

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER, 2020.

Idowu Samson Dele & Co

GR BUILDING AND CONSTRUCTION NIGERIA LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER,2020

CONTENTS	PAGE
Corporate Information, Directors, Registered Office & Professional Advisers	2
Reports of Directors	3-4
Reports of Independent Auditors	5-6
Statement of Significant Accounting Policies	7-8
Statement of Financial Position	9
Statement of profit or Loss and Other Comprehensive Income	10
Changes in Equity	11
Statements of Cash flows	12
Notes to the Accounts	13-17
Statement of Value Added	18

**GR BUILDING & CONSTRUCTION NIGERIA LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER, 2020**

1. BUSINESS REGISTRATION AND LEGAL FORM

The Company was incorporated as a Private limited Company in Nigeria on the 4 December, 2012 to carry on the business of construction and general contracts.

2. OPERATING OFFICE

The Registered office of the Company is situated at No. @ Abdullahi Ibrahim Close, Asokoro Abuja.

3. BANKERS

Guaranty Trust bank Plc
Polaris bank Limited
Zenith bank Plc
Sterling bank Plc

4. EXTERNAL AUDITORS

Idowu Samson Dele & Co. have indicated their willingness to continue in office and a resolution will be proposed to be passed at the Annual General meeting authorizing the Directors to fix their remuneration.

5. COMPANY SECRETARY

Miyetti Nominees Limited
No. 26 Post Office Road, Kano
By Order of the Board.

REPORT OF THE DIRECTORS

The Directors submit to the members of the Company their Annual Report together with the Audited Financial Statements for the year ended 31st December, 2020.

1. ACTIVITIES

The Company's main business is civil engineering, construction and general contract.

2. RESULTS

	2020	2019
	N'000	N'000
Net profit/(loss) for the year	(938,866)	(8,939)

3. FIXED ASSETS

Change that have occurred in the additions and disposals in the ordinary course of business are as set out on page 16

4. SUPPLIERS

The Company's significant overseas and local suppliers are: Gr Infraprojects Limited India, African Foundries Limited, Ringardas Nigeria Limited, Lafarge Cement and Zerbeced Limited

The Company is not associated with the local suppliers and obtains all of its materials at arm length basis.

5. COMPANY'S DISTRUBUTORS

The major suppliers of the Company are GR Infraprojects Limited India, African Foundries Limited, Ringardas Nigeria Limited, Lafarge Cement and Zerbeced Nigeria Limited.

6. DIRECTORS AND THEIR INTERESTS

None of the Directors as at 31st December, 2020 had notified the Company regarding Section 277 of the Companies and allied Matters Act, 1990 of any disclosed interests in contracts in which the Company was involved.

7. CORPORATE GOVERNANCE

The Board consists of five directors. The Managing Director is a separate individual from the Chairman. The Board meets regularly and in the financial year under review, the board met once.

8. SUBSTANTIAL INTEREST IN SHARES

The ordinary shares of the Company as at 31st December, 2020 were held as follows:

	2019	%	2018	%
GR Infraprojects Limited, India	80,000,000	99.38	80,000,000	99.38
Dr. Frank Omo-Odafen	250,000	0.31	250,000	0.31
Moses Ibrahim Benjamin	250,000	0.31	250,000	0.31
	<u>80,500,000</u>	<u>100.00</u>	<u>80,500,000</u>	<u>100.00</u>

REPORTS OF THE DIRECTORS (CONT'D)

9. POLITICAL AND CHARITABLE CONTRIBUTIONS

No donations were made during the year under review.

10. HEALTH & SAFETY OF EMPLOYEES


The Company has a comprehensive medical scheme and adequate care is taken in securing the health, safety and welfare of the Company's employees and also in protecting other person against risks to health and safety arising from the activities of work of the Company's employees.

By Order of the Board

Neeraj Kumar Vaidya



**Miyetti Nominees Ltd., Director
Company Secretary
Kano, Nigeria.**



Director

REPORT OF THE AUDITORS TO THE MEMBERS OF GR BUILDING AND CONSTRUCTION NIGERIA LIMITED

We have audited the accompanying financial statements of **GR Building and Construction Nigeria Limited** as at 31 December, 2020 set out on pages 9 to 12 which have been prepared on the basis of the significant policies on page 10 and other explanatory notes on pages 13 to 17.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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 opinion on these 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 the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 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 basis for our audit opinion.

