

**NEVEAH LIMITED**

**REPORTS  
&  
FINANCIAL STATEMENTS**

*FOR THE YEAR ENDED  
31<sup>ST</sup> MAY, 2020.*

PREPARED BY:  
YEMI ODEBUNMI & CO.  
CHARTERED ACCOUNTANTS  
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TEL: 08091669682

**NEVEAH LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MAY, 2020.**

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**NEVEAH LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MAY, 2020.**

**CORPORATE INFORMATION**

**REGISTERED ADDRESS:** 5, Femi Adesanya Crescent,  
Bashorun, Ibadan,  
Oyo State.

**BUSINESS ADDRESS:** 5, Femi Adesanya Crescent,  
Bashorun, Ibadan,  
Oyo State.

**BOARD OF DIRECTOR:** Lawal Ibidapo I.  
Lawal Abidemi

**EXTERNAL AUDITORS:** Yemi odebunmi & CO.  
(Chartered Accountants)  
4, Otunba Adeoba House,  
Adebayo Onakoya Street,  
Elewura, Challenge,  
Ibadan, Nigeria.

**TELEPHONE:** 08091669682

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MAY, 2020.**

**CORPORATE INFORMATION**

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Oyo State.

**BUSINESS ADDRESS:** 5, Femi Adesanya Crescent,  
Bashorun, Ibadan,  
Oyo State.

**BOARD OF DIRECTOR:** Lawal Ibadapo I.  
Lawal Omotolani D.

**EXTERNAL AUDITORS:** Yemi odebunmi & CO.  
(Chartered Accountants)  
4, Otunba Adeoba House,  
Adebayo Onakoya Street,  
Elewura, Challenge,  
Ibadan, Nigeria.


**TELEPHONE:** 08091669682



NEVEAH LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MAY, 2020.

6. **AUDITORS:** In accordance with section 357 and 358 of the companies and Allied Matters Act, 1990 YEMI ODEBUNMI & COMPANY, Chartered Accountants where appointed as auditor of the company.
  
7. **RESOLUTION:**  
A resolution will be passed at the next Annual General Meeting authorizing the executive to fix their remuneration.



Company Secretary

**NEVEAH LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MAY, 2020.**

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*Company Secretary*



# YEMI ODEBUNMI & CO

(CHARTERED ACCOUNTANTS) BN 2425923

▪ Audit & Assurance    ▪ Tax    ▪ Financial, Management & Development Consulting

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEVEAH LIMITED

We have audited the accompanying financial statements of Neveah Limited which comprise of statement of financial position (Net Assets) as at 31 May 2020, statement of income and expenditures, and statement of cash flows for the year ended which have been prepared on the basis of significant accounting policies on pages .... to .... and other explanatory notes on pages .... to .....

### **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, the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004, . This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the 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.

### **Auditor's 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 (NSAs) issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements and plan and perform the 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 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 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 a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of the financial position of Neveah Limited as at 31 May 2020 and of its net profit and cash flows for the year then ended. The financial statements also comply with the requirements of Companies and Allied Matters Act, CAP C20 LFN, 2004, Financial Reporting Council of Nigeria Act, No 6 of 2011 .

**Head Office:** 4, Adebayo Onakoya Street, Elewura, Challenge, Ibadan, Oyo State.

**Branches:** ▪ ABUJA    ▪ ILORIN    ▪ LAGOS    ▪ PORTACOURT

**Tel:** 08091669682    **E-mail:** segun@yocn.org    **Website:** www.yocn.org

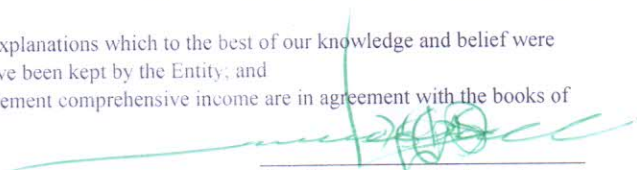
**Report on other legal requirements**

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and

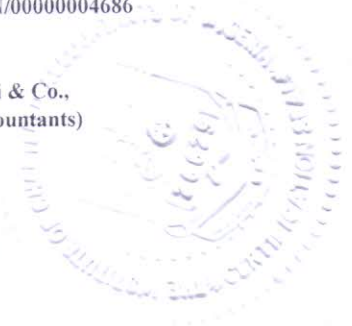
- i) We have obtained all the information and explanations which to the best of our knowledge and belief were
- ii) In our opinion, proper books of account have been kept by the Entity; and
- iii) The statement of financial position and statement comprehensive income are in agreement with the books of account

