -	-
Retained earnings	13,899	12,865	7,863	3,326	2,795
Total equity	19,349	14,186	7,954	3,327	2,796
<u>-</u>	20,907	18,608	8,651	3,426	2,862
Total Equity and Liabilities	•		•	•	



STATEMENT OF PROFIT	OR LOSS AND	OTHER COMPRE	HENSIVE INC	COME	
	2022	2021	2020	2019	2018
	'm	'm' ל	'm' ל	'm	'm
Revenue	8,836	15,082	10,305	2,313	2,390
Cost of sales	(4,430)	(6,137)	(3,883)	(1,415)	(867)
Gross profit	4,406	8,945	6,422	898	1,523
Administrative expenses	(2,516)	(2,370)	(1,151)	(359)	(199)
Impairment loss on trade receivables	(380)	(1,339)	(786)	-	-
Other income	33	-	-	-	-
Finance Cost	(276)	(140)	(140)	-	-
Profit before tax	1,268	5,096	4,345	539	1,324
Tax	-	(164)	(60)	(8)	(20)
Profit after tax	1,268	4,932	4,284	531	1,304
Other comprehensive income net of ta	ax -	71	5	_	0
Gain on revaluation	4,129	-	=	=	-
Total comprehensive income	5,397	5,003	4,2ss90	531	1,304



Audited Financial Statements For the year ended 31 December 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2022	2021
	Notes	000' ל	000' ל
Revenue	4	8,835,700	15,082,491
Cost of sales	5	(4,429,832)	(6,137,183)
Gross profit		4,405,868	8,945,308
Impairment loss on trade receivables	10a	(379,669)	(1,339,442)
Administrative expenses	7	(2,515,551)	(2,430,455)
Operating profit	·	1,510,648	5,062,489
Other income	6	33,142	-
Finance cost	15	(275,905)	(139,921)
Profit/(loss) before tax	_	1,267,885	5,062,489
Income tax expense	8	(234,000)	(163,735)
Profit for the year	·	1,033,885	4,898,754
Other comprehensive income			
Exchange gains	6	-	71,041
Gain on revaluation		4,129,205	-
Total comprehensive income	- -	5,163,090	4,969,796
Earnings per share	19	11.4	48.6





INDEPENDENT AUDITOR'S REPORT To the Shareholders of Ronchess Global Resources Pic Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ronchess Global Resources Plc which comprise the statement of financial position as of 31 December 2022, the statement of profit or loss, the statement of changes in equity, the statement of cash flow for the period then ended, and the notes to the financial statements including a summary of significant accounting

In our opinion, the financial statements give a true and fair view of the financial position of Ronchess Global Resources Pic as of 31 December 2022 and the financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2020, and the Financial Reporting Council of Nigeria Act, 2011.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The directors are responsible for the other information. The other information comprises the director's report, which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Director for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2020, Financial Reporting Council Act, 2011 and for such internal control as the directors determine are 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.



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Auditor's Responsibilities for the Audit of 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 judgment and maintain professional skepticism throughout the audit. We also:

 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the director's use of the going concern basis of
accounting and based on the audit evidence obtained, whether a material uncertainty exists
relating to events or conditions that may cast significant doubt on the company's ability to
continue as a going concern. If we conclude that a material uncertainty exists, we are
required to draw attention in our auditor's report to the related disclosures in the financial
statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions
are based on the audit evidence obtained up to the date of our auditor's report. However,
future events or conditions may cause the company to continue as a going concern.

 Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the
entities or business activities within the company to express an opinion on the financial
statements. We are responsible for the direction, supervision, and performance of the
Company's audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2020 we expressly state that:

- We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.
- The Company has kept proper books of account, so far as appears from our examination of those books.

iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: Shelze Professional Services

Chartered Accountants

Lagos, Nigeria 27 March 2023

Engagement Partner: David Apaflo, FCA

FRC/2014/ICAN/00000007739



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Audited Financial Statements
For the year ended 31 December 2022

1. General Information

1.1 Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies and Allied Matters Act 2020.

These financial statements were also prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). Historical cost is generally based on the consideration given in exchange for assets.

The company's functional and presentation currency is the Naira.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

2. Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

(a) Statement of Compliance

The financial statements of RONCHESS GLOBAL RESOURCES PLC is a general -purpose financial report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2011.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value;
- Financial instruments measured at amortized value
- Inventory lower of cost and net realizable value.
- Lease liabilities measured at present value of future lease payments

Historical cost is generally based on the fair value of the considerations given in exchange for the assets.

(c) Functional and Presentation Currency

These financial statements are presented in Naira which is the Company's functional currency. All amounts have been rounded up to the nearest thousand, unless otherwise indicated.



Audited Financial Statements
For the year ended 31 December 2022

2.1 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.1.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described in the notes below:

Note x: Revenue recognition - whether revenue from sales of goods and services is recognised over or at a point in time.

Note x: Trade receivables - in determining the expected credit loss to be recognised

There were no other significant judgements that could have a material impact on the reported amounts in the financial statements.

2.1.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Hence, measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

In some cases, if the input used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Note xx - Financial Instruments - Financial risk management and fair value.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company in the period presented in the financial report.



Audited Financial Statements
For the year ended 31 December 2022

3.1 Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2022 and have not been adopted in preparing these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Company are set out below. Earlier adoption is permitted; however, the Company has not early adopted the new or amended standard in preparing the financial statement.

- Reference to the Conceptual Framework -Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use Amendments to IAS 16
- Onerous Contracts Costs of Fulfilling a Contract Amendments to IAS 37
- IFRS 9 Financial Instruments Fees in the '10 per cent' test for derecognition of financial liabilities

3.2 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows;

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non -current
- Definition of Accounting Estimates Amendments to IAS 8
- Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12
- Lease liability in a Sale and Leaseback Amendments to IFRS 16



Audited Financial Statements For the year ended 31 December 2022

3.3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company and to the three months' periods presented in the financial report.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized, are recognized in the statement of profit or loss in the period in which they arise.

Non-monetary assets and liabilities in a foreign currency that are measured at historical costs are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences are generally recognized in the profit or loss and presented within finance income and costs.

(ii) Fair value changes

Fair value changes on financial assets and liabilities carried at fair value through profit or loss are presented in the statement of profit or loss while fair value changes on other financial instruments at fair value are presented in the statement of other comprehensive income.

(iii) Income tax expense

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is the aggregate of the charge to the profit and loss account in respect of current income tax and education tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) and assessed at 30% of taxable profit. Education tax is assessed at 2.5% of the assessable profits. The directors of the Company continually evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Where the Company has tax losses that can be relieved against a tax liability for a previous year, it recognizes those losses as a recoverable, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises.



Audited Financial Statements For the year ended 31 December 2022

Deferred tax

Deferred income tax is recognised, using the liability method (balance sheet method), on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax expense (v)

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination

Current tax and deferred taxes are charged or credited or other comprehensive income if the tax relates to the items that are credited or charged, in the same or a different period, directly in equity.

Financial instruments - initial recognition and subsequent measurement (vi)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets Non - derivative financial assets a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.



Audited Financial Statements
For the year ended 31 December 2022

b) Subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

c) Classification

The Company classifies its financial assets as; amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

1. Amortised cost

A financial asset is measured at amortised cost only if it is held within a business model whose objective is to hold assets to collect contractual cash flows (the held-to-collect business model); and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion).

