

NEVEAH LIMITED

**REPORTS
&
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31ST MAY, 2017

PREPARED BY:
YEMI ODEBUNMI & CO.
CHARTERED ACCOUNTANTS
4, OTUNBA ADEOBA HOUSE,
ADEBAYO ONAKOYA STREET,
ELEWURA, CHALLENGE,
IBADAN, NIGERIA
TEL: 08091669682

NEVEAH LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2017.

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NEVEAH LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2017.

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 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 31ST MAY, 2017.

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MAY, 2017.

The Directors submits here under their Report and Financial Statement of the company for the year ended 31st May, 2017.

1. **RESULTS**

₦

| | |
|-----------------------------|----------------------------|
| TURNOVER | 456,627,465.00 |
| LESS: GROSS EXPENSES | <u>(453,014,990.50)</u> |
| NET OPERATING PROFIT | <u>3,612,474.50</u> |

2. **PRINCIPAL ACTIVITIES:**

The company engages in Agricultural export Business.

3. **DIVIDEND:**

The Director did not recommend the payment of dividend during the financial year.

4. **PERSONNEL:**

Employment of disable persons:

The company continues its policy of extending employment opportunities to disable persons as and when there are opportunities for employment.

5. **HEALTH SAFETY AND WELFARE:**

Employees are kept fully informed regarding the company performance and the Company continues its open door policy whereby, view of employees are sought and given due consideration on matters which affect them.

NEVEAH LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2017

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



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 2017, 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 2017 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: Suite 8b, Mammy 1, Lungi Barracks, Off Kubwa Expressway, Abuja.

■ LAGOS: Block A2-1, Suite 3, Sura Shopping Complex, Sura, Lagos State.

■ ILORIN: Suite 12, Adap Hotel Building Complex, Upper Gaa-Akanbi, Ilorin, Kwara State.

Tel: 08091669682 **E-mail:** odebunmisegun@gmail.com, 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
14th November, 2018



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, 2017

| | NOTE | 2017 | 2016 |
|---|------|----------------------------|----------------------------|
| Revenue | 4 | 456,627,465.00 | 357,930,394.12 |
| Cost of Sales | 5 | (429,472,717.40) | (341,048,556.19) |
| Gross Profit | | 27,154,747.60 | 16,881,837.93 |
| Other Income | 6 | 8,407.68 | - |
| Administrative Expenses | 7 | (20,909,625.00) | (12,518,397.86) |
| Finance Costs | 8 | (2,641,055.78) | (2,692,790.07) |
| Profit before tax | | 3,612,474.50 | 1,670,650.00 |
| Income tax expense | 9 | (154,201.00) | (175,225.00) |
| Profit After Tax | | 3,458,273.50 | 1,495,425.00 |
| Other comprehensive income: | | | |
| Available-for-sale financial assets | | - | - |
| Gains on property revaluation | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | <u>3,458,273.50</u> | <u>1,495,425.00</u> |
| Basic EPS | | 3.46 | 1.50 |

NEVEAH LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31ST MAY, 2017

| | NOTE | 2017 ₦ | 2016 ₦ |
|--|------|----------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 4,165,160.00 | 4,951,430.00 |
| | | 4,165,160.00 | 4,951,430.00 |
| Current assets | | | |
| Inventories | 11 | 6,100,000.00 | 3,808,800.00 |
| Trade receivables | 12 | 5,046,000.00 | 2,380,000.00 |
| Cash and cash equivalents | 13 | 2,708,164.48 | 14,113,197.95 |
| | | 13,854,164.48 | 20,301,997.95 |
| Total assets | | 18,019,324.48 | 25,253,427.95 |
| Equity and liabilities | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 14 | 1,000,000.00 | 1,000,000.00 |
| Deposit for Shares | | - | - |
| Retained earnings | | 4,953,698.50 | 1,495,425.00 |
| Other components of equity | | - | - |
| Total equity | | 5,953,698.50 | 2,495,425.00 |
| Non-current liabilities | | | |
| Directors Accounts | | 11,711,424.98 | 22,482,777.95 |
| Total non-current liabilities | | 11,711,424.98 | 22,482,777.95 |
| Current liabilities | | | |
| Trade and other payables | 15 | 200,000.00 | 100,000.00 |
| Current taxes payable | | 154,201.00 | 175,225.00 |
| Bank Overdraft | | - | - |
| Total Current Liabilities | | 354,201.00 | 275,225.00 |
| Total Liabilities | | 12,065,625.98 | 22,758,002.95 |
| Total equity and liabilities | | 18,019,324.48 | 25,253,427.95 |