Ibadan, Nigeria  
4th February, 2021



  
Mr. Oluwasegun Odebunmi  
FRC/2013/ICAN/00000004686

on behalf of  
Yemi Odebunmi & Co.,  
(Chartered Accountants)





## NEVEAH LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MAY, 2020

	NOTE	2020	2019
Revenue	4	1,347,649,698	2,040,011,275
Cost of Sales	5	(1,258,256,210)	(1,959,593,124)
Gross Profit		<b>89,393,488</b>	<b>80,418,152</b>
Other Income	6	10,582,912	-
Administrative Expenses	7	(57,562,745)	(57,496,381)
Finance Costs	8	(7,551,587)	(5,521,278)
<b>Profit before tax</b>		<b>34,862,069</b>	<b>17,400,493</b>
Income tax expense	9	(1,093,263)	(916,843)
<b>Profit After Tax</b>		<b>33,768,806</b>	<b>16,483,649</b>
<b>Other comprehensive income:</b>			
Available-for-sale financial assets		-	-
Gains on property revaluation		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b><u>33,768,806</u></b>	<b><u>16,483,649</u></b>
<b>Basic EPS</b>		<b>33.77</b>	<b>16.48</b>

NEVEAH LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT 31ST MAY, 2020

	NOTE	2020 ₦	2019 ₦
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	32,143,220	13,668,600
		<b>32,143,220</b>	<b>13,668,600</b>
<b>Current assets</b>			
Inventories	11	130,027,000	170,025,200
Trade Receivables	12	87,705,575	6,815,980
Cash and cash equivalents	13	128,556,557	20,095,829
		346,289,131	196,937,009
<b>Total Assets</b>		<b>378,432,351</b>	<b>210,605,609</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
<b>Authorised Share Capital</b>			
Share capital	14	5,200,000	1,000,000
<b>Deposit for Shares</b>		-	-
Retained earnings		59,219,579	25,450,773
Other components of equity		-	-
<b>Total equity</b>		<b>64,419,579</b>	<b>26,450,773</b>
<b>Non-current liabilities</b>			
Directors Accounts		210,026,326	183,037,993
<b>Total non-current liabilities</b>		<b>210,026,326</b>	<b>183,037,993</b>
<b>Current liabilities</b>			
Trade and other payables	15	83,931,253	200,000
Current taxes payable		1,093,263	916,843
Bank Overdraft		18,961,930	-
<b>Total Current Liabilities</b>		<b>103,986,446</b>	<b>1,116,843</b>
<b>Total Liabilities</b>		<b>314,012,772</b>	<b>184,154,836</b>
<b>Total equity and liabilities</b>		<b>378,432,351</b>	<b>210,605,609</b>

Lawal Ibidapo I.  
(Managing Director)

Lawal Abidemi  
(Executive Director)

The notes to the accounts on page 13 - 18 form an integral part of the financial statements

**NEVEAH LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MAY, 2020**

	Share Capital	Deposit for Shares	Retained Earnings	Total
	₦	₦	₦	₦
Balances at 1st June, 2019	1,000,000	-	25,450,773	26,450,773
Effects of Change in accounting policy	-	-	-	-
Restated balances	1,000,000	-	25,450,773	26,450,773
Changes in equity				
Profit for the year	-	-	33,768,806	33,768,806
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>59,219,579</b>	<b>33,768,806</b>
Additional Shares	4,200,000	-	-	4,200,000
Dividends	-	-	-	-
Share Based Payment Transactions	-	-	-	-
Transfer to retained earnings	-	-	-	-
<b>Total contribution by the owners of the Company</b>	-	-	-	<b>4,200,000</b>
<b>Balances at 31st May, 2020</b>	<b>5,200,000</b>	<b>-</b>	<b>59,219,579</b>	<b>64,419,579</b>



## NEVEAH LIMITED

### Notes to the financial statements for the year ended 31st May, 2020

#### 1. General information

Neveah Limited is a limited company incorporated in Nigeria.