The Company's amortised cost assets comprise trade and other receivables, loans and advances, receivables due from related parties and cash and cash equivalents, and are included in current and non-current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one year and non-current if they are to be settled after one year.

2. Fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI only if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI criterion. The Company did not have assets measured at FVOCI as at year end.

3. Fair value through profit or loss (FVTPL)

All other financial assets - i.e. financial assets that do not meet the criteria for classification as subsequently measured at either amortised cost or FVOCI - are classified as subsequently measured at fair value, with changes in fair value recognised in profit or loss.

In addition, the Company has the option on initial recognition to irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency - i.e. an 'accounting mismatch' - that would otherwise arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. The Company did not have assets measured at FVTPL as at year end.

d) De -recognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been



Audited Financial Statements For the year ended 31 December 2022

transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legal enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Bank or the counterparty.

f) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Company of financial assets is impaired. The impairment model in IFRS 9 is an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised. As a result, all financial assets generally carry a loss allowance.

Expected Credit Loss (ECL) is a probability -weighted estimate of credit losses - i.e. the present value of cash shortfalls - over the expected life of the financial instrument. For a financial asset that is credit -impaired, the ECLs are the difference between the asset's gross carrying amount and the present value of estimated future cash flows.

The assessment of ECLs is based on reasonable and supportable information - that is, information reasonably available without undue cost or effort at the reporting date. Impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

To assess whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort, and is relevant for the particular financial instrument being assessed. The information used includes factors that are specific to the borrower and general economic conditions. Possible data sources include internal loss experience and ratings, and external ratings, reports and statistics.

When the Company considers that there are no realistic prospects of recovery of the financial asset, the relative amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss (in profit or loss) is recognised in the profit or loss.



Audited Financial Statements For the year ended 31 December 2022

Financial liabilities Non -Derivative financial liabilities:

a. Classification

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities at amortised cost

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short-term nature while borrowings are spilt into current and non-current liabilities.

Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

b. Recognition & measurement

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

(vii) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(viii) Property, plant and equipment

I. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the period in which they were incurred.

Construction work in progress is not depreciated, it is carried at cost less any recognized impairment loss. Costs include professional fees for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policies. On completion of construction, the related amounts are transferred to the appropriate category of property, plant and equipment. Payments in advance for items of property, plant and equipment are included as prepayments in other assets and upon delivery are reclassified as additions in the appropriate category of property, plant and equipment. No depreciation is charged until the assets are available for use.



Audited Financial Statements For the year ended 31 December 2022

II. Subsequent costs

The cost of replacing a part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

III. Right - of - use - assets

The right -of-use-assets are measured at the present value of the lease liability, adjusted for any prepayment before application and discounted with the incremental borrowing rate at the date of initial application. The company does not recognize right -of-use-asset and record lease liability for the payments of short-term leases. i.e lease term assessed to be 12 months or less from the commencement date and for leases of low value assets. i.e assets which fall below the capitalization threshold for property, plant and equipment. The right -of-use-asset is being depreciated on a straight -line basis and is being recorded in the profit or loss statement.

IV. Depreciation

Depreciation is calculated on items of property, plant and equipment on a straight -line basis over the estimated useful economic lives.

The estimated useful lives for the current periods are as follows:

Asset class	Useful life (years)
Plant & Machinery	15
Generator	5
Computer Equipment	5
Furniture & Fittings	5
Motor Vehicles	5
Office Equipment	5

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Company takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

Property, plant and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

V. De - recognition

The carrying amount of an item of property, plant and equipment will be derecognized on disposal or when no future economic benefits are expected from its use or disposal.



Audited Financial Statements
For the year ended 31 December 2022

VI. Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal and is recognized as an item of other income in the period in which the significant risks and rewards of ownership are transferred to the buyer.

(ix) Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(x) Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

(xi) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items, are eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while interest income received is included in investing activities.

(xii) Related Party

Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(xiii) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method while finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(xiv) Revenue recognition

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).



Audited Financial Statements For the year ended 31 December 2022

(xv) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Slow moving and obsolete inventory items are written off to profit or loss.

(xv) Provisions and Contingent Liabilities

a. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

b. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(xvi) Employee benefits

a. Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2004, which was updated in July 2014, the Company has a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss. The Company and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowance to the scheme.

b. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.

c. Short -term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.



Audited Financial Statements
For the year ended 31 December 2022

(xvii) Share capital

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

Ordinary shares are classified as equity. Mandatorily, redeemable preference shares are classified as liabilities.

Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares

Dividends on ordinary shares are recognized as liability in the period in which they are approved by the Company's shareholders. Dividends declared after the balance sheet dates are dealt with in the subsequent period.

(xviii) Earnings per share

Basic earnings per share is calculated by dividing net profit after tax applicable to equity holders of the Company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



		2022 ל '000	2021 ל'000
4	Revenue	40.544	0.474
	Lane Marking	16,514	9,471
	Road construction contracts	8,819,186	<u> 15,073,019</u>
		8,835,700	15,082,491
5	Cost of Sales		
	Civil works	50,900	-
	Cost of Materials	3,365,016	4,758,002
	Freight	192	68,441
	Logistics	3,022	39,049
	Site Expenses	189,061	1,271,690
	Diesel	485,572	-
	Subcontract Costs	95,426	-
	Hiring costs	189,981	-
	Other Direct Cost	50,368	-
	Labour wages	294	_
		4,429,832	6,137,183
6	Other income Other income	33,142	
	Interest Received	-	2
	Investment Income	_	<u>142,297</u>
		33,142	142,300
7	Administrative expenses Forex Gains/Losses		153,462
	Accounting fees	<u>-</u>	2,250
	Advertising	-	13,838
	Association dues	<u>-</u>	5,807
	Audit fees	3,225	3,000
	Bank charges	71,172	52,059
	Back duty tax expense	25,000	•
	Branding & Business development	7,520	18,743
	Cleaning and sanitation	999	1,237
	Computer expenses	-	75
	Consultancy fees	144,958	96,787
	Corporate social responsibility	16,900	9,604
	Depreciation	698,806	340,631
	Donation	_	-
	Directors fees	47,059	
	Electricity & water	3,916	6,247
	Entertainment	49,570	1,950
	Fuel	8,981	33,628
	ICT expenses	8,946	3,015
	Insurance	7,898	21,573
	Insurance Legal Fees	7,898 15,915	21,573 14,304