AUDIT OPINION

To the best of our knowledge, proper books of account have been kept and are in agreement with the subsidiary records. In our opinion, the Audited Financial statement which have been prepared on the basis of the Accounting Policy stated on page 4 of the Audited Financial Statements present a True and fair View of the company's affairs as at 31 December, 2020; and its cashflow for the year ended on that date; and are consistent with Nigeria's statement of Accounting standard and the requirements of the Companies and Allied matters Act (CAMA) 1990 (as amended 2004).

Abuja, Nigeria
11February, 2021


Idowu Samson Dele & Co
(Chartered Accountants)
FRC/ICAN/2019/000000019501
Managing Partner
For: Idowu Samson Dele & Co



GR BUILDING & CONSTRUCTION NIGERIA LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER, 2020

STATE OF PRINCIPAL ACCOUNTING POLICES

1. Basic of Accounts

These Financial Statement have been consistently prepared under the historical cost convention modified by the revaluation of certain items of Fixed Assets and in accordance with generally accepted accounting principles and the Accounting Standards laid down from time to time by the Nigerian Accounting Standards Board.

2. *FIXED ASSETS*

Fixed assets are stated at cost or revalued amounts less accumulated depreciation, which is calculated on each individual asset basis as follows:

- a. Plant, Machinery and Equipment The rate range between 33%
per annum using the Straight-Line Method.
- b. Other Fixed Assets Depreciation rates for all other fixed assets, depending on the type of the assets and the particular use to which the assets, is put in the range from 20% to 25% per annum.

3. *MATERIALS IN STOCK*

These have been stated at the lower of cost and net realizable value.

4. *FOREIGN CURRENCIES CONVERSION AND TRANSLATION*

Transactions arising in foreign currencies are translated into Naira at the appropriate rates of exchange ruling at the time they arose.

Current Assets and liabilities denominated in currencies other than the naira are translated to Naira at the rates of exchange ruling at the Balance Sheet date.

Profits or Losses arising from the translation at balance sheet date are included in the Profit and loss Account.

5. ***DEBTORS***

Debtors are stated after deduction of specific provision for debts consideration doubtful of recovery.

6. ***RETIREMENT BENEFITS***

Arrangements for retirement benefits for members of staff are based on the provisions of the contributory staff retirement benefits scheme. Employees and the Company each contribute 8% and 10% respectively of employees' basic salary and designed allowances. The Company's liabilities under this scheme are charged against profits of the year for which they fall due. Payments are made to employees' chosen Pension Fund Administrators who are independent of the Company in line with the relevant provisions of the Pension Reforms Act 2004.

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
AUDITED FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER 2020

	NOTE	2020 N	2019 N
Assets			
Non Current Assets			
Property,Plant & Equipment	1	136,215,490	123,882,378
Current Assets			
Cash & Cash equivalents	3	444,293,049	394,016,361
Inventories	4	22,092,869	18,447,593
Deferred Charges	4a	556,577,165	556,577,165
Stock WIP Agaie Project		846,219,500	0
Stock WIP Gulu Project		480,577,255	
Stock WIP -MTC Kogi		265,472,670	0
Sundry Debtor-MTC Project(Imad Tony)		82,200,000	0
Debtors & Prepayment-FMW	5	21,771,710	934,365,494
Other Debtors	6	872,583,192	634,273,009
Total Current Assets		3,591,787,410	2,537,679,622
Total Assets		3,728,002,900	2,661,562,000
Equity			
Share Capital	7	80,500,000	80,500,000
Retained Earnings	SOCE & 8	83,106,628	(722,655,156)
Total Equity		163,606,628	(642,155,156)
Liabilities			
Current Liabilities			
Trade & Other Payables	10	134,656,997	142,623,376
Accrued Tax	2	0	12,647,317
Advance received on contracts	9	3,229,224,991	2,829,224,991
Total Current Liabilities		3,363,881,988	2,984,495,684
Long Term Borrowings	11	200,514,285	319,221,472
Total Equities & Liabilities		3,728,002,900	2,661,562,000

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 Neeraj K. Vaidya

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 Thomas Jacob

} Directors

The notes form integral part of these Management Accounts

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
AUDITED FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER 2020

