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INFRASTRURELIMITED

YEAR ENDED

31 DECEMBER 2018

GR INFRASTRUCTURE LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

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GR INFRASTRUCTURE LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER, 2018

CORPORATE INFORMATION

Director

Vaidya Neeraj Kumar
Thomas Jacob

Director
Director

Registered Address

No 2. Abdullahi Ibrahim Close,
Asokoro, FCT
Abuja.

Bankers

Zenith Bank Plc
Guaranty Trust Bank Plc

Auditors

Idowu Samson Dele & Co.
(Chartered Accountants)
Suite 101/103 Landmark Plaza
Maitama, Abuja

GR INFRASTRUCTURE LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER, 2018

STATEMENT OF ACCOUNTING POLICIES

The following are the summary of the significant accounting policies adopted by the Company in the preparation of the financial statements:

Basis of Accounting

The accompanying financial statements have been prepared under the historical cost convention in conformity with generally accepted accounting principles.

Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

Depreciation of Fixed Assets

Depreciation on fixed assets is calculated and provided for on straight line basis to write off the cost of the assets over their estimated useful lives using the following annual rates:

	%
Office Furniture and Equipment	20
Motor Vehicles	25
Computer & ICT facilities	33 1/3
Plant & Equipment	25

Debtors

Debtors are stated at their book value.

Expenditure

Expenses are charged to the accounts in the period they are incurred.

Prepayments

All prepayments such as rent are charged to the accounts for the period they cover.

Stocks

Stocks are valued at the lower of cost and net realizable value.

GR Infrastructure Limited

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER, 2018

	2018 N
Major Profit and Loss items	
Turnover	-
Staff costs	8,927,876
Admin. and operating expenses	(9,923,677)
Depreciation	(2,625,000)
Loss from Profit or Loss Statement	(12,548,677)
Major balance sheet items	
Cash and bank balances	3,461,937
Debtors and prepayments	16,800,000
Creditors and accrued charges	(348,429)
Total net assets	(3,945,198)
Paid up Capital	10,000,000

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF GR INFRASTRUCTURE LIMITED

We have examined the accompanying financial statements of **GR INFRASTRUCTURE LIMITED**, for the year ended 31 December, 2018 set out on Pages 8 to 10 which have been prepared on the basis of significant accounting policies set out on page 7 and other explanatory notes on pages 11 to 13.

Directors' Responsibilities for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioners, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 December, 2018 in accordance with the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria and the requirements of the Company and Allied Matters Act, 1990.

In our opinion, proper books of account have been kept by the company; and the Company's balance sheet and income and expenditure statement are in agreement with the books of account.


Idowu Samson Dele & Co
Chartered Accountants
Abuja, Nigeria
FRC/ICAN/2019/00000019501
Abuja, Nigeria
31 December, 2018



GR Infrastructure Limited

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2018

	Note	2018 N	2017 N
Turnover	2	-	16,800,000
		<u>-</u>	<u>16,800,000</u>
Cost of Operations			
Operating expenses			-
Gross Profit		<u>-</u>	<u>16,800,000</u>
Less:			
Administrative expenses	3	(9,923,677)	(15,183,585)
Depreciation	4	<u>(2,625,000)</u>	<u>(2,625,000)</u>
(Loss)/ Profit Before Taxation		(12,548,677)	(1,008,585)
Taxation		<u>(193,968)</u>	<u>(193,968)</u>
Total Profit/(Loss) after Taxation		<u>(12,742,645)</u>	<u>(1,202,553)</u>

The accounting policies on page 3 and the notes on pages 10 to 13, form an integral part of these financial statements.