	Au	dited	Fina	ncial	Staten	nents
For the	year	ended	31	Dec	ember	2022

		For the year ended 31 December	2022
	Medical expenses	2,414	15,860
	Motor vehicle expenses	5,381	7,885
	Office expenses	23,268	61,321
	Miscellaneous expenses	and the second s	48,987
	Printing & stationery	7,708	3,899
	Renovation expenses	2,383	34,166
	Rent Paid	22,067	11,772
	Repairs & maintenance	292,163	27,420
	Safety expenses	12,492	-
	Salaries & wages	913,802	1,233,857
	Security	31,947	21,490
	Selling & marketing expenses	-	800
	Service charge	887	5,479
	Software subscription	2,872	-
	Staff welfare	2,654	4,890
	Statutory fee	2,005	21,928
	Telephone & internet	-	3,024
	Training	9,285	1,523
	Transport	15,745	16,855
	Travel & accommodation	57,614	105,066
	Webhosting	-	50
	WHT expenses	-	8,352
		2,515,551	2,441,606
8	Income Tax Credit/Expense Opening balance Current income tax (SOPL) Tax paid Withholding tax receivable	274,555 234,000 (274,555) 	110,820 163,735
	Closing balance	(201,000)	274,555
9	Cash and Cash Equivalents		· · · · · ·
Ů	Bank balances	38,631	2,008,844
		38,631	2,008,844
10	Trade and Other Receivables Trade receivables Less: impairment provision	16,702,855 (2,505,428)	14,683,332 (2,125,759)
		14,197,427	12,557,572
	Staff loans		5,326
	Investment in subsidiaries	5,004	-
	Withholding tax receivable	135,826	FR
		14,338,257	12,562,898



40				
10a	Allowance for impairment	ioss on trade receivables	0.405.750	706 247
	Opening balance		2,125,759 379,669	786,317
	For the year Reversed		379,009	1,339,442
	Closing balance		2,505,428	2,125,759
	Closing balance		2,000,120	2,120,100
11	Prepayments			
	Prepaid Rent		_	5,000
	Prepaid Audit Fees		-	29,103
				34,103
				·
12	Trade and Other Payables			
	Trade and Other Payables		-	1,856,621
	Salaries payable		245,782	1,416,030
	Audit fee payables		3,225	3,000
			249,007	3,275,651
13	Loans & borrowings			
	Bank Loan		681,030	871,230
	Borrowings		628,000	-
			1,309,030	871,230
	Analyzed as follows:		4 200 000	074 000
	Current portion Non-current portion		1,309,030	871,230
	Non-current portion		1,309,030	871,230
			1,309,030	671,230
14	Share Capital			
17	Issued and fully paid for			
	Ordinary shares at N1.00 ea	ach	91,000	1,000
			5.,555	,,,,,
	Movements during the ye	ear:		
	At 1 January		91,000	1,000
	Issued during the year			90,000
	At 31 December		91,000	91,000
15	Finance Cost			
	Interest on loan		275,905	139,921
			275,905	139,921
16	Bank Overdraft		4.5.5	
	Bank Overdraft		190	65
			190	65



17 Earnings per share		
Profit for the year	1.033.885	4.860.604
Weighted average number of ordinary shares for the purpose of		
basic earnings per share	91,000	<u>91,000</u>
Basic earnings per share		
(Naira)	11.4	<u>53.4</u>



8	Property. plant and equipment_					į		
	Cost	Plant & Machinery	Computer Equipment	Furniture & Fittings	Motor Vehicle	Office Follipment	Generator	Total
		000، ۲	000، ۲	000، ۲	۰۵0، ۲	000, 4	000. 4	٥٥٥، ۲
	At 1 January 2022	2,601,225	17,546	68,593	458,478	159,787	106,210	3,411,838
	Revaluation Adjustment	3,794,952	52,355	323,968	219,078	999'609	152,515	5,146,534
	Additions		954		49,460	98,338		148,752
	At 31 December 2022	6,396,177	70,854	392,560	727,016	861,791	258,725	8,707,124
	Accumulated Depreciation							
	At 1 January 2022	352,589	6,088	22,934	158	50,078	28,598	460,445
	Revaluation Adjustment	597,199	19,440	126,506	12,152	211,525	50,507	1,017,329
	Charge for the period	341,032	10,229	56,192	124,953	125,329	41,071	908,809
	At 31 December 2022	1,290,819	35,756	205,632	137,264	386,932	120,177	2,176,580
								•
	Net Book Amount at 31 December 2022	5,105,358	35,098	186,929	589,752	474,859	138,548	6,530,544



19. Financial Risk Management

19.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks. The company therefore aims to achieve an appropriate balance between risk and returns so as to minimize the potential adverse effects of the risks on the company's financial performance.

The directors are responsible for the determination of the company's risk management objectives and policies. The company's risk management policies are designed to identify and analyse financial risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

(a) Market Risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

Interest Rate Risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's significant interest -bearing financial assets are cash and cash equivalents.

(b) Credit Risk

Credit risk represents the potential loss that the company would incur if counter parties fail to perform pursuant to the terms of their obligations to the company. At the reporting date, the main exposures to credit risk were in relation to receivables and cash and cash equivalents.

(c) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when due. The company's policy is to ensure that it always has sufficient funds to meet its liabilities when they become due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. This is achieved by monitoring rolling forecasts of the company's liquidity reserve on the basis of expected cash flows. The directors do not foresee any major liquidity risk over the next two years.

19.2 Capital Risk Management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for the directors and benefits for other stakeholders.

20 Impact of COVID -19 on the operations of the Company

There was no significant impact on the entity as at year end

21 Litigations and Claims

There was no outstanding litigation or claim against the entity as at year end.



22 Capital Commitments

There were no capital commitments as at the end of the year.

23 Subsequent Events Review

There were no events after the reporting period which has material effect on the state of affairs of the company as at 31 December 2022 that have not been adequately provided or disclosed.



Audited Financial Statements For the year ended 31 December 2022

STATEMENT OF CASH FLOWS

	2022 ל' 000	2021 ל '000
Operating Activities		
Profit/(Loss) after tax Adjustments for non-cash items	1,033,885	4,931,862
Depreciation of property, plant and equipment	698,806	373,739
Exchange gain	-	71,041
Finance cost	275,905	139,921
Tax provision	234.000	216.619
Impairment loss on trade receivables	379,669	1,339,442
Cashflow from operating activities before changes in working		1,000,112
capital	2,622,265	7,072,624
Movement in working capital		
Increase/decrease in current assets	(1,579,102)	(7,052,881)
Increase/decrease in current liabilities	(3,026,644)	2,693,752
	(1,983,481)	2,713,495
Cash generated from operations Tax paid	-	-
Cash generated from operating activities	(1,983,481)	2,713,495
Investing Activities		
Purchase of property, plant and equipment	(148,752)	(1,435,369)
Net Cash generated from Investing Activities	(148.752)	(1.435.369)
3	•	
Financing Activities		
Proceeds of ordinary share capital	<u>=</u>	=
Interest paid	(275,905)	(139,921)
Proceeds from borrowings	437,800	866,230
Net cash generated from financing activities	161,895	726,309
nen enen generaten mem maneng den mee		0,000
Net increase in cash and cash equivalent	(1,970,338)	2,004,435
Cash at the beginning of the year	2,008,779	4,344
Cash at the end of the year	38,441	2,008,779
		-,,
Represented by:		
Cash Balance	38,631	2,008,844
Bank Overdraft	(190)	(65)
Daint Official		
	38,441	2,008,779



STATEMENT OF VALUE ADDED

	31 - Dec - 22		31 - Dec - 21	
	'000 ל	%	'000 ל	%
Gross earnings	8,835,700		15,082,491	
Brought -in-material and services	(1,538,158)	_	<u>(8,775,809)</u>	
Value added	7,297,542		6,306,682	
Distribution of Value Added:				
To pay employees: Wages, salaries and other benefits	925,741	13	1,233,857	20
To pay government: Taxes	234,000	3	163,735	3
laxes	234,000	3	103,733	3
To provider of finance:				
Finance cost	275,905	4	139,921	2
Retained for future replacement	of assets and expa	nsion of bu	usiness:	
Depreciation	698,806	10	340,631	5
Profit for the period	5,163,090	71	4,428,538	70
	7,297,542	100	6,306,682	100

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.