	NOTE	2020 N	2019 N
Construction Income	12	-	1,019,870,673
Contract Cost	14	<u>(892,841,361)</u> (892,841,361)	<u>(822,667,086)</u> 197,203,587
Other Income	13	<u>160,329,219</u> (732,512,142)	<u>1,500,000</u> 198,703,587
Operating Expenses	15	<u>(193,138,947)</u> (925,651,089)	<u>(184,918,196)</u> 13,785,390
Finance Costs	16	<u>(13,214,198)</u>	<u>(10,076,466)</u>
Operating Profit/(Loss) Before Tax		<u>(938,865,288)</u>	<u>3,708,924</u>
Tax expense	2	<u>-</u>	<u>(12,647,317)</u>
Profit /(Loss) After Tax		<u><u>(938,865,288)</u></u>	<u><u>(8,938,394)</u></u>
Other Comprehensive Income			
Foreign Exchange Gain/(Loss)		<u>(4,326,125)</u>	<u>7,177,856</u>
Total Other Comprehensive Income		<u>(4,326,125)</u>	<u>7,177,856</u>
Total Comprehensive Income		<u><u>(943,191,413)</u></u>	<u><u>(1,760,538)</u></u>

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31ST DECEMBER 2020

	SHARE CAPITAL N	RETAINED EARNINGS N	TOTAL EQUITY N
Balance At 1 January 2020	80,500,000	(722,655,156)	(642,155,156)
Total Comprehensive Income			
Profit/(Loss) On Continuing Operations		(938,865,288)	(938,865,288)
Other Comprehensive Income			
Total Other Comprehensive Income		(4,326,125)	(4,326,125)
WIP(Note 8)		1,748,953,196	1,748,953,196
Balance At 31st December 2020	80,500,000	83,106,628	163,606,628

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
STATEMENT OF CASHFLOWS
FOR YEAR ENDED 31ST DECEMBER 2020

	NOTE	2020 N	2019 N
Cash Flows From Operating Activities			
Profit/(Loss) Before Tax		(805,761,784)	3,708,924
Adjustments For Items Not Involving Flow of Cash :			
Adjustment		-	(3,649,454)
Depreciation		(44,611,155)	101,685,388
		<u>(850,372,939)</u>	<u>101,744,858</u>
Changes In Current Assets :			
Inventories & deferred expenses		(1,595,914,701)	(100,000,000)
Debtors & Prepayments		912,593,784	25,134,295
Other Receivables		(320,510,184)	(119,558,712)
		<u>(1,003,831,100)</u>	<u>(194,424,417)</u>
Changes In Current Liabilities :			
Trade & Other Payables		(392,033,621)	50,384,544
Loans & Advances		(57,090,575)	194,735,330
Tax Paid		12,647,318	(1,532,705)
		<u>(436,476,878)</u>	<u>243,587,168</u>
Net Cash From Operating Activities		<u>283,018,717</u>	<u>150,907,609</u>
Cashflow From Investing Activities			
Purchase of Fixed Asset		56,944,268	(7,744,600)
Net Cash From Investing Activities		<u>56,944,268</u>	<u>(7,744,600)</u>
Cashflow From Financing Activities			
Share Capital		-	
Longterm Borrowing		175,797,762	(61,027,856)
		<u>175,797,762</u>	<u>(61,027,856)</u>
Net Cash flow		50,276,689	82,135,153
Cash & Cash Equivalents @ 1 January 2020		394,016,361	311,881,208
Cash & Cash Equivalents @ 31 December 2020		<u><u>444,293,050</u></u>	<u><u>394,016,361</u></u>
Represented By			
Cash		4,974,171	1,758,522
GTBank		76,357,735	32,604,588
Polaris Bank Dom Acct		1,691,224	1,691,224
Polaris Bank Plc		353,201,830	349,575,044
Union Bank		6,283,781	7,602,676
Sterling Bank		1,000,000	-
Zenith Bank Plc		784,308	784,308
		<u><u>444,293,050</u></u>	<u><u>394,016,361</u></u>

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNTS
FOR YEAR ENDED 31ST DECEMBER 2020