GR Infrastructure Limited

BALANCE SHEET AS AT 31 DECEMBER, 2018

	Note	2018 N	2017 N
ASSETS EMPLOYED			
Fixed assets	4	5,250,000	7,875,000
		<u>5,250,000</u>	<u>7,875,000</u>
CURRENT ASSETS			
Debtors & Prepayment	5	16,800,000	17,020,000
Cash and Bank Balances	6	3,461,937	5,199,341
		<u>20,261,937</u>	<u>22,219,341</u>
CREDITORS: Amounts falling due within one year:			
Creditors and accruals	7	348,429	987,446
Income tax payable	8	0	193,968
		<u>348,429</u>	<u>1,181,414</u>
Net current assets		<u>19,913,508</u>	<u>21,037,927</u>
CREDITORS: Amounts falling due after more than one year:			
	9	<u>29,108,706</u>	<u>20,115,481</u>
Total assets less total liabilities		<u><u>-3,945,198</u></u>	<u><u>8,797,447</u></u>
Represented by:			
Share Capital	11	10,000,000	10,000,000
Retained Earnings	10	<u>-13,945,198</u>	<u>-1,202,553</u>
		<u><u>-3,945,198</u></u>	<u><u>8,797,447</u></u>

The financial statements were approved by the Board of Directors on -----
-----2019, and signed on its behalf by:

-----)
-----) Director
-----)
-----) Director

Thomas
Whatley

GR Infrastructure Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2018

	Note	2018	2017 N
Net cash flow from operating activities	12	<u>(10,924,598)</u>	<u>(14,222,171)</u>
Cash flows from investing activities			
Purchase of fixed assets	4	-	(10,500,000)
Proceed from sale of fixed assets			-
Net cash flows from investing activities		<u>-</u>	<u>(10,500,000)</u>
Cashflows from Financing Activities			
Equity		-	10,000,000
Intercompany - GR Building construction Ltd		<u>8,993,226</u>	<u>20,115,481</u>
Net cash flows from financing activities		<u>8,993,226</u>	<u>30,115,481</u>
Net (decrease) / increase in cash and cash equivalents		5,393,309	5,393,309
Cash and cash equivalents beginning of the year		<u>(1,931,372)</u>	<u>-</u>
Cash and cash equivalents at year end	6	<u>3,461,937</u>	<u>5,393,309</u>

GR Infrastructure Limited

VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2018

	2018		2017	
	N	%	N	%
Turnover	0		16,800,000	
Bought in materials and services:	<u>(995,801)</u>		<u>(6,428,413)</u>	
Value added	<u>(995,801)</u>		<u>10,371,587</u>	<u>100</u>
Applied as follows:				
To pay employees :				
Salaries, allowances and other staff costs	8,927,875		8,755,172	84
Retained for growth and expansion				
Depreciation	2,625,000		2,625,000	25
Operating loss per Profit and Loss account	<u>(12,548,677)</u>		<u>(1,008,585)</u>	<u>(10)</u>
	<u>(995,801)</u>		<u>10,371,587</u>	<u>100</u>

Value added is the additional wealth the Company has been able to create on its own and its employees' efforts. This statement shows the allocation of that wealth between employees, finance providers, government and that retained for the future creation of more wealth.

GR Infrastructure Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

1. The Company

GR Infrastructure Limited was incorporated on the 12th Day of August, 2013 and commenced operations on 3rd January, 2017.

The GR Infrastructure was incorporated as a private limited liability company under the Companies and Allied Matters Act (CAMA), CAP C20 LFN 2004.

The Company was established to carry on the business of road construction, building and general infrastructure development. Service fee represent amount due from GR Building and Construction for technical support rendered

	2018 N'	2017 N'
2 Services Fee	<u>-</u>	<u>16,800,000</u>
3 Administrative Expenses		
Staff Costs	8,927,876	8,755,172
Audit Fees	250,000	400,000
Insurance & Risk Management	208,670	337,254
Licence Fees	436,032	100,000
Bank Charges	15,881	-
Industrial Training Fund	85,218	
Finance cost	-	125,873
Pre- operational expenses (note 3.1)		5,465,287
	<u>9,923,677</u>	<u>15,183,585</u>
3.1 Pre- operational expenses		
Staff Costs		3,740,970
Audit Fees		400,000
Insurance & Risk Management		80,732
Legal & Professional Services		280,000
Licence Fees		362,450
Staff welfare		50,000
Company registration expense		540,374
Finance cost		10,760
	<u>-</u>	<u>5,465,287</u>