Audited Financial Statements For the year ended 31 December, 2023

CORPORATE INFORMATION

Board of Directors	Nationality	Designation
Adeolu Adeboye	Nigerian	Chairman
Niyi Ogunnowo	Nigerian	Vice Chairman
Ukuevo Jackson	Nigerian	Managing Director
Okafor Akalaka	Nigerian	Independent Non-Executive Director
Temitope Adeboye	Nigerian	Independent Non-Executive Director
Tope Adebosin	Nigerian	Non-Executive Director
Leon Kelly	American	Independent Non-Executive Director
Josephine Ukuevo	Nigerian	Non-Executive Director

RC NU4BER: 771515

NATURE OF BUSINESS: Construction

REGISTERED OFFICE: 179, Moshood Olugbemi Street,

Victoria Island,

Lagos.

INDEPENDENT AUDITORS: Shelze Professional Services

7, Edward Hotunu Street,

Lekki Phase 1,

Lagos.

BANKERS: Access Bank

Ecobank FCMB Fidelity Bank

Guaranty Trust Bank Plc.

Keystone Bank Sterling Bank Parallex Bank Polaris Bank Providus Bank

UBA

Union Bank Zenith Bank Plc.



Audited Financial Statements For the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION

Assets	Makes	2023	2022 N'000
Non-current assets	Notes	₩,000	W 000
	18	5,756,435	6,530,544
Property, plant and equipment Investments	19		0,530,544
Total non-current assets	19	795,277 6,551,712	6,530,544
Current assets		25 510	20 621
Cash & cash equivalents	9	25,519	38,631
Trade and other receivables	10	2,668,881	14,338,257
Prepayments Total current assets	11 _	2,694,400	14,376,888
Total assets	_	9,246,112	20,907,432
Equity and liabilities			
Equity			
Share capital	14	91,000	91,000
Revaluation reserve		4,449,363	5,359,285
Retained earnings		2,608,450	13,898,920
Total equity		7,148,813	19,349,205
Total non-current liabilities	_		15
Current liabilities			
Trade and other payables	12	412,042	249,007
Bank overdraft	16	1,041,583	190
Income tax payable	8	THE CONTRACTOR	
Borrowings	13	643,674	1,309,030
Total current liabilities	-000	2,097,299	1,558,227
Total equity and liabilities	-	9,246,111	20,907,432

These financial statements were approved by the Directors and signed on its behalf by:

Oluwakemi Akinloye Chief Financial Officer FRC/2019/ICAN/000001993 Ukuevo Jackson

Chief Executive Officer FRC/2024/PRO/DIR/003/503251

Adeolu Adeboye Chairman



Audited Financial Statements For the year ended 31 December 2023

DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of RONCHESS GLOBAL RESOURCES PLC (the "Company") for the year ended 31 December, 2023.

LEGAL FORM

RONCHESS GLOBAL RESOURCES PLC was incorporated on the 5th of September, 2008. In 2021, the Company converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange.

PRINCIPAL ACTIVITIES

The company is engaged in the business of Road Marking and Construction.

OPERATING RESULTS

The following is a summary of the Company's operating results:

	2023 N'000	2022 №'000
Revenue	3,623,161	8,835,700
Cost of sales Gross profit	(7,282,072) (3,658,911)	(4,429,832) 4,405,868
Impairment loss on trade receivables	(122,098)	(379,669)
Administrative expenses	(2,128,159)	(2,515,551)
Operating Profit/(Loss)	(5,909,168)	1,510,648

DIRECTORS AND THEIR INTERESTS

The names of the present Directors are detailed on page 1. None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act 2020 of any interest in contracts with which the Company was involved during the period under review.

SHAREHOLDERS AND SHAREHOLDING

The names of the shareholders and their allotted shareholdings are as follows:

and the same of th	Number of Ordinary Shares of ₩1 e	of Ordinary Shares of #1 each			
Share Range	% Holding	2023			
1 - 50,000,000	29.90%	20,200,000			
50,000,001-100,000,000	70.10%	70,800,000			
- 0. 8	100%	91,000,000			
-					

PROPOSED DIVIDEND

The directors did not recommend the payment of any dividend to shareholders for the year ended 31 December 2023.

AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company as at 31 December 2023 is N91,000,000 dividends into 91,000,000 ordinary shares of N1 each.



Financial Statements For the year ended 31 December 2023

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

POSITION					
	2023 N'm	2022 N'm	2021 N'm	2020 N'm	2019 N'm
ASSETS					
Non-current assets					
Property, plant and equipment Investments	5,756 795	6,531	4,002	2,919	165
	6,552	6,531	4,002	2,919	165
Current assets					
Receivables	2,669	14,338	12,563	5,514	3,256
Prepayment	7		34		
Cash & cash equivalents	26	39	2,009	188	4
Total current assets	2,694	14,377	14,606	5,702	3,260
Total Assets	9,246	20,907	18,608	8,621	3,426
LIABILITIES					
Current liabilities					
Trade and other payables	412	249	3,276	586	48
Bank Overdraft	1,042	0	0		
Tax Payable			275	111	51
Borrowings	644	1,309	871	-	
Total current liabilities	2,097	1,558	4,422	697	99
EQUITY					
Share capital	91	91	91	91	1
Revaluation Reserve	4,449	5,359	1,230		
Retained earnings	2,608	13,899	12,865	7,863	3,326
Total equity	7,149	19,349	14,186	7,954	3,327
Total Equity and Liabilities	9,246	20,907	18,608	8,651	3,426



Financial Statements For the year ended 31 December 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

2023 N'm	2022 N'm	2021 №'m	2020 #'m	2019 N'm
3,623	8,836	15,082	10,305	2,313
(7,282)	(4,430)	(6,137)	(3,883)	(1,415)
(3,659)	4,406	8,945	6,422	898
(2,128)	(2,516)	(2,442)	(1,151)	(359)
(122)	(380)	(1,339)	(786)	-
177722	33	917/02/03	-	
(596)	(276)	(140)	(140)	le le
(6,505)	1,268	5,024	4,345	539
_sos 2	(234)	(164)	(60)	(8)
(6,505)	1,034	4,861	4,284	531
8		142	5	
	4,129		1.0	
(6,505)	5,397	5,003	4,290	531
	(7,282) (7,282) (3,659) (2,128) (122) (596) (6,505)	**M'm **M'm **3,623	N'm N'm N'm 3,623 8,836 15,082 (7,282) (4,430) (6,137) (3,659) 4,406 8,945 (2,128) (2,516) (2,442) (122) (380) (1,339) 33 - - (596) (276) (140) (6,505) 1,268 5,024 (234) (164) (6,505) 1,034 4,861	N'm N'm N'm N'm 3,623 8,836 15,082 10,305 (7,282) (4,430) (6,137) (3,883) (3,659) 4,406 8,945 6,422 (2,128) (2,516) (2,442) (1,151) (122) (380) (1,339) (786) 33 - - (596) (276) (140) (140) (6,505) 1,268 5,024 4,345 (234) (164) (60) (6,505) 1,034 4,861 4,284