The principal business activities is Export of Hibiscus Flower.

The address of its registered office and principal place of business is: 5, Femi Adesanya Crescent, Bashorun, Ibadan.

#### 2. Basis of preparation

##### (a) Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards

##### (b) Basis of Measurement

The financial statements have been prepared on historical cost basis except for some material items in the statement of financial position whose basis of measurement are specified by their respective applicable IFRSs

##### (c) Currency of Presentation

The financial statements have been presented in Naira (₦), which is the Company's functional currency.

##### (d) Use of estimates and judgements

The preparation of the financial statement in compliance with IFRS requires the management to make judgements estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses in the financial statements.

Estimates and judgements are continually evaluated and based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made, though actual experience may vary from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

#### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except for changes in accounting policies

##### (a) Foreign Currency Transactions

Transactions in Foreign currencies are translated to functional currency at exchange rate of N365 per dollar at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currencies 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 year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

##### *Revenue recognition*

Revenue from export of Hibiscus Flower is recognised when it has been exported and delivered .

Revenue is measured at the fair value of the consideration received or receivable and net of discounts

Not all revenue from sales are banked

##### *Income tax*

The income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year.



## NEVEAH LIMITED

### Accounting policies and explanatory notes to the financial statements for the period ended 31st May, 2020 (continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the years in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting year.

#### *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

	%
Motor vehicle	15
Equipment, Furnitures & Fittings	10

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised accordingly to reflect the new expectations.

#### *Impairment of assets*

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

**NEVEAH LIMITED**

**Accounting policies and explanatory notes to the financial statements for the period ended 31st May, 2020 (continued)**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease.

*Inventories*

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

*Trade and other receivables*

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting year, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

*Trade payables*

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

**4. Revenue**

	<b>2020</b>	<b>2019</b>
	N	N
Revenue	1,347,649,698	2,040,011,275
	<b>1,347,649,698</b>	<b>2,040,011,275</b>

**5. Cost of Sales**

	<b>2020</b>	<b>2019</b>
	N	N
Opening Inventories	170,025,200	171,873,818
Purchases	1,100,238,802	1,823,985,916
Operation	70,536,134	
Add: Direct Cost	47,483,074	133,758,590
	1,388,283,210	2,129,618,324
Less: Closing Inventories	(130,027,000)	(170,025,200)
	<b>1,258,256,210</b>	<b>1,959,593,124</b>

**5b: Direct Cost**

	<b>2020</b>	<b>2019</b>
	N	N
Cost of Bags	4,410,875	12,005,000
Escort	-	6,431,200
Haulage	24,397,856	25,230,980
Reloading	-	5,911,000
Local Transport	-	6,705,200
SGS Inspection	-	1,513,300
Freight (\$)	18,674,344	40,115,000
Forwarding	-	17,806,410
Miscellaneous	-	18,040,500
	<b>47,483,074</b>	<b>133,758,590</b>

**6. Other income**

	<b>2020</b>	<b>2019</b>
	N	N
Bank Interest income	168,898	-
Gain on Forex	10,414,014	-
	<b>10,582,912</b>	<b>-</b>



**NEVEAH LIMITED**

**Accounting policies and explanatory notes to the financial statements for the period ended  
31st May, 2020 (continued)**

**7. Administrative Expenses**

	2020	2019
	N	N
Director Remuneration	4,500,000	3,360,000
Printing And Stationeries	350,260	2,203,483
Postages	1,691,915	1,295,030
Transport and Travelling	18,389,076	26,743,093
Office Expenses	1,120,158	86,110
Equipment Repair and Maintenance	1,010,210	1,015,030
Rent	6,435,053	1,500,000
Warehouse Expenses	-	7,991,590
Cleaning/Waste Disposal	-	619,050
Medical Expenses	17,853	300,500
Fuel and Lubricants	2,803,105	996,100
Hotel and Accommodation	3,229,679	2,112,450
Entertainment/Public Relation	1,130,673	510,000
Vehicle Repair and Maintenance	362,158	1,241,720
Telephone and Postages	1,581,312	216,906
Salaries And Wages	7,914,940	7,195,400
Electricity & Water bills	170,934	109,920
Legal & Professional Fees	4,128,053	-
Safety and Security	320,053	-
Staff Welfare	245,053	-
Registration and Renewal	1,778,321	-
Subscription	383,942	-
	-	-
	-	-
	<b>57,562,745</b>	<b>57,496,381</b>