GR Infrastructure Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

	2018	2017
4 Fixed assets		
	Motor Vehicles N	Motor Vehicles N
Cost		
At 1 January,	10,500,000	-
Additions during the year	-	10,500,000
Revaluation	-	-
At 31 December,	<u>10,500,000</u>	<u>10,500,000</u>
Depreciation		
At 1 January,	2,625,000	-
Charge for the Year	2,625,000	2,625,000
At 31 December,	<u>5,250,000</u>	<u>2,625,000</u>
Net book value		
At 31 December,	<u>5,250,000</u>	<u>7,875,000</u>
5 Debtors and prepayments		
Inter- Company GR Building & Construction Ni	16,800,000	16,800,000
Staff Advances	-	220,000
Prepayments	-	-
	<u>16,800,000</u>	<u>17,020,000</u>
6 Cash and Bank Balances		
Cash	150,000	150,000
Guarantee Trust Bank PLC (Naira)	2,118,404	3,855,661
Zenith Bank , PLC	1,193,533	1,193,680
	<u>3,461,937</u>	<u>5,199,341</u>

GR Infrastructure Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

	2018	2017 N
7 Creditors and accruals		
Provision for Audit Fees	250,000	800,000
Employee pension contribution payable	27,737	53,484
Employer pension contribution payable	34,671	66,856
Payee Tax Payable	36,021	67,106
	<u>348,429</u>	<u>987,446</u>
8 Tax Liability		
The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:		
Company income tax	-	161,640
Minimum tax	-	
Tertiary education tax		32,328
Tax underprovision	193,968	-
Tax Charged	<u>193,968</u>	<u>193,968</u>
Balance b/f	193,968	
Tax paid during the year	(387,936)	-
Current tax liability	<u>0</u>	<u>193,968</u>
9 Long Term Liability		
Intercompany- GR Building Construction Ltd	<u>29,108,706</u>	<u>20,115,481</u>
10 Retained Earnings		
Opening	(1,202,553)	-
Transferred from Profit or Loss during the year	(12,742,645)	<u>(1,202,553)</u>
Closing Balance	<u>(13,945,198)</u>	<u>(1,202,553)</u>
11 Share capital		
11.1 Authorised:		
10,000,000 ordinary shares of N1 each	<u>10,000,000</u>	<u>10,000,000</u>
11.2 Issued, called up and fully paid:		
Opening	10,000,000	-
Paid up during the year	-	10,000,000
At year end	<u>10,000,000</u>	<u>10,000,000</u>

GR Infrastructure Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2018

	2018	2017
	N	N
12 Reconciliation of Loss per Profit or Loss account to net cashflow from operating activities		
Net Loss on Profit or Loss account	(12,742,645)	(1,008,585)
Adjustments FOR:		
Depreciation	2,625,000	2,625,000
	<u>(10,117,645)</u>	<u>1,616,415</u>
Tax paid	(387,936)	
Changes in assets and liabilities:		
Change in debtors and prepayments	220,000	(17,020,000)
Change in creditors and accruals	<u>(639,017)</u>	<u>1,181,414</u>
	<u>(10,924,598)</u>	<u>(14,222,171)</u>

13 Information regarding directors and employees

	Number	Number
.1 Average number of employees including directors during the year	<u>15</u>	<u>15</u>
.2 Employment costs including executive director's salaries, other allowances and benefit scheme	<u>8,927,876</u>	<u>8,755,172</u>

.3 Table below shows the number of staff of the Company whose emoluments during the year excluding pension contributions were within the ranges stated:

		Number	Number
Below	- N1,000,000	14	14
N1,000,001	- N2,000,000	1	1
N2,000,001	- N3,000,000		
N3,000,001	- N4,000,000		
Above	- N4,000,000		
		<u>15</u>	<u>15</u>

14 Contingent liabilities

The directors are of the opinion that there are no known contingent liabilities