I NON CURRENT ASSETS

PROPERTY, PLANT & EQUIPMENT	Plant & Machinery N	Office Equipment N	Furniture & fittings N	Motor Vehicles N	Total N
At 1 January, 2020	416,361,591	12,524,201	6,749,790	112,288,500	547,924,082
Additions	10,744,778	800,000	1,623,790	-	13,168,568
Revaluation	43,775,700	-	-	-	43,775,700
At 31st December, 2020	470,882,069	13,324,201	8,373,580	112,288,500	604,868,350
Depreciation:					
At 1 January, 2020	359,389,692	10,644,169	4,615,734	49,392,109	424,041,704
Charge for the year	14,678,436	38,710	1,821,885	28,072,125	44,611,155
At 31st December, 2020	374,068,128	10,682,879	6,437,619	77,464,234	468,652,859
Carrying Amount:					
As @ 31st December 2020	96,813,941	2,641,322	1,935,961	34,824,266	136,215,490
As @ 31 December 2019	56,971,899	1,880,032	2,134,056	62,896,391	123,882,378

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNTS-CONT
FOR YEAR ENDED 31ST DECEMBER 2020

2 Tax Expense

	2020	2019
	₦	₦
Company Income Tax	-	10,539,431
Education Tax	-	2,107,886
Minimum Tax	-	-
	<u>-</u>	<u>12,647,317</u>
Accrued Tax	₦	₦
Balance Brought Forward	12,647,317	3,300,000
Current Year Cit & Edt/Minimum tax	-	12,647,317
Prior Year Adjustment-Government assessment	-	5,760,015
Payment During The Year- With Credit notes	(10,539,431)	(7,527,310)
Payment During The Year- With Cheque	<u>(2,107,886)</u>	<u>(1,532,705)</u>
Balance Carried Forward	<u>0</u>	<u>12,647,317</u>

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNTS-CONT
FOR YEAR ENDED 31ST DECEMBER 2020

	2020	2019
	N	N
3 Cash & Cash Equivalents		
Cash	4,974,171	1,758,522
GTBank-0124593696	67,103,741	20,419,211
GTBank/DOM	9,253,994	12,185,377
Polaris Bank Plc-1920010857	64,457,427	29,561,112
Polaris Bank Dom Acct-1771626898	1,691,224	1,691,224
Polaris Bank Plc-4010011497	192,832,996	220,427,929
Polaris Bank Plc-OD	(4,088,594)	(413,998)
Polaris Bank Plc-Term Deposit	100,000,000	100,000,000
Sterling Bank PLC	1,000,000	0
Union Bank	6,283,781	7,602,676
Zenith Bank Plc	784,308	784,308
	<u>444,293,049</u>	<u>394,016,361</u>
4 Inventory		
Raw materials and Spare parts	<u>22,092,869</u>	<u>18,447,593</u>
4a Deferred Expenses		
Charges at 1 January	556,577,165	469,844,233
Current year	-	86,732,932
	<u>556,577,165</u>	<u>556,577,165</u>
Written down in the year	-	-
	<u>556,577,165</u>	<u>556,577,165</u>
5 Debtors & Prepayment		
Contract Debtors-FMW	19,678,035	932,271,818
Prepaid expenses	2,093,675	2,093,675
Retention	-	-
	<u>21,771,710</u>	<u>934,365,494</u>
6 Other Debtors	2020	2019
	N	N
Withholding Tax	315,391,860	260,071,248
VAT Receivable	326,863,379	228,073,315
Pre-Operational Expenses	106,574,579	106,574,579
G.R. Infrastructure Limited, Nigeria	121,653,375	37,353,867
Advances	2,100,000	2,200,000
	<u>872,583,192</u>	<u>634,273,009</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	(722,655,156)	(773,271,736)
Current Period Profit/(Loss)	(943,191,413)	(1,760,538)
Profit & loss-WIP(Agaie,Gulu & MTC Kogi)	<u>1,748,953,196</u>	<u>52,377,118</u>
	<u>83,106,628</u>	<u>(722,655,156)</u>

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNT-CONT
FOR YEAR ENDED 31ST DECEMBER 2020