Audited Financial Statements For the year ended 31 December 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2023 N'000	2022 N'000
Revenue	4	3,623,161	8,835,700
Cost of sales	4 5	(7,282,072)	(4,429,832)
Gross profit		(3,658,911)	4,405,868
Impairment loss on trade receivables	10a	(122,098)	(379,669)
Administrative expenses	7	(2,128,159)	(2,515,551)
Operating profit		(5,909,168)	1,510,648
Other income	6	481	33,142
Finance cost	15	(595,948)	(275,905)
Profit/(loss) before tax		(6,504,635)	1,267,885
Income tax expense	8	612 17 17	(234,000)
Profit for the year		(6,504,635)	1,033,885
Other comprehensive income			
Exchange gains	6	-	±:
Gain on revaluation		-	4,129,205
Total comprehensive income		(6,504,635)	5,163,090
Earnings per share	17	(71.5)	11.4





INDEPENDENT AUDITOR'S REPORT To the Shareholders of Ronchess Global Resources Pic Report of the Audit of the financial statements

We have audited the accompanying financial statements of Ronchess Global Resources PIc which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, statement of changes in equity, statement of cash flow for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Ronchess Global Resources Plc at 31 December, 2023 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2023.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The directors are responsible for the other information. The other information comprises the director's report, which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Financial Reporting Council Act, 2023 and for such internal control as the directors determine are 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.



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Auditor's Responsibilities for the Audit of 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 judgment and maintain professional scepticism throughout the audit. We also:

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the
 entities or business activities within the company to express an opinion on the financial
 statements. We are responsible for the direction, supervision and performance of the
 Company's audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act 2020 we expressly state that:

- We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.
- The Company has kept proper books of actount, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: Shelze Professional Services

Chartered Accountants

Lagos, Nigeria 29 April 2024

Engagement Partner: David Apaflo, FCA

FRC/2014/PRO/00000007739





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Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

1.1 Presentation of Financial Statement

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies and Allied Matters Act 2020.

These financial statements were also prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). Historical cost is generally based on the consideration given in exchange for assets.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the Half year ahead.

2.0 Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

a) Statement of Compliance The financial statements of RONCHESS GLOBAL RESOURCES PLC is a general-purpose financial report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2023.

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- <> Financial instruments at fair value through profit or loss are measured at fair value;
- <> Financial instruments measured at amortized value.
- <> Inventory-lower of cost and net realizable value.
- <> Lease liabilities-measured at present value of future lease payments.

Historical cost is generally based on the fair value of the considerations given in exchange for the assets;

c) Functional and Presentation Currency These financial statements are presented in Naira which is the Company's functional currency. All amounts have been rounded up to the nearest thousand, unless otherwise indicated

2.0.0 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.0.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described in the notes below;

Note 4: Revenue recognition-whether revenue from sales of goods and services is recognised over or at a point in time.

Note 10: Trade receivable-in determining the expected credit loss to be recognised.

There were no other significant judgements that could have a material impact on the reported amounts in the financial statements

2.1.2 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Hence, measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the
asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data
(unobservable inputs)

In some cases, if the input used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Notes - Financial Instruments Financial risk management and fair value.

3.1 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard	Content	Effective Date
Amendment to IFRS 16	Leases	1-Jan-24
Amendment to IAS 1	Presentation of Financial Statement	1-Jan-24
Amendment to IAS 7	Statement of Cash flow	1-Jan-24
Amendment to IFRS 7	Financial Instruments Disclosures	1-Jan-24



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

Amendments to IFRS 16, Leases - Lease Liability in a Sale-and-Leaseback

IFRS 16 specifies how an IFRS reporter will recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The amendments to IFRS 16 requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows:

- On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, apply the general requirements for subsequent accounting
 of the lease liability such that no gain or loss relating to the retained right of use is
 recognized.

Seller-lessees are required to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019. Effective date of this standard is 1 January 2024.

Amendments to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

IAS 1 provides clarification on the classification of liabilities as current or noncurrent based solely on an entity's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance.

Only covenants with which a entity must comply on or before the reporting date may affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or noncurrent at the reporting date. However, disclosure about covenants is now required to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments also clarify that the transfer of an entity's own equity instruments is regarded as a settlement of a liability. If a liability has any conversion options, they generally affect its classification as current or noncurrent, unless these conversion options are recognized as equity under IAS 32, Financial Instruments: Presentation.

Effective date of this standard is 1 January 2024.

3.2 Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company and to the three months periods presented in the financial report

a. Foreign Currency Transactions:

Foreign Currency Transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized, are recognized in the statement of profit or loss in the period in which they arise. Non-monetary assets and liabilities in a foreign currency that are measured at historical costs are translated using the exchange rates at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences are generally recognized in the profit or loss and presented within finance income and costs.

b. Fair Value Change

Fair Value Change on financial assets and liabilities carried at fair value through profit or loss are presented in the statement of profit or loss while fair value changes on other financial instruments at fair value are presented in the statement of other comprehensive income.

c. Income Tax Expense

The Tax Expense for other period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively. The current income tax charge is the aggregate of the charge to the profit and loss account in respect of current income tax and education tax. Current income tax is the amount of income tax payable on the taxable profit for the Half year determined in accordance with the Companies Income Tax Act (CITA) and assessed at 30% of taxable profit. Education tax is assessed at 2.5% of the assessable profits. The directors of the Company continually evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to the paid to the tax authorities. Where the Company has tax losses that can be relieved against a tax liability for a previous Half year, it recognizes those losses as a recoverable, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises.

d. Deferred tax

Deferred income tax is recognised, using the liability method (balance sheet method), on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis

e. Tax expense

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arise from:

- A transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- A business combination Current tax and deferred taxes are charged or credited or other comprehensive income if the tax relates to the items that are credited or charged, in the same or a different period, directly in equity.

f. Financial instruments

Initial recognition and subsequent measurement A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets non-derivative financial assets

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

C) Classification

The Company classifies its financial assets as; amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Amortised cost

A financial asset is measured at amortised cost only if it is held within a business model whose objective is to hold assets to collect contractual cash flows (the held-to-collect business model); and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion).

The Company's amortised cost assets comprise trade and other receivables, loans and advances, receivables due from related parties and cash and cash equivalents, and are included in current and non-current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one Half year and non-current if they are to be settled after one Half year.

- Fair value through other comprehensive income (FVOCI)
 A debt instrument is measured at FVOCI only if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI criterion. The Company did not have assets measured at FVOCI as at Half year end.
- 3. Fair value through profit or loss (FVTPL) All other financial assets i.e., financial assets that do not meet the criteria for classification as subsequently measured at either amortised cost or FVOCI are classified as subsequently measured at fair value, with changes in fair value recognised in profit or loss. In addition, the Company has the option on initial recognition to irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency i.e., an 'accounting mismatch' that would otherwise arise from measuring assets liabilities, or recognising the gains and losses on them, on different bases. The Company did not have assets measured at FVTPL as at Half year end

d) De-recognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Bank or the counterparty.



