



GR BUILDING & CONSTRUCTION NIGERIA LIMITED

Audited Financial Statements for the Year Ended 31 December, 2017



AN INDEPENDENT MEMBER FIRM OF PRIMEGLOBAL

Abuja Office: 2nd Floor, Wing B City Plaza, 7, Rukubu Close Off Nkwere Street,
Off Ahmadu Bello Way, Garki, Abuja P. O. Box 7589 Wuse Abuja
Tel: +234 092915498, 0802 318 3737
E-mail: info@adenusico.com Website: www.adenusico.com

Lagos Office: 42, Ayodele Okeowa Street, Gbagada, Lagos
Tel: 01-8775138, 08033045371, 08055867055

Other Offices: Ibadan, Ijebu-Ode & Maiduguri



• Audit • Tax • Consulting • Financial Advisory

Table of Contents

Corporate Information.....	1
Directors' Reports	2
Statements of Directors' responsibilities	3
Report of the Auditors	4
Statement of Accounting Policies	5-11
Financial Statements	12-15
Notes	16-22

Corporate Information

Directors

- Mr. Neeraj Kumar Vaidya - Indian
(on behalf of G R Infraprojects Limited, India)
- Moses Benjamin - Nigerian
- Dr. Frank Omo-Odafen - Nigerian
- Jacob Thomas - Indian

Registered Address

No. 2 Abdullahi Ibrahim close,
Asokoro, Abuja, FCT, Nigeria.

Major Line of Business

Construction and General Contracting

Share Capital

80,500,000 Units of NGN1 each

Principal Bankers

Guaranty Trust Bank Plc.

Skye bank Plc.

Zenith Bank Plc

Union Bank Plc.

Statutory Auditors

Adenusi & Co,

(Chartered Accountants)

7 Rukuba Close, Garki Abuja

Company Secretary

Miyetti Nominees

Report of the Directors for the Year Ended 31 December, 2017

The Directors submit their Report together with the audited financial statements for the year ended 31 December, 2017, which disclose the state of affairs of the Company.

Legal Form

The Company was incorporated as a private limited liability Company on the 4 December 2012 and commenced operations in 2013.

Principal activities

The principal activities of the company cover Construction and General Contracting.

Directors and their interests

The Directors' direct and indirect interests in the issue and fully paid share capital of the company as recorded in the register of the Directors' shareholding and/or as notified by them for the purpose of section 275 and 276 of the Companies and Allied Matter Act 1990 are as stated below:

Shareholders	Number of Shares
G R Infraprojects Limited (Rep. by Neeraj K. Vaidya)	80,000,000
Moses Benjamin	250,000
Dr. Frank Omo-Odafen	250,000
	80,500,000

Directors' Responsibilities

The Directors are responsible for the preparation of the annual financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act. In doing so, the Directors have the responsibilities as described on page [5] of these financial statements.

Auditors

The auditors, Messrs. Adenusi & Co, have indicated their willingness to continue with the engagement in accordance with section 357 (2) of Company Allied Matter Act. 1990.

By Order of the Board



Company Secretary

Statement of Directors' Responsibilities in Respect of the Financial Statements

This statement, which should be read in conjunction with the Auditors' Report, is made with a view to setting out for shareholders the responsibilities of the directors of the company with respect to the Financial Statements.

In accordance with the provisions of the Companies and Allied Matter Act, 1990, the Directors are responsible for the preparation of Financial Statements, which give a true and fair view of the State of Affairs of the Company.

These responsibilities include ensuring that:

- (a) Appropriate internal controls are established both to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- (b) The company keeps accounting records which disclose with reasonable accuracy, the financial position of the company and which ensure that the Financial Statements comply with the requirements of the Companies and Allied Matter Act, 1990.
- (c) The Company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act.

Nothing has come to the attention of the Directors to indicate that the Company will not continue as a going concern for at least twelve months from the date of this Statement



Director

27.1.03/2018
Mr. Neeraj Kumar Vaidya



Director

27.1.03/2018
Mr. Jacob Thomas

**Reports of the Auditors on the financial statements
To the members of GR Building & Construction Nigeria Limited**

We have audited the accompanying financial statements of **GR Building & Construction Nigeria Limited** which comprise the Statement of financial Position as at 31 December 2017, the Statement of profit or loss, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and for such internal control, as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 accompanying financial statements give a true and fair view of the state of the company's financial affairs at 31 December 2017 and of its loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.


