



GR BUILDING & CONSTRUCTION NIGERIA LIMITED

**Audited Financial Statements
For The Year Ended 31 December, 2018**



A&C ADENUSI & COMPANY
(CHARTERED ACCOUNTANTS)

AN INDEPENDENT MEMBER FIRM OF PRIMEGLOBAL
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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 Rukubu Close, Garki Abuja

Company Secretary

Miyetti Nominees



GR BUILDING & CONSTRUCTION NIGERIA LIMITED

Report of the Directors for the Year Ended 31 December, 2018

The Directors submit their Report together with the audited financial statements for the year ended 31 December, 2018, 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



GR BUILDING & CONSTRUCTION NIGERIA LIMITED

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

08.1.04/2019
Mr. Neeraj Kumar Vaidya

Director

08.1.04/2019
Mr. Jacob Thomas



all

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 2018, 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 2018 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

14 May, 2019



GR BUILDING & CONSTRUCTION NIGERIA LIMITED

Significant Accounting Policies for the Year Ended 31 December, 2018

The accounting policies set out below have been applied consistently in preparing the 2018 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 2018, 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.



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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 2018 Financial Statements. Till the date of approval of the 2018 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 2018 the Company did not use any financial derivatives.

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.



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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 lowers 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.

Loans and receivables comprise cash and equivalents, and trade and other receivables.

2.5.2. Cash and Cash Equivalents: Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of



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changes in their fair value, and are used by the Company in the management of its short-term commitments.

2.5.3. Financial Liabilities: The Company initially recognized debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liabilities when its contractual obligations are discharged, cancelled or expire.

Guarantees and Other Financial Commitments – The Company did not charge any of its assets to secure third party, contingent liabilities-

✓ During the year ended 31 December 2014, the company submitted Advance Payment Guarantee of ₦ 263,489,661 being 15% of the contract value as per the details below:

- Issuing Bank - Skye Bank Plc
Central Business District, Abuja, Nigeria
- Beneficiary – Federal Ministry of Works, Housing & Power
Mabushi, Abuja.

Issue Date – 24/12/2016

Expiry Date – Upon contract completion.

During the year ended 31 December 2018, the bond still subsisted; since the contract execution was on-going.

✓ During the year ended 31 December 2014, company also issued performance Guarantee of ₦ 1,756, 326,440.72 being 10% of the contract value as per below detail.

- Issuing Bank - Skye Bank Plc
Central Business District, Abuja, Nigeria
- Beneficiary – Federal Ministry of Works, Housing & Power
Mabushi, Abuja.

Issue Date – 24/12/2014

Expiry Date - Upon contract completion.

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".



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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.

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.



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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.



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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 2018

	NOTE	2018 N	2017 N
Assets			
Non Current Assets			
Property, Plant & Equipment	1	156,386,033	177,256,394
Current Assets			
Cash & Cash equivalents	3	311,881,208	62,881,108
Inventories	4	5,180,524	2,436,065
Deferred Charges	4b	469,844,234	820,652,089
Debtors & Prepayment	5	959,499,789	892,441,284
Other Debtors	6	514,714,297	344,235,770
Total Current Assets		<u>2,261,120,052</u>	<u>2,122,646,316</u>
Total Assets		<u>2,417,506,085</u>	<u>2,299,902,710</u>
Equity			
Share Capital	7	80,500,000	80,500,000
Retained Earnings	SOCE & 8	(773,271,736)	(630,523,130)
Total Equity		<u>(692,771,736)</u>	<u>(550,023,130)</u>
Liabilities			
Current Liabilities			
Trade & Other Payables	10	92,238,832	8,783,370
Accrued Tax	2	3,300,000	-
Advance received on contracts	9	2,634,489,661	2,331,684,211
Total Current Liabilities		<u>2,730,028,493</u>	<u>2,340,467,581</u>
Long Tem Borrowings	11	380,249,328	509,458,259
Total Equities & Liabilities		<u>2,417,506,085</u>	<u>2,299,902,710</u>

The Financial Statements were approved by the Board of Directors on 8 April, 2019 and signed on its behalf by