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

f) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is **objective** evidence that a financial asset or a Company of financial assets is impaired. The impairment model in IFRS 9 is an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised. As a result, all financial assets generally carry a loss allowance.

Expected Credit Loss (ECL) is a probability-weighted estimate of credit lossesi.e. the present value of cash shortfalls - over the expected life of the financial instrument. For a financial asset that is credit-impaired, the ECLs are the difference between the asset's gross carrying amount and the present value of estimated future cash flows.

The assessment of ECLs is based on reasonable and supportable information that is, information reasonably available without undue cost or effort at the
reporting date. Impairment is measured as either 12-month ECLs or lifetime
ECLs, depending on whether there has been a significant increase in credit risk
since initial recognition. If a significant increase in credit risk of an instrument
has occurred since initial recognition, then impairment is measured as lifetime
ECLs.

To assess whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort, and is relevant for the particular financial instrument being assessed

The information used includes factors that are specific to the borrower and general economic conditions. Possible data sources include internal loss experience and ratings, and external ratings, reports and statistics. When the Company considers that there are no realistic prospects of recovery of the financial asset, the relative amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss (in profit or loss) is recognised in the profit or loss.

Financial liabilities non-Derivative financial liabilities:

a. Classification:

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities at amortised cost

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short-term nature while borrowings are spilt into current and non-current liabilities. Borrowings included in



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

non-current liabilities are those with maturities greater than 12 months after the reporting date

b. Recognition & measurement

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

g. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

h. Property, plant and equipment

I. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the period in which they were incurred.

Construction work in progress is not depreciated, it is carried at cost less any recognized impairment loss. Costs include professional fees for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policies. On completion of construction, the related amounts are transferred to the appropriate category of property, plant and equipment. Payments in advance for items of property, plant and equipment are included as prepayments in other assets and upon delivery are reclassified as additions in the appropriate category of property, plant and equipment. No depreciation is charged until the assets are available for use.

II. Subsequent costs

The cost of replacing a part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

III. Right-of-use-assets

The right-of-use-assets are measured at the present value of the lease liability, adjusted for any prepayment before application and discounted with the incremental borrowing rate at the date of initial application. The company does not recognize right of-use-asset and record lease liability for the payments of short-term leases, i.e., lease term assessed to be 12 months or less from the commencement date and for leases of low value assets, i.e. assets which fall below the capitalization threshold for property, plant and equipment. The right-of-use-asset is being depreciated on a straight-line basis and is being recorded in the profit or loss statement.

IV. Depreciation

Depreciation is calculated on items of property, plant and equipment on a straightline basis over the estimated useful economic lives.

The estimated useful lives for the current periods are as follows:

Asset class	Useful Life
Plant & Machinery	7
Generator	20
Computer Equipment	20
Furniture & Fittings	20
Motor Vehicles	20
Office Equipment	20

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Company takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

Property, plant and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

V. De-recognition

The carrying amount of an item of property, plant and equipment will be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

VI. Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

the proceeds of disposal and is recognized as an item of other income in the period in which the significant risks and rewards of ownership are transferred to the buyer.

(VII) Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(VIII) Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes

(X) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items, are eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while interest income received is included in investing activities.

(XI) Related Party

Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(XII) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method while finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(XIII) Revenue recognition

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).

(XIV) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Slow moving and obsolete inventory items are written off to profit or loss.

(XV) Provisions and Contingent Liabilities

a. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of value of money and, where appropriate, the risks specific to the liability.

b. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(XVI) Employee benefits

a. Defined contribution plan A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2004, which was updated in July 2014, the Company has a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss. The Company and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowance to the scheme.

b. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs



Financial Statements For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.

c. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(XVII) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity Mandatorily, redeemable preference shares are classified as liabilities.

Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends on ordinary shares Dividends on ordinary shares are recognized as liability in the period in which they are approved by the Company's shareholders. Dividends declared after the balance sheet dates are dealt with in the subsequent period.

(xviii) Earnings per share

Basic earnings per share is calculated by dividing net profit after tax applicable to equity holders of the Company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial Half year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



Financial Statements For the year ended 31 December 2023

	2023 #'000	2022 N'000
Revenue		Salarie Co
Lane Marking	2 522 151	16,514
Road construction contracts	3,623,161	8,819,186
	3,623,161	8,835,700
Cost of Sales		
Civil works		50,900
Cost of Materials	6,333,303	3,365,016
Freight	12,310	192
Logistics	40,310	3,022
Site Expenses	353,372	189,061
Diesel	419,878	485,572
Subcontract Costs		95,426
Hiring costs	106,987	189,981
Other Direct Cost	4,075	50,368
Labour wages	11,838	294
	7,282,072	4,429,832
Other income		
Other income	481	33,142
Interest Received	401	33,142
Investment Income	1,52	
Investment income	481	33,142
	1	
Administrative expenses		
Advertising, Branding & Business development	69,140	7,520
AGM Expenses	3,418	F.
Association dues	560	ears to expense.
Audit fees	7,000	3,225
Bank charges	6,369	71,172
Back duty tax expense	8,815	25,000
Building Renovation	9,761	2,383
1977 Amount on Time the control of the second Alberta 1977 and and	1,223	999
Cleaning and sanitation	11.00	999
Computer expenses	880	000000000000000000000000000000000000000
Computer expenses Consultancy fees	880 17,988	144,958
Computer expenses Consultancy fees Corporate social responsibility	880 17,988 8,250	144,958 16,900
Computer expenses Consultancy fees Corporate social responsibility Depreciation	880 17,988 8,250 18,058	144,958 16,900 698,806
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees	880 17,988 8,250 18,058 63,500	144,958 16,900 698,806 47,059
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water	880 17,988 8,250 18,058	144,958 16,900 698,806 47,059 3,916
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water Entertainment	880 17,988 8,250 18,058 63,500 1,909	144,958 16,900 698,806 47,059 3,916
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water Entertainment Fines	880 17,988 8,250 18,058 63,500 1,909	144,958 16,900 698,806 47,059 3,916
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water Entertainment Fines Fuel	880 17,988 8,250 18,058 63,500 1,909 20 25,051	144,958 16,900 698,806 47,059 3,916 49,570
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water Entertainment Fines Fuel General Expenses	880 17,988 8,250 18,058 63,500 1,909 20 25,051 8,714	144,958 16,900 698,806 47,059 3,916 49,570
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water Entertainment Fines Fuel General Expenses ICT expenses	880 17,988 8,250 18,058 63,500 1,909 20 25,051 8,714 1,639	144,958 16,900 698,806 47,059 3,916 49,570 - 8,981
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water Entertainment Fines Fuel General Expenses	880 17,988 8,250 18,058 63,500 1,909 20 25,051 8,714 1,639 4,416	144,958 16,900 698,806 47,059 3,916 49,570 - 8,981 - 8,946 7,898
Computer expenses Consultancy fees Corporate social responsibility Depreciation Directors fees Electricity & water Entertainment Fines Fuel General Expenses ICT expenses	880 17,988 8,250 18,058 63,500 1,909 20 25,051 8,714 1,639	144,958 16,900 698,806 47,059 3,916 49,570 - 8,981