Ahmed Tunde Adenusi FCA, FRC/2015/ICAN/00000001986

For: ADENUSI & CO.
(Chartered Accountants)

Abuja

28 March, 2018



Significant Accounting Policies for the Year Ended 31 December, 2017

The accounting policies set out below have been applied consistently in preparing the 2017 Financial Statements.

Basis of Accounting

1. General Information

GR BUILDING & CONSTRUCTION NIGERIA LIMITED was incorporated in December 4, 2012 as a private company with limited liability. The Company is registered in Nigeria.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

- 2.1. This set of financial statements has been prepared in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The directors believe that the underlying assumptions are appropriate and that the company's financial statements therefore represent the financial position and results fairly.

The financial statements have been prepared on a historical cost basis.

These financial statements have been prepared on a going concern basis. The directors have no doubt that the Company would remain in existence after 12 months.

2.2. New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are not yet effective for the year 31 December 2017, and have not been applied in preparing these financial statements:

IFRS 15 - Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRS 13 Customers Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers' and SIC 31 Barter Transactions involving Advertising Services. IFRS 15 is effective for the annual reports beginning on or after 1 January 2018, with early adoption permitted.

IFRS 16 Leases published on 13 January 2016 makes a distinction between a service contract and a lease based on whether the contract conveys the right to control the use of an identified asset and introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard-i.e. lessors continue to classify leases as financial or operating leases. For lessors, there is little change to the existing accounting in IAS 17 Leases.

IFRS 16 replaces existing leases guidance including IAS 17 leases, IFRIC 4 Determining whether an Arrangement contains a lease, SIC-15 Operating Leases-incentives and SIC-27 Evaluating the substance of Transactions involving the Legal Form of a Leases. The standard is effective for annual period beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

As with IFRS 15 the Standard does not have any impact on the presentation of the 2017 Financial Statements. Till the date of approval of the 2017 Financial Statements the Company is not a lessee of equipment.

IFRS 9 Financial Instruments published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Management. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

During 2017 the Company did not use any financial derivatives.

The disclosure initiative (Amendments to IAS 7) requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for annual periods beginning on or after 1 January 2017. These amendments have no significant impact on the Company's financial statements.

2.3. Property, Plant and Equipment

(i) Recognition and Measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognised 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 derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Land is not depreciated.

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

ASSET CLASS	ESTIMATED USEFUL LIFE
Office Equipments	4 Years
Furniture and Fittings	4 Years
Motor Vehicle	4 Years
Industrial Plant & Machinery	3.03 Years
Buildings	50 Years

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(iv) Derecognition

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.4. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in-first-out principle and includes expenses incurred in acquiring the inventories; production and conversion costs and other costs incurred in bring them to their existing locations and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.5. Financial Instruments

2.5.1. Loans and Receivables: Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Financial Commitment -- the directors in the company are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the accounts under review. In the opinion of the directors, these liabilities are relevant in assessing the Company's state of affairs.

2.6. Impairment

Over the reporting period the Company did not hold any derivative financial assets. Its non-derivative financial assets are mainly in relation to trade receivables/payables and on the receivables/other payables (such as VAT balances). Over the same period the company had no goodwill or other intangible assets and its non-financial assets were basically limited to property, plant and equipment and inventories. The latter is not subject to impairment testing but to testing for "net realizable value".

2.7. Employee Benefits

The Company do not have any defined benefit schemes or other post (and other long term) employment liabilities requiring provision.

2.8. Provisions

A provision is 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.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The LNG project is not yet operational but any aspect, such as potential environment and/or local community claims that may already result into legal or constructive obligations, is subject to regular review by internal and external lawyers. The same applies for agreements made with suppliers.

2.9. Revenue

The company principally operates fixed price contracts. If the outcome of such a contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity at year end (the percentage of completion method).

The outcome of a construction contract can be estimated reliably when:

- (i) the total contract revenue can be measured reliably;
- (ii) it is probable that the economic benefits associated with the contract will flow to the entity;
- (iii) the costs to complete the contract and the stage of completion can be measured reliably; and
- (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue, and they can be reliably measured.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design, and technical assistance that is directly related to the contract.

The company's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

Assets covered by a single contract are treated separately when:

- (i) The separate proposals have been submitted for each asset
- (ii) Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset
- (iii) The costs and revenues of each asset can be identified

A group of contracts are treated as a single construction contract when:

- (i) The group of contracts is negotiated as a single package; the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin
- (ii) The contracts are performed concurrently or in a continuous sequence

Finance Income and Finance Costs

- Finance income comprises interest income. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

-
- Finance costs comprise interest expense on borrowings and all other financial charges relating to maintaining bank accounts and obtaining bank guarantees, documentary credit and other charges relating to the import/export of product.
 - Foreign currency gains and losses 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.