**8. Finance costs**

	2020	2019
	N	N
Bank charges and Commission	2,125,707	3,015,448
Audit Fees	700,000	100,000
Insurance Expenses	-	-
Depreciation on Fixed Assets	4,725,880	2,405,830
Interest on loans and overdraft	-	-
	<b>7,551,587</b>	<b>5,521,278</b>

**9. Income tax expense**

	2020	2019
	N	N
Current taxation	1,093,263	916,843
Deferred taxation	-	-
	<b>1,093,263</b>	<b>916,843</b>

*Income tax is calculated using the prevailing tax rates on the taxable profit for the year.*

NEVEAH LIMITED

Accounting policies and explanatory notes to the financial statements for the period ended  
31st May, 2020 (continued)

10. Property, plant & equipment

	Motor vehicle	Equipment, Furnitures & Fittings	Total
	₦	₦	
<b>Cost</b>			
Balances at 1st June, 2019	9,600,000	9,658,300	19,258,300
Additions	-	23,200,500	23,200,500
Disposals	-	-	-
Revaluations	-	-	-
Effects of movements in Exchange rate	-	-	-
Balances at 31st May, 2020	9,600,000	32,858,800	42,458,800

**Accumulated Depreciation**

	15%	10%	
Depreciation Rate			
Balances at 1st June, 2019	3,727,500	1,862,200	5,589,700
Depreciation for the year	1,440,000	3,285,880	4,725,880
Impairment	-	-	-
Additions	-	-	-
Disposals	-	-	-
Effects of movements in Exchange rate	-	-	-
Balances at 31st May, 2020	5,167,500	5,148,080	10,315,580

**Carrying amounts**

Balances at 31st May, 2020	4,432,500	27,710,720	32,143,220
Balances at 31st May, 2019	5,872,500	7,796,100	13,668,600



**NEVEAH LIMITED**

**Accounting policies and explanatory notes to the financial statements for the period ended 31st May, 2020 (continued)**

**11. Inventories**

	<b>2020</b>	<b>2019</b>
	<b>₦</b>	<b>₦</b>
HBF (KGS)	127,105,200	166,863,415
HBFS (KGS)	1,321,300	1,780,780
MOULD (BAGS)	1,205,020	1,080,040
KOLO (BAGS)	395,480	300,965
	<b>130,027,000</b>	<b>170,025,200</b>

**12. Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>₦</b>	<b>₦</b>
Account Receivables	86,760,522	6,130,980
Prepayment (Rent)	685,000	685,000
Staff Loans	260,053	-
	<b>87,705,575</b>	<b>6,815,980</b>

**13. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>₦</b>	<b>₦</b>
UBA (Naira Account)	-	3,251
UBA (USD Account)	20,534,880	19,607,184
Dummy	20,089,327	440,294
Ecobank (Naira Account)	27,241,284	-
Ecobank (USD Account)	57,825,965	-
GTB (Naira Account)	2,865,100	-
Cash in Hand	-	45,100
	128,556,557	20,095,829
<b>Bank overdraft</b>		
UBA (Naira Account)	(2,776,083)	-
UBA (USD Account)	-	-
UBA (EUR Account)	(5,529,598)	-
GTB (USD Account)	(10,656,250)	-
	-	-
	<b>109,594,626</b>	<b>20,095,829</b>

Cash and cash equivalents in the Statement of Cash Flow

**14. Share capital**

	<b>2020</b>	<b>2019</b>
Balances at 1st June, 2019	1,000,000	1,000,000
Shares issued during the year	-	-
Balances at 31st May, 2020	1,000,000	1,000,000

**15. Trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>₦</b>	<b>₦</b>
Trade payables	83,231,253	-
Audit fee	700,000	200,000
Accrued Salaries and Allowances	-	-
	<b>83,931,253</b>	<b>200,000</b>