Financial Statements For the year ended 31 December 2023

		2023 #'000	2022 N'000
	Motor vehicle expenses	26,839	5,381
	Office expenses	9,357	23,268
	Postage & Courier Expenses	2,896	23,200
	Printing & stationery	4,966	7,708
	Rent Paid	35,379	22,067
	Repairs & maintenance	192,112	292,163
	Safety expenses	5,762	12,492
	Staff Cost (Note 7a)	778,728	928,155
	CATACAN DISTRICT CONTRACTOR OF THE STATE OF	56,106	31,947
	Security Service charge	1,760	887
	100 10		
	Software subscription	2,031	2,872
	Statutory fee	192,699	2,005
	Transport	8,019	15,745
	Travel & accommodation	126,574	57,614
		2,128,159	2,515,551
7a	Staff Cost		
	Salaries & wages	634,794	913,802
	Allowance	14,215	-
	Staff Lodges Rent	25,909	2
	Utility Allowance	240	
	Medical expenses	988	2,414
	Staff Medical	2,945	
	Staff welfare	26,637	2,654
	Other Payroll Cost	38,311	2011000000
	Training	34,690	9,285
		778,728	928,155
R	Income Tax Credit/Expense		
_	Opening balance	-	274,555
	Current income tax (SOPL)		234,000
	Tax paid		(274,555)
	Withholding tax receivable	1-	(234,000)
	Closing balance	-	(234,000)
		+	
9	Cash and Cash Equivalents		
	Bank balances	25,519	38,631
	Dank Daidrices	25,519	38,631
200	Company of the Compan	Ģ	
10	Trade and Other Receivables		44 707 055
	Trade receivables	7,227,786	16,702,855
	Less: Prior year adjustments	(4,785,835)	
	Less: impairment provision	(122,098)	(2,505,428)
		2,319,853	14,197,427



Financial Statements For the year ended 31 December 2023

		2023	2022
	VACCIDARISMA AND CONTRACTORS	₩'000	₩,000
	Sundry Debtors	19,100	5
	Staff Pensions	716	•
	Staff loans	100	F 004
	Due from related parties Withholding tax receivable	220 112	5,004
	withholding tax receivable	329,112	135,826
	-	2,668,881	14,338,257
10a	Allowance for impairment loss on trade receivables		
	Opening balance	2,505,428	2,125,759
	For the year	122,098	379,669
	Prior year adjustment	(2,505,428)	
	Closing balance	122,098	2,505,428
11	Prepayments		
275	Prepaid expenses	120	¥.,
	(In the personal according to the control of the co	-	24
12	Trade and Other Payables		
	Trade Payables	350,000	
	Salaries payable		245,782
	PAYE Liabilities	3,046	F-
	WHT Payables	51,996	€
	Audit fee payables	7,000	3,225
		412,042	249,007
13	Loans & borrowings		
	Bank Loan	643,674	681,030
	Other Borrowings		628,000
		643,674	1,309,030
	Analyzed as follows:		
	Current portion	643,674	1,309,030
	Non-current portion	700000000000000000000000000000000000000	
	*	643,674	1,309,030
14	Share Capital		
	Issued and fully paid for		
	Ordinary shares at N1.00 each	91,000	91,000
	Movements during the year:		
	At 1 January	91,000	91,000
	Issued during the year	300	
		91,000	91,000



Financial Statements For the year ended 31 December 2023

		2023 **'000	2022 N'000
15	Finance Cost	11 000	W 000
	Interest on loan	595,948	275,905
		595,948	275,905
16	Bank Overdraft		
	Bank Overdraft	1,041,583	190
		1,041,583	190
17	Earnings per share		
	Profit for the year	(6,504,635)	1,033,885
	Weighted average number of ordinary shares for the purpose of		
	basic earnings per share	91,000	91,000
	Basic earnings per share		
	(Naira)	(71.5)	11.4
18	Investment		
	Investment in unquoted companies	795,277	0_
		795,277	89



Financial Statements For the year ended 31 December 2023

19 Property, Plant and Equipment

As At 31 December 2023 2023 At 1 January 2023 Revaluation Adjustment	Plant & Machinery N'000 6,396,177	Computer Equipment N'000 70,854	Furniture & Fittings N'000 392,560	Motor Vehicle N'000 727,016	Office Equipment W'000 861,791	Generator N'000 258,725	Total N'000 8,707,124
Additions	97,814	669		1,505	22,435	31,448	153,871
At 31 December 2023	6,493,991	71,523	392,560	728,521	884,226	290,172	8,860,995
Accumulated Depreciation At 1 January 2023 Revaluation Adjustment	1,290,819	35,756	205,632	137,264	386,932	120,177	2,176,580
Charge for the period	454,579	14,305	78,512	145,704	176,845	58,034	927,980
At 31 December 2023	1,745,399	50,061	284,144	282,968	563,777	178,211	3,104,560
Net Book Amount at 31 December 2023	4,748,593	21,462	108,416	445,553	320,449	111,961	5,756,435
Net Book Amount at 31 December 2022	5,105,358	35,098	186,929	589,752	474,859	138,548	6,530,544
	-						

Depreciation for PPE was split between operating expenses and revaluation reserves in accordance with IAS 16. The portion of depreciation attributable to the cost of PPE was recognized under operating expenses, while the portion resulting from PPE revaluation was offset against the revaluation reserves.



Financial Statements For the year ended 31 December 2023

20. Financial Risk Management

20.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks. The company therefore aims to achieve an appropriate balance between risk and returns to minimize the potential adverse effects of the risks on the company's financial performance.

The directors are responsible for the determination of the company's risk management objectives and policies. The company's risk management policies are designed to identify and analyse financial risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

(a) Market Risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

(b) Interest Rate Risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's significant interest-bearing financial assets are cash and cash equivalents.

(c) Credit Risk

Credit risk represents the potential loss that the company would incur if counter parties fail to perform pursuant to the terms of their obligations to the company. At the reporting date, the main exposures to credit risk were in relation to receivables and cash and cash equivalents.

(d) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when due. The company's policy is to ensure that it always has sufficient funds to meet its liabilities when they become due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. This is achieved by monitoring rolling forecasts of the company's liquidity reserve on the basis of expected cash flows. The directors do not foresee any major liquidity risk over the next two years.

20.2 Capital Risk Management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for the directors and benefits for other stakeholders.

20.3 Critical Accounting Estimates and Judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment



Financial Statements For the year ended 31 December 2023

to the carrying amounts of assets and liabilities within the next financial year are as shown below:

Impairment of Assets

The company follows the guidance of IAS 36 and IAS 39 in determining when an asset is other-than-temporarily impaired. This determination requires significant judgement.

In making this judgement, the company evaluates, among other factors, the duration and extent to which the fair value of an asset is less than its costs, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Useful Lives of Depreciable Assets

Management reviews the useful lives of depreciable assets including property, plant and equipment and intangible assets at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence. Details of the Property, Plant and Equipment and Intangibles useful lives are provided.

Components

In applying IAS 16 the recognition of property, plant and equipment, management applies judgement to determine aggregation of assets. The standard does not prescribe the unit measure for recognition or what constitutes an item of property, plant and equipment. Thus, judgement is required in applying the recognition criteria to the company's specific circumstances. The company aggregates individually insignificant items, such as small office equipment. Management has determined that there are no significant components to property, plant and equipment that should be segregated.