.....
 Neeraj K. Vaidya } Directors

 Thomas Jacob }

The notes form 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, 2018

	NOTE	2018 N	2017 N
Construction Income	12	1,744,416,795	845,504,907
Contract Cost	14	<u>(1,653,180,590)</u>	<u>(1,126,650,144)</u>
Other Income	13	<u>91,236,205</u>	<u>(281,145,237)</u>
Operating Expenses	15	<u>91,236,205</u> <u>(221,902,802)</u>	<u>(280,768,237)</u> <u>(319,043,063)</u>
Gross Profit/(Loss)		(130,666,596)	(599,811,300)
Finance Costs	16	<u>(1,625,990)</u>	<u>(1,723,441)</u>
Operating Profit/(Loss) Before Tax		<u>(132,292,587)</u>	<u>(601,534,742)</u>
Tax	2	<u>(3,300,000)</u>	-
Profit/(Loss) After Tax		<u><u>(135,592,587)</u></u>	<u><u>(601,534,742)</u></u>
Other Comprehensive Income			
Foreign Exchange Gain/(Loss)		<u>(3,117,204)</u>	<u>(28,988,390)</u>
Total Other Comprehensive Income		<u>(3,117,204)</u>	<u>(28,988,390)</u>
Total Comprehensive Income		<u><u>(138,709,791)</u></u>	<u><u>(630,523,132)</u></u>
Earning/(loss) per share (kobo)	17	<u><u>(1.72)</u></u>	<u><u>(7.83)</u></u>

The notes form integral part of these Financial Statements



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	SHARE CAPITAL N	RETAINED EARNINGS N	TOTAL EQUITY N
Balance At 1 January 2018	80,500,000	(630,523,130)	(550,023,130)
Total Comprehensive Income			
Profit/(Loss) On Continuing Operations		(138,709,791)	(138,709,791)
Other Comprehensive Income			
Total Other Comprehensive Income Adjustment		(4,038,815)	(4,038,815)
Balance At 31 December 2018	80,500,000	(773,271,736)	(692,771,736)

The notes form integral part of these Financial Statements



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2018

	NOTE	2018 N	2017 N
Cash Flows From Operating Activities			
Profit/(Loss) Before Tax		(132,292,587)	(630,523,132)
Adjustments For Items Not Involving Flow of Cash :			
Adjustment		(7,156,019)	(54,265,555)
Depreciation		159,792,587	127,017,710
		<u>20,343,981</u>	<u>(557,770,977)</u>
Changes In Current Assets :			
Inventories		348,063,397	308,525,895
Debtors & Prepayments		(67,058,505)	(887,788,284)
Other Receivables		(170,478,527)	(87,604,726)
		<u>110,526,365</u>	<u>(666,867,115)</u>
Changes In Current Liabilities :			
Trade & Other Payables		83,455,461	4,647,191
Loans & Advances		302,805,451	944,156,910
Tax Paid		-	-
		<u>386,260,912</u>	<u>948,804,102</u>
Net Cash From Operating Activities		<u>517,131,258</u>	<u>(275,833,991)</u>
Cashflow From Investing Activities			
Purchase Of Fixed Asset		(138,922,227)	(91,864,307)
Net Cash From Investing Activities		<u>(138,922,227)</u>	<u>(91,864,307)</u>
Cashflow From Financing Activities			
Share Capital		-	-
Longterm Borrowing		(129,208,931)	38,653,945
		<u>(129,208,931)</u>	<u>38,653,945</u>
Net Cash flow		249,000,100	(329,044,353)
Cash & Cash Equivalents @ 1 January 2018		62,881,108	391,925,461
Cash & Cash Equivalents @ 31 December 2018		<u>311,881,208</u>	<u>62,881,108</u>
Represented By			
Cash		2,933,008	3,171,831
GTBank		106,143,617	25,645,164
Skye Bank Dom Acct		1,703,060	4,226,848
Skye Bank Plc		170,632,534	24,537,825
Union Bank		29,684,682	4,515,091
Zenith Bank Plc		784,308	784,350
	3	<u>311,881,208</u>	<u>62,881,108</u>