Transactions in foreign currencies are translated to the functional currency of the company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

2.10. Income Taxes

- Income tax expense comprises current and deferred tax.
- Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous year. Current tax payable also includes any tax liability arising from the declaration of dividends.
- Deferred tax is recognized in respect for all taxable temporary between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.
- A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. 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.

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	NOTE	2017	2016
Assets			
Non Current Assets			
Property, Plant & Equipment	1	177,256,394	155,616,941
Current Assets			
Cash & Bank Equivalents	3	62,881,108	391,925,461
Inventories	4	823,088,154	1,131,614,049
Debtors & Prepayment	5	892,441,284	4,653,000
Other Debtors	6	344,235,770	256,631,044
Total Current Assets		<u>2,122,646,317</u>	<u>1,784,823,554</u>
Total Assets		<u>2,299,902,710</u>	<u>1,940,440,495</u>
Equity			
Share Capital	7	80,500,000	80,500,000
Retained Earnings	SOCE & 8	(630,523,130)	-
Total Equity		<u>(550,023,130)</u>	<u>80,500,000</u>
Liabilities			
Current Liabilities			
Trade & Other Payables	10	8,783,370	4,136,181
Accrued Tax	2	-	-
Advance received on contracts	9	2,331,684,211	1,385,000,000
Total Current Liabilities		<u>2,340,467,581</u>	<u>1,389,136,181</u>
Long Tem Borrowings	11	509,458,259	470,804,314
Total Equities & Liabilities		<u>2,299,902,710</u>	<u>1,940,440,495</u>

The Financial Statements were approved by the Board of Directors on 27 March, 2018 and signed on its behalf by

.....	}	Directors
.....		

Neeraj K. Vaidya

Thomas Jacob

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2017

	NOTE	2017 NGN	2016 NGN
Construction Income	12	845,504,907	-
Contract Cost			399,796,760
Work-In-Progress written down	4	(1,126,650,144)	-
		(281,145,237)	
Other Income	13	377,000	-
		(280,768,237)	
Operating Expenses	15	(319,043,063)	408,049,324
Gross Profit/(Loss)		(599,811,300)	
Finance Costs	16	(30,711,831)	549,962
Closing stock			(808,396,045)
Operating Profit/(Loss) Before Tax		(630,523,132)	
Tax	2	-	-
Profit /(Loss) After Tax transferred to retained earnings		(630,523,132)	-
Earning/(loss) per share (kobo)	17	(7.83)	-

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	SHARE CAPITAL NGN	RETAINED EARNINGS NGN	REVALUATION RESERVE NGN	TOTAL EQUITY NGN
Balance At 1 January 2017	80,500,000	0	-	80,500,000
Total Comprehensive Income				
Profit/(Loss) On Continuing Operations		(630,523,130)		(630,523,130)
Other Comprehensive Income				
Total Other Comprehensive Income				
Balance At 31 December 2017	80,500,000	(630,523,130)	-	(550,023,130)

The notes form an integral part of these financial statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2017

	NOTE	2017 NGN	2016 NGN
Cash Flows From Operating Activities			
Profit/(Loss) Before Tax		(630,523,132)	-
Adjustments For Items Not Involving Flow of Cash :			
Exchange loss		(54,265,555)	-
Prior Year Adjustment			
Depreciation		127,017,710	77,801,388
		<u>(557,770,977)</u>	<u>77,801,388</u>
Changes In Current Assets :			
Inventories		308,525,895	(808,396,046)
Debtors & Prepayments		(887,788,284)	
Other Receivables		(87,604,726)	(128,441,138)
		<u>(666,867,115)</u>	<u>(936,837,184)</u>
Changes In Current Liabilities :			
Trade & Other Payables		4,647,191	1,159,825,311
Loan & Advance		944,156,910	-
Tax Paid		-	-
		<u>948,804,102</u>	<u>1,159,825,311</u>
Net Cash From Operating Activities		<u>(275,833,991)</u>	<u>300,789,515</u>
Cashflow From Investing Activities			
Purchase Of Fixed Asset		(91,864,307)	(84,729,854)
Net Cash From Investing Activities		<u>(91,864,307)</u>	<u>(84,729,854)</u>
Cashflow From Financing Activities			
Share Capital			(1,315,521)
Longterm Borrowing		38,653,945	153,711,960
		<u>38,653,945</u>	<u>152,396,439</u>
Net Cash flow		(329,044,353)	368,456,100
Cash & Cash Equivalents @ 1 January 2017		391,925,461	23,469,361
Cash & Cash Equivalents @ 31 December 2017		<u>62,881,108</u>	<u>391,925,461</u>
Represented By			
Cash & Bank		3,171,831	1,687,689
GTBank		25,645,164	108,554
Skye Bank Dom Acct		4,226,848	108,490
Skye Bank Plc		24,537,825	241,517,175
Union Bank		4,515,091	21,597,335
Zenith Bank Plc		784,350	126,906,217
	3	<u>62,881,108</u>	<u>391,925,461</u>