21 Related Party Transactions

During the year, the company entered into a cash management agreement with Ronchess Group Plc and Ronchess Infrastructure Management Limited to receive funds on its behalf. The cash balances held by these entities at year end are as shown below:

Related Entities	Nature of Relationship	31-Dec-23 N'000
Due from Ronchess Group Limited Due from Ronchess Infrastructure	Common control	NIL
Management Limited	Common control	NIL

22 Segment Reporting

The primary geographical segment of RONCHESS GLOBAL RESOURCES PLC is Nigeria as the Company's income is derived in Nigeria. Therefore, no further business or geographical segments information is reported.

23 Contingent Liabilities

The Company is engaged in lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and other claims amounted to 450 million. The company has assessed these claims and believes that no material loss is expected to arise from them.



Financial Statements For the year ended 31 December 2023

24 Capital Commitments

There were no capital commitments as at the end of the year.

25 Subsequent Events Review

There were no events after the reporting period which has material effect on the state of affairs of the company as at 31 December 2023 that have not been adequately provided or disclosed.



Audited Financial Statements For the year ended 31 December 2023

STATEMENT OF CASHFLOWS

	2023 N'000	2022 N'000
Operating Activities	14 000	H 000
Profit/(Loss) after tax	(6,504,635)	1,033,885
Adjustments for non-cash items	MARKET CONTRACTOR	
Depreciation of property, plant and equipment	18,058	698,806
Exchange gain		534.0000
Finance cost	7.	275,905
Tax provision	25	234,000
Prior year adjustment	(4,785,835)	
Impairment loss on trade receivables		379,669
Cashflow from operating activities before changes in		
working capital	(11,272,412)	2,622,265
Movement in working capital		
Increase/decrease in current assets	11,669,376	(1,579,102)
Increase/decrease in current liabilities	163,035	(3,026,644)
	(559,999)	(1,983,481)
Cash generated from operations Tax paid	550 5 115	
Cash generated from operating activities	(559,999)	(1,983,481)
Investing Activities		
Property, plant and equipment	(153,871)	(148,752)
Investment	(795,277)	(80-008000000)
Net Cash generated from Investing Activities	(949,148)	(148,752)
Financing Activities		
Proceeds of ordinary share capital		
Interest paid		(275,905)
Proceeds from borrowings	(665,356)	437,800
Net cash generated from financing activities	(665,356)	161,895
Net increase in cash and cash equivalent	(1,054,505)	(1,970,338)
Cash at the beginning of the year	38,441	2,008,779
Cash at the end of the year	(1,016,064)	38,441
Represented by:		
Cash Balance	25,519	38,631
Bank Overdraft	(1,041,583)	(190)
	(1,016,064)	38,441



Financial Statements For the year ended 31 December 2023

SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF VALUE ADDED

	31-Dec-23 N'000	%	31-Dec-22 №'000	%
Gross earnings Brought-in-material and services	3,623,161 (7,825,140)		8,835,700 (1,538,158)	
Value added	(4,201,979)	100	7,297,542	100
Distribution of Value Added:				
To pay employees:				
Wages, salaries and other benefits	778,728	19%	925,741	13%
To pay government:				
Taxes	. • \	0%	234,000	3%
To provider of finance:				
Finance cost	595,948	14%	275,905	4%
Retained for future replacement	of assets and e	xpansion	of business:	
Depreciation	927,980	22%	698,806	10%
Profit/ (Loss) for the period	(6,504,635)	-155%	5,163,090	71%
	(4,201,979)	100	7,297,542	100

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.



NOTICE OF CONSOLIDATED ANNUAL GENERAL MEETINGS

FOR THE YEARS ENDED 31st DECEMBER 2021, 31st DECEMBER 2022, 31st DECEMBER AND 2023

NOTICE IS HEREBY GIVEN that the 1st, 2nd and 3rd Annual General Meetings of members of **RONCHESS GLOBAL RESOURCES PLC** ("the Company") will be held at **NORDIC HOTEL**, 258 KOFO ABAYOMI STREET, VICTORIA ISLAND LAGOS, on the 24th of April, 2025 at 12 noon to transact the following business: -

ORDINARY BUSINESS

- 1. To lay before the members, the 2021, 2022 and 2023 Audited Financial Statements, the Reports of the Directors and Report of Auditors thereon;
- 2. To authorize the Directors to fix the remuneration of the External Auditors for the 2021, 2022 and 2023 financial years;
- 3. To elect or re-elect Director;
- 4. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as ordinary resolutions of the Company:

1. To appoint Shelze as the external auditor of the Company for the years 2021, 2022 and 2023;

NOTES:

A. PROXY: -

A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the company. A blank form is attached to this Annual report. For the appointment of a proxy to be valid for the AGM, a duly completed Proxy Form must be received in the office of the Company's Registrars, Coronation Registrars Limited, at 009, Amodu Ojikutu Street, off Saka Tinubu Street, Victoria Island, Lagos or sent to info@coronationregistrars.com not later than 48 hours before the time for holding the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

B. CLOSURE OF REGISTER: -

Notice is hereby given that the Register of Members and Transfer books will be closed from [.] to [.] (both days inclusive) to enable preparation and circulation of Notices to Members by the Registrars.

C. NOMINATION FOR THE AUDIT COMMITTEE: -

The Audit Committee consists of three shareholders and two Directors. In accordance with section 404(6) of the Companies and Allied Matters Act, 2020, any Shareholder may nominate another Shareholder as a member of the Audit Committee by giving in writing, notice of such nomination to the Company Secretary at least 21 days before the date of the Annual General Meeting (such nomination should include a short bio-data of the



nominee).

The National Code of Corporate Governance, 2018 (NCCG, 2018) stipulates that members of the Audit Committee should have basic financial literacy and should be able to read the Financial Statements.

D. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS: -

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions must be submitted to the Company on or before [.], 2025.

E. ELECTRONIC ANNUAL REPORT: -

The soft copy of the Consolidated 2021, 2022 and 2023 Annual Reports are on our website and also sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the consolidated Annual Report should request via email to: info@coronationregistrars.com

F. STREAMING: -

The Annual General Meetings will be streamed live via the Company's website: https://www.ronchessglobal.com. This will enable shareholders who will not be attending the meeting physically to be part of the proceedings. The link for live streaming can be found on the Company's website.

Dated this March, 2025

BY THE ORDER OF THE BOARD.

COMPANY SECRETARY
Nwabuaku Ebeleju LLB BL PNM MNIM ISOs

REGISTERED OFFICE:

179A Moshood Olugbani Street, Off Ligali Ayorinde Street, Victoria Island, Lagos.

www.ronchesssglobal.com



ANN	UAL GENERAL MEETING OF ('the Meeting') to be he	datt	he Ba	almor	al Con	venti	on Ca	in-tre	Federal	Pala
	d, Ahmacu Bello Way, Victoria Island, Lages on Friday, April 1									
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	as my/our proxy to vate for						-	2		
ce ha	is and on my/cur behalf at the Meeting of the Company to ed on Friday, Apr 19, 2024 and at any adjournment there- nices otherwise instructed, the Proxy will vote or abstain voting as he/she thinks fit. Shar	ehold	er's 5	ignai	ture	<u> </u>				-3-3-
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