The notes form integral part of these Financial Statements



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**GR BUILDING & CONSTRUCTION NIGERIA
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER, 2018**

I NON CURRENT ASSETS

PROPERTY, PLANT & EQUIPMENT	Plant & Machinery N	Office Equipment N	Furniture & fittings N	Motor Vehicles N	Total N
At 1 January, 2018	371,125,875	4,139,681	6,568,620	78,828,500	460,662,676
Additions	109,126,136	668,000	2,073,090	27,055,000	138,922,226
At 31 December, 2018	480,252,011	4,807,681	8,641,710	105,883,500	599,584,902
Depreciation:					
At 1 January, 2018	229,069,461	2,832,070	6,240,120	45,264,631	283,406,282
Charge for the year	134,377,137	1,077,555	1,914,157.00	22,423,738	159,792,587
At 31 December, 2018	363,446,598	3,909,625	8,154,277	67,688,369	443,198,869
Carrying Amount:					
As @ 31 December 2018	116,805,413	898,056	487,433	38,195,131	156,386,033
As @ 31 December 2017	142,056,414	1,307,611	328,500	33,563,869	177,256,394

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

2 Tax Expense

	2018	2017
	N	N
Company Income Tax	2,750,000	
Education Tax	550,000	2,264,685
Minimum Tax		
	<u>3,300,000</u>	<u>2,264,685</u>
Accrued Tax	N	N
Balance Brought Forward	2,264,685	-
Prior Year Adjustment		-
Current Year Cit & Edt/Minimum tax	3,300,000	2,264,685
Payment During The Year- With Cheque	(2,264,685)	-
Balance Carried Forward	<u>3,300,000</u>	<u>2,264,685</u>

The notes form integral part of these Financial Statements



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	N	N
3 Cash & Cash Equivalents		
Cash	2,933,008	3,171,831
GTBank	106,143,617	25,645,164
Skye Bank Dom Acct	1,687,974	4,226,848
Skye Bank Plc	170,647,621	24,537,825
Union Bank	29,684,682	4,515,091
Zenith Bank Plc	784,308	784,350
	<u>311,881,208</u>	<u>62,881,108</u>
4 Inventory		
Raw materials and Spare parts	<u>5,180,524</u>	<u>2,436,065</u>
4a Deferred Expenses		
Charges at 1 January	820,652,089	1,126,650,144
Current year	-	820,652,089
	<u>820,652,089</u>	<u>1,947,302,233</u>
Written down in the year	<u>(350,807,856)</u>	<u>(1,126,650,144)</u>
	<u>469,844,234</u>	<u>820,652,089</u>
Note 14: Part of deferred expenses as at 2017 year end was expensed to Profit or Loss as contract cost in 2018		
5 Debtors & Prepayment		
Contract Debtors	952,249,342	887,787,744
Prepaid expenses	7,250,447	4,653,541
Retention	-	-
	<u>959,499,789</u>	<u>892,441,284</u>
6 Other Debtors	2018	2017
	N	N
Withholding Tax	209,603,128	111,037,182
VAT Receivable	167,327,884	68,757,336
Pre-Operational Expenses	106,574,579	106,574,580
Deposit for Equipment-GRIL	-	32,676,191
G.R. Infrastructure Limited, Nigeria	29,108,706	21,990,481
Advances	2,100,000	3,200,000
	<u>514,714,297</u>	<u>344,235,770</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	(630,523,130)	-
Current Period Profit/(Loss)	(138,709,791)	(630,523,130)
Adjustment	(4,038,815)	-
	<u>(773,271,736)</u>	<u>(630,523,130)</u>