 Lawal Ibidapo I.
 (MD/CEO)


 Lawal Omotolani D.
 (Executive Director)

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

NEVEAH LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MAY, 2017

| | NOTE | 2017 N | 2016 N |
|--|------|----------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 4,165,160.00 | 4,951,430.00 |
| | | 4,165,160.00 | 4,951,430.00 |
| Current assets | | | |
| Inventories | 11 | 6,100,000.00 | 3,808,800.00 |
| Trade receivables | 12 | 5,046,000.00 | 2,380,000.00 |
| Cash and cash equivalents | 13 | 2,708,164.48 | 14,113,197.95 |
| | | 13,854,164.48 | 20,301,997.95 |
| Total assets | | 18,019,324.48 | 25,253,427.95 |
| Equity and liabilities | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 14 | 1,000,000.00 | 1,000,000.00 |
| Deposit for Shares | | - | - |
| Retained earnings | | 4,953,698.50 | 1,495,425.00 |
| Other components of equity | | - | - |
| Total equity | | 5,953,698.50 | 2,495,425.00 |
| Non-current liabilities | | | |
| Directors Accounts | | 11,711,424.98 | 22,482,777.95 |
| Total non-current liabilities | | 11,711,424.98 | 22,482,777.95 |
| Current liabilities | | | |
| Trade and other payables | 15 | 200,000.00 | 100,000.00 |
| Current taxes payable | | 154,201.00 | 175,225.00 |
| Bank Overdraft | | - | - |
| Total Current Liabilities | | 354,201.00 | 275,225.00 |
| Total Liabilities | | 12,065,625.98 | 22,758,002.95 |
| Total equity and liabilities | | 18,019,324.48 | 25,253,427.95 |

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, 2017

| | Share Capital | Deposit for Shares | Retained Earnings | Total |
|--|---------------------|--------------------|---------------------|---------------------|
| | ₦ | ₦ | ₦ | ₦ |
| Balances at 1st June, 2016 | 1,000,000.00 | - | 1,495,425.00 | 2,495,425.00 |
| Effects of Change in accounting policy | - | - | - | - |
| Restated balances | 1,000,000.00 | - | 1,495,425.00 | 2,495,425.00 |
| Changes in equity | | | | |
| Profit for the year | - | - | 3,458,273.50 | 3,458,273.50 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | 4,953,698.50 | 3,458,273.50 |
| Additional Deposit for Shares | - | - | - | - |
| Dividends | - | - | - | - |
| Share Based Payment Transactions | - | - | - | - |
| Transfer to retained earnings | - | - | - | - |
| Total contribution by the owners of the Company | - | - | - | - |
| Balances at 31st May, 2017 | 1,000,000.00 | - | 4,953,698.50 | 5,953,698.50 |

NEVEAH LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MAY, 2017

| | Note | 2017 N | N |
|--|------|-----------------|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before Taxation | | | 3,612,474.50 |
| Adjustment for: | | | |
| Depreciation | | 786,270.00 | |
| Gain or Loss on Disposal of Property, Plant and Equipments | | - | |
| | | | 786,270.00 |
| Cash flow before changes in working capital | | | 4,398,744.50 |
| CHANGES IN WORKING CAPITAL | | | |
| (Increase)/Decrease in Inventories | | (2,291,200.00) | |
| (Increase)/Decrease in Trade Receivables | | (2,666,000.00) | |
| Increase/(Decrease) in Trade Payables | | 100,000.00 | (4,857,200.00) |
| Taxes Paid | | | (175,225.00) |
| Net Cash from Operating Activities | | | (633,680.50) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property plant and Equipment | | - | |
| Acquisition of Property plant and Equipment | | - | |
| Acquisition of Other Investments | | - | |
| Net Cash from Investing Activities | | | (633,680.50) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Issues of Share | | - | |
| Proceeds from Deposit for Shares | | - | |
| Directors Accounts | | (10,771,352.97) | |
| Proceeds from Issues of Convertible Notes | | - | |
| Dividend Paid | | - | |
| Net Cash from Financing Activities | | | (10,771,352.97) |
| Increase/(Decrease) in Cash and cash equivalent | | | (11,405,033.47) |
| Cash and cash equivalent at 31st May, 2016 | | | 14,113,197.95 |
| Cash and cash equivalent at 31st May, 2017 | | | <u>2,708,164.48</u> |
| Cash and Cash Equivalent | | | <u>2,708,164.48</u> |