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED]
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2017

1 NON CURRENT ASSETS

PROPERTY, PLANT & EQUIPMENT

	Plant & Machinery N	Office Equipment N	Furniture & fittings N	Motor Vehicles N	Total N
At 1 January, 2017	225,714,013	3,859,681	6,130,620	78,828,500	314,532,814
Additions	91,146,307	280,000	438,000	-	91,864,307
Revaluation	54,265,555				54,265,555
At 31 December, 2017	371,125,875	4,139,681	6,568,620	78,828,500	460,662,676
Depreciation:					
At 1 January, 2017	123,459,916	1,797,150	5,574,000	25,557,506	156,388,572
Charge for the year	105,609,545	1,034,920	666,120.00	19,707,125	127,017,710
At 31 December, 2017	229,069,461	2,832,070	6,240,120	45,264,631	283,406,282
NBV @ 31 Dec 2017	142,056,414	1,307,611	328,500	33,563,869	177,256,394
NBV @ 31 Dec 2016	99,726,796	2,062,531	556,620	53,270,994	155,616,941

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

2 Tax Expense

	2017	2016
	N	N
Company Income Tax	-	-
Education Tax	-	-
Minimum Tax	-	-
	<u>-</u>	<u>-</u>
Accrued Tax	<u>N</u>	<u>N</u>
Balance Brought Forward	-	-
Prior Year Adjustment	-	-
Current Year Cit & Edt/Minimum tax	-	-
Payment During The Year- With Wht	-	-
Payment During The Year- With Cheque	-	-
Balance Carried Forward	<u>-</u>	<u>-</u>

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

3 Cash & Cash Equivalents	N	N
Cash	3,171,831	1,687,689
GTBank	25,645,164	108,554
Skye Bank Dom Acct	4,226,848	108,490
Skye Bank Plc	24,537,825	241,517,175
Union Bank	4,515,091	21,597,335
Zenith Bank Plc	784,350	126,906,217
	<u>62,881,108</u>	<u>391,925,461</u>
4 Stock and Work -in -Progress	2017	2016
	N	N
Work - in-Progress		
Stock at 1 January	1,126,650,144	319,297,792
Current year	820,652,089	807,352,352
	<u>1,947,302,233</u>	<u>1,126,650,144</u>
Written down in the year	(1,126,650,144)	-
	820,652,089	1,126,650,144
Closing stock of raw material At 31 December	2,436,065	4,963,905
	<u>823,088,154</u>	<u>1,131,614,049</u>
5 Debtors & Prepayment		
Contract Debtors	887,787,744	
Prepaid expenses	4,653,541	4,653,000
Retention	-	-
	<u>892,441,284</u>	<u>4,653,000</u>
6 Other Debtors	2017	2016
	N	N
Withholding Tax	111,037,182	65,956,983
VAT Receivable	68,757,337	65,952,382
Pre-Operational Expenses	106,574,580	106,574,580
Deposit for Equipment-GRIL	32,676,191	15,326,100
G.R. Infrastructure Limited, Nigeria	21,990,481	
Advances	3,200,000	2,820,999
	<u>344,235,770</u>	<u>256,631,044</u>
7 Share Capital		
Authorised	N	N
100,000,000 Ordinary Shares @ NGN1.00	<u>100,000,000</u>	<u>100,000,000</u>
Issued & paid-up		
80,500,000 Ordinary Shares @ NGN1.00	<u>80,500,000</u>	<u>80,500,000</u>
8 Retained Earnings	N	N
Revenue Reserve Brought Forward	-	-
Current Period Profit/(Loss)	(630,523,130)	-
	<u>(630,523,130)</u>	<u>-</u>