The notes form integral part of these Financial Statements



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	N	N
9 Loan & Advances		
Project Advance payment	<u>2,634,489,661</u>	<u>2,331,684,211</u>
	<u>2,634,489,661</u>	<u>2,331,684,211</u>
10 Trade & Other Payables		
Staff Salary	2,184,000	4,332,000
Audit Fees	2,500,000	2,500,000
Withholding Tax payable	-	544,673
Duties & Taxes	87,220,840	
Other Payables	333,992	1,406,698
	<u>92,238,832</u>	<u>8,783,370</u>
11 Long Term Borrowings		
G R Infraprojects Limited, India	185,159,400	317,485,535
Goodluck Building Material Trading Establishment, UAE	179,169,078	176,231,733
King Industries Limited, Nigeria	4,950,000	4,950,000
Renish Petrochem FZE UAE	10,970,850	10,790,991
	<u>380,249,328</u>	<u>509,458,259</u>
The amount represents cost of equipment financing from Parent company in India and other loans obtained.		
12 Construction income		
Contract Certificates	<u>1,744,416,795</u>	<u>845,504,907</u>
	<u>1,744,416,795</u>	<u>845,504,907</u>
13 Other Income		
Insurance claim	-	377,000
Other Income	-	-
	<u>-</u>	<u>377,000</u>

The notes form integral part of these Financial Statements



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

14 CONTRACT COST

	2018	2017
	N	N
Construction material cost	668,817,216	452,216,307
Site workers wages and allowances	121,500	31,200
Other construction cost	133,869,966	84,160,660
Machine maintenance cost	64,868,366	49,874,788
Fuel	190,903,766	76,840,000
Lubricants	3,721,187	5,829,006
Staff safety & Welfare	3,171,127	1,949,135
Transportation	92,480,065	30,478,500
Import Clearing Charges	10,042,405	13,662,948
Deferred cost	350,807,856	
Depreciation	134,377,137	105,609,545
	<u>1,653,180,590</u>	<u>820,652,089</u>

15 Operating Expenses

	2018	2017
	N	N
Staff costs	123,911,513	94,012,457
Auditors' Remuneration	2,625,000	2,500,000
Professional Charges	500,000	520,000
Water & Electricity	800,000	849,000
Office expenses	2,258,052	1,933,616
Rent and Rates	9,666,667	10,000,000
Medicals Expenses	961,075	656,225
Newspapers, Books and Periodicals	117,800	116,700
Fueling	27,156,575	7,446,730
Business Development Expenses		58,569,963
Security	1,200,000	1,100,000
Postage and Telecoms	2,378,170	1,753,190
Social Security	1,697,796	
Transport & Travelling Expense	13,434,793	24,630,923
Printing & Stationery	2,150,977	1,011,090
Repair & Maintenance	1,676,400	6,276,688
Insurance	5,116,035	4,405,257
Hotel & Accommodation	836,500	93,000
Permit & Licencing expenses		7,695,340
Management Expenses		74,064,720
Depreciation	25,415,450	21,408,165
	<u>221,902,802</u>	<u>319,043,063</u>



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	N	N
16 Finance Cost		
Finance and other Bank Charges	<u>1,625,990</u>	<u>1,723,441</u>
Foreign Exchange Revaluation		
Financing of PPE	5,139,865	54,265,555
Foreign Loans	<u>3,117,204</u>	<u>28,988,390</u>
	<u>8,257,069</u>	<u>83,253,945</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>(138,709,791)</u>	<u>(630,523,132)</u>
Number Of Ordinary Shares Issued	<u>80,500,000</u>	<u>80,500,000</u>
Earnings/(Loss) Per Share (NGN)	<u>(1.72)</u>	<u>(7.83)</u>

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

The notes form integral part of these Financial Statements



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	N	N
	%	%
Contract income	1,744,416,795	845,504,907
Bought in good and services	<u>(1,594,374,997)</u>	<u>(1,226,355,283)</u>
Other Income	150,041,798	(380,850,376)
Total value Added	<u>150,041,798</u>	<u>377,000</u>
	<u>100</u>	<u>100</u>
Applied as follows		
Employees	124,033,013	94,043,657
Government Taxation	3,300,000	-
Financial Charges/ Interest	1,625,990	28,988,390
Depreciation	159,792,587	127,017,710
Retained Profit/(Loss)	<u>(138,709,791)</u>	<u>(630,523,132)</u>
	<u>150,041,798</u>	<u>(380,473,376)</u>
	<u>100</u>	<u>100</u>

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