9 Loan & Advances	2020	2019
	N	N
Project Advance payment	3,229,224,991	2,829,224,991
	<u>3,229,224,991</u>	<u>2,829,224,991</u>
10 Trade & Other Payables		
Basic Trade Limited	(980,000)	10,200,400
Kpokopota Global Concept Nig Ltd	556,270	-
Alh Yola-Stone Transport	2,395,000	-
Zeberced Ltd	22,913	-
African Foundries Ltd	(146,200)	-
Ringardas Nig Ltd	(316,702)	s
Audit Fees	2,500,000	2,500,000
Withholding Tax payable	-	33,419
Duties & charges	127,343,247	128,298,947
Other Payables	3,282,469	1,590,609
	<u>134,656,997</u>	<u>142,623,376</u>
11 Long Term Borrowings	N	N
G R Infraprojects Limited, India	171,543,800	127,768,100
Goodluck Building Material Trading Establishment, UAE	(55,415)	175,742,347
King Industries Limited, Nigeria	4,950,000	4,950,000
AKB Global DMCC	9,627,950	-
Renish Petrochem FZE UAE	14,447,950	10,761,025
	<u>200,514,285</u>	<u>319,221,472</u>
The amount represents cost of equipment financing from Parent company in India and other loans obtained.		
12 Construction income	N	N
Contract Certificates	-	1,019,870,673
	<u>-</u>	<u>1,019,870,673</u>
13 Other Income	N	N
Insurance claim	-	-
Other Income-Asphalt Sale	160,329,219	1,500,000
	<u>160,329,219</u>	<u>1,500,000</u>

The notes form integral part of these Financial Statements

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNTS-CONT
FOR YEAR ENDED 31ST DECEMBER 2020

14 CONTRACT COST

	2020	2019
	N	N
Construction material cost	495,575,884	429,873,384
Other construction cost	119,765,842	66,451,671
Machine maintenance cost	56,246,318	52,675,949
Fuel	152,602,000	132,371,500
Lubricants	6,612,900	13,080,000
Staff safety & Welfare	1,025,650	1,810,650
Transportation	38,607,970	31,434,086
Licence & fees	7,726,361	9,607,033
Depreciation	14,678,436	85,362,813
	<u>892,841,361</u>	<u>822,667,086</u>

15 Operating Expenses

	2020	2019
	N	N
Staff costs	106,962,832	108,869,950
Auditors' Remuneration	2,687,500	2,625,000
Professional Charges	700,000	500,000
Water & Electricity	1,018,500	662,000
Office expenses	2,821,658	1,989,028
Rent and Rates	10,600,000	14,157,601
Medicals Expenses	1,359,843	1,224,630
Newspapers, Books and Periodicals	41,850	119,400
Fueling	9,367,859	11,054,823
Security	2,996,259	1,427,083
Postage and Telecoms	1,867,065	2,755,100
Social Security	1,531,969	1,392,212
Transport & Travelling Expense	14,450,726	13,422,574
Printing & Stationery	1,142,175	1,180,770
Repair & Maintenance	1,149,800	757,700
Insurance	4,397,691	6,112,651
Hotel & Accommodation	110,500	345,100
Depreciation	29,932,720	16,322,575
	<u>193,138,947</u>	<u>184,918,196</u>

GR BUILDING & CONSTRUCTION NIGERIA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2020	2019
	N	N
16 Finance Cost		
Finance and other Bank Charges	13,214,198	7,421,513
Performance Bond-Baro gulu	-	1,061,982
APG-Baro Gulu	-	1,592,972
	<u>13,214,198</u>	<u>10,076,466</u>
Foreign Exchange Revaluation		
Financing of PPE	-	3,541,300
Foreign Loans	4,326,125	3,636,556
	<u>4,326,125</u>	<u>7,177,856</u>

Foreign exchange gain/(loss) due to cost of financing Plants and machineries was capitalised.

17 Earnings Per Share Basic & Diluted

Profit/(Loss) After Tax	(943,191,413)	(1,760,538)
Number Of Ordinary Shares Issued	<u>80,500,000</u>	<u>80,500,000</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 YEAR ENDED 31ST DECEMBER 2020

	2020		2019	
	N	%	N	%
Contract income	-		1,019,870,673	
Bought in good and services	(1,035,973,446)		(788,041,440)	
Other Income	160,329,219		231,829,233	
Total value Added	<u>(875,644,227)</u>	<u>100</u>	<u>233,329,233</u>	<u>100</u>
Applied as follows				
Employees	60,167,580	(7)	110,680,600	83
Government Taxation	-	-	12,647,317	2
Financial Charges/ Interest	7,379,606	(1)	10,076,466	1
Depreciation	-	-	101,685,388	106
Retained Profit/(Loss)	(943,191,413)	108	(1,760,538)	(92)
	<u>(875,644,227)</u>	<u>100</u>	<u>233,329,234</u>	<u>100</u>

The notes form integral part of these Financial Statements