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
9 Loan & Advances	N	N
Project Advance payment	2,331,684,211	1,385,000,000
	<u>2,331,684,211</u>	<u>1,385,000,000</u>
10 Trade & Other Payables		N
Staff Salary	4,332,000	1,280,000
Audit Fees	2,500,000	2,000,000
Withholding Tax payable	544,673	231,000
Other Payables	1,406,698	625,179
	<u>8,783,370</u>	<u>4,136,179</u>
11 Long Term Borrowings	N	N
G R Infraprojects Limited, India	317,485,535	307,819,980
Goodluck Building Material Trading Establishment, UAE	176,231,733	148,915,939
King Industries Limited, Nigeria	4,950,000	4,950,000
Renish Petrochem FZE UAE	10,790,991	9,118,395
	<u>509,458,259</u>	<u>470,804,314</u>
The amount represents cost of equipment financing from Parent company in India and other loans obtained.		
12 Construction income	N	N
Contract Certificates	845,504,907	-
	<u>845,504,907</u>	<u>-</u>
13 Other Income	N	N
Insurance claim	377,000	-
Other Income	-	-
	<u>377,000</u>	<u>-</u>

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

14 CONTRACT COST

	2017	2016
	N	N
Construction material cost	452,216,307	285,020,000
Site workers wages and allowances	31,200	-
Other construction cost	84,160,660	72,932,925
Machine maintenance cost	49,874,788	-
Fuel	76,840,000	38,453,666
Lubricants	5,829,006	-
Staff safety & Welfare	1,949,135	-
Transportation	30,478,500	3,390,168
Import Clearing Charges	13,662,948	-
Depreciation	105,609,545	-
	<u>820,652,089</u>	<u>399,796,759</u>

Contract cost was transferred as a deferred cost and recognised as Work-In-Progress as there was no income to match it. Such will be written down to Profit as contracts are certified and income recognised. Please see Note 4 to the Financial statements

15 Operating Expenses

	2017	2016
	N	N
Staff costs	94,012,457	60,680,893
Auditors' Remuneration	2,500,000	2,000,000
Professional Charges	520,000	10,309,800
Water & Electricity	849,000	566,720
Office expenses	1,933,616	842,727
Rent and Rates	10,000,000	13,850,000
Medicals Expenses	656,225	270,400
Newspapers, Books and Periodicals	116,700	101,200
Fueling	7,446,730	2,957,597
Business Development Expenses	58,569,963	505,312
Security	1,100,000	1,809,418
Postage and Telecoms	1,753,190	1,435,404
Transport & Travelling Expense	24,630,923	9,580,005
Printing & Stationery	1,011,090	458,255
Staff welfare		1,554,956
Repair & Maintenance	6,276,688	51,082,693
Insurance	4,405,257	2,866,698
employer Pension contribution		610,235
Hotel & Accommodation	93,000	
Permit & Licencing Expenses	7,695,340	
Management Expenses	74,064,720	9,221,000
Depreciation	21,408,165	77,801,388
	<u>319,043,063</u>	<u>248,504,701</u>

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

16 Finance Cost	N	N
Finance and other Bank Charges	<u>1,723,441</u>	<u>549,962</u>
Foreign Exchange Revaluation		
Financing of PPE	54,265,555	
Foreign Loans	<u>28,988,390</u>	<u>159,544,623</u>
	<u>83,253,945</u>	<u>159,544,623</u>

Foreign exchange loss due to cost of financing Plants and machineries was capitalised.

17 Earnings Per Share Basic & Diluted		
Profit/(Loss) After Tax	<u>(630,523,132)</u>	<u>-</u>
Number Of Ordinary Shares Issued	<u>80,500,000</u>	<u>80,500,000</u>
Earnings/(Loss) Per Share (NGN)	<u>(7.83)</u>	<u>-</u>

18 Comparative Figures

Some comparative figures have been reclassified in line with the current year presentation.

The notes form an integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016	
	N	N	%
Contract income	845,504,907	-	
Bought in good and services	<u>(1,226,355,283)</u>	<u>138,997,242</u>	
	(380,850,376)	138,997,242	
Other Income	<u>377,000</u>	-	
Total value Added	<u>(380,473,376)</u>	<u>138,997,242</u>	<u>100</u>
Applied as follows			
Employees	94,043,657	60,645,892	44
Government Taxation	-	-	-
Financial Charges/ Interest	28,988,390	549,962	0.40
Depreciation	127,017,710	77,801,388	56
Retained Profit/(Loss)	<u>(630,523,132)</u>	-	-
	<u>(380,473,376)</u>	<u>138,997,242</u>	<u>100</u>

The notes form an integral part of these Financial Statements