NEVEAH LIMITED
FIVE YEARS FINANCIAL SUMMARY

| | 2017 N | 2016 N | 2015 N | 2014 N |
|----------------------------|-----------------------|-----------------------|-----------|-----------|
| Revenue | <u>456,627,465.00</u> | <u>357,930,394.12</u> | - | - |
| | 453,014,990.50 | 356,259,744.12 | | |
| Profit / (Loss) before Tax | 3,612,474.50 | 1,670,650.00 | - | - |
| Tax | (154,201.00) | (175,225.00) | - | - |
| Profit / (Loss) After Tax | <u>3,458,273.50</u> | <u>1,495,425.00</u> | - | - |
| Total Assets | <u>18,019,324.48</u> | <u>25,253,427.95</u> | - | - |
| Non Current Assets | 4,165,160.00 | 4,951,430.00 | - | - |
| Net Current Assets | 13,499,963.48 | 20,026,772.95 | - | - |
| Net Assets | <u>17,665,123.48</u> | <u>24,978,202.95</u> | - | - |
| Financed By: | | | | |
| Share Capital | 1,000,000.00 | 1,000,000.00 | - | - |
| Directors Account | 11,711,424.98 | 22,482,777.95 | - | - |
| Profit and Loss Account | 4,953,698.50 | 1,495,425.00 | - | - |
| | <u>17,665,123.48</u> | <u>24,978,202.95</u> | - | - |

NEVEAH LIMITED

Notes to the financial statements for the period ended 31st May, 2017

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 1 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, 2017 (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, 2017 (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

Revenue

| 2017 | 2016 |
|----------------|----------------|
| N | N |
| 456,627,465.00 | 357,930,394.12 |
| 456,627,465.00 | 357,930,394.12 |

5. Cost of Sales

Opening Inventories

Purchases

Add: Direct Cost

5B

Less: Closing Inventories

| 2017 | 2016 |
|----------------|----------------|
| N | N |
| 3,808,800.00 | - |
| 358,920,492.40 | 267,123,872.33 |
| 72,843,425.00 | 77,733,483.86 |
| 435,572,717.40 | 344,857,356.19 |
| (6,100,000.00) | (3,808,800.00) |
| 429,472,717.40 | 341,048,556.19 |

5b: Direct Cost

Cost of Bags

Escort

Haulage

Reloading

Local Transport

SGS Inspection

Freight

Forwarding

Miscellaneous

| 2017 | 2016 |
|---------------|---------------|
| N | N |
| 4,713,000.00 | 3,298,000 |
| 2,815,040.00 | 1,720,000 |
| 15,901,260.00 | 12,815,000 |
| 2,667,125.00 | 2,183,000 |
| 7,991,000.00 | 3,895,000 |
| 426,200.00 | 382,750 |
| 21,225,000.00 | 16,530,925 |
| 17,104,800.00 | 11,932,717 |
| - | 24,976,093 |
| 72,843,425.00 | 77,733,483.86 |

6. Other income

Bank Interest income

Gain on disposal of property, plant & equipment

| 2017 | 2016 |
|----------|------|
| N | N |
| 8,407.68 | - |
| - | - |
| 8,407.68 | - |

NEVEAH LIMITED

**Accounting policies and explanatory notes to the financial statements for the period ended
31st May, 2017 (continued)**

7. Administrative Expenses

| | 2017 | 2016 |
|----------------------------------|----------------------|----------------------|
| | N | N |
| Director Remuneration | 3,360,000.00 | 2,160,000.00 |
| Printing And Stationeries | 329,410.00 | 18,620.00 |
| Transport and Travelling | 6,016,800.00 | 1,950,631.86 |
| Office Expenses | 30,240.00 | 24,150.00 |
| Equipment Repair and Maintenance | 11,415.00 | 102,240.00 |
| Rent | 1,500,000.00 | 1,500,000.00 |
| Warehouse Expenses | 2,238,300.00 | 1,311,966.00 |
| Cleaning/Waste Disposal | 42,250.00 | 25,000.00 |
| Medical Expenses | 37,000.00 | 34,650.00 |
| Fuel and Lubricants | 891,250.00 | 24,200.00 |
| Hotel and Accommodation | 529,860.00 | 500,000.00 |
| Entertainment/Public Relation | 45,100.00 | 11,300.00 |
| Vehicle Repair and Maintenance | 327,100.00 | 215,700.00 |
| Telephone and Postages | 36,100.00 | 48,000.00 |
| Salaries And Wages | 5,412,000.00 | 4,510,000.00 |
| Electricity Expenses | 102,800.00 | 81,940.00 |
| | 20,909,625.00 | 12,518,397.86 |

8. Finance costs

| | 2017 | 2016 |
|---------------------------------|---------------------|---------------------|
| | N | N |
| Bank charges | 1,654,785.78 | 1,806,520.07 |
| Audit Fees | 200,000.00 | 100,000.00 |
| Insurance Expenses | - | - |
| Depreciation on Fixed Assets | 786,270.00 | 786,270.00 |
| Interest on loans and overdraft | - | - |
| | 2,641,055.78 | 2,692,790.07 |

9. Income tax expense

| | 2017 | 2016 |
|-------------------|-------------------|-------------------|
| | N | N |
| Current taxation | 154,201.00 | 175,225.00 |
| Deferred taxation | - | - |
| | 154,201.00 | 175,225.00 |

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, 2017 (continued)

10. Property, plant & equipment

| | Motor vehicle N | Equipment, Furnitures & Fittings N | Total |
|---------------------------------------|--------------------|---|--------------|
| Cost | | | |
| Balances at 1st June, 2016 | 4,250,000.00 | 1,487,700.00 | 5,737,700.00 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Revaluations | - | - | - |
| Effects of movements in Exchange rate | - | - | - |
| Balances at 31st May, 2017 | 4,250,000.00 | 1,487,700.00 | 5,737,700.00 |
| Accumulated Depreciation | | | |
| Depreciation Rate | 15% | 10% | |
| Balances at 1st June, 2016 | 637,500.00 | 148,770.00 | 786,270.00 |
| Depreciation for the year | 637,500.00 | 148,770.00 | 786,270.00 |
| Impairment | - | - | - |
| Additions | - | - | - |
| Disposals | - | - | - |
| Effects of movements in Exchange rate | - | - | - |
| Balances at 31st May, 2017 | 1,275,000.00 | 297,540.00 | 1,572,540.00 |
| Carrying amounts | | | |
| Balances at 31st May, 2017 | 2,975,000.00 | 1,190,160.00 | 4,165,160.00 |
| Balances at 31st May, 2016 | 3,612,500.00 | 1,338,930.00 | 4,951,430.00 |

NEVEAH LIMITED**Accounting policies and explanatory notes to the financial statements for the period ended
31st May, 2017 (continued)****11. Inventories**

| | 2017 | 2016 |
|--------------|---------------------|---------------------|
| | ₦ | ₦ |
| HBF (KGS) | 3,100,000.00 | 2,205,000.00 |
| HBFS (KGS) | 2,200,000.00 | 1,488,600.00 |
| MOULD (BAGS) | 300,000.00 | 78,000.00 |
| KOLO (BAGS) | 500,000.00 | 37,200.00 |
| | 6,100,000.00 | 3,808,800.00 |

12. Trade and other receivables

| | 2017 | 2016 |
|---------------------|---------------------|---------------------|
| | ₦ | ₦ |
| Account Receivables | 4,921,000.00 | 1,255,000.00 |
| Prepayment (Rent) | 125,000.00 | 1,125,000.00 |
| | 5,046,000.00 | 2,380,000.00 |

13. Cash and cash equivalents

| | 2017 | 2016 |
|---|---------------------|----------------------|
| | ₦ | ₦ |
| First Bank of Nigeria (Naira Account) | - | 4,676.15 |
| First Bank of Nigeria (US Dollar Account) | - | 14,038,387.16 |
| First Bank of Nigeria (US Dollar Account) | - | 26,379.10 |
| GTB(Naira Account) | - | 22,850.44 |
| GTB (US Dollar Account) | - | 5,525.10 |
| UBA (Naira Account) | 2,646,544.40 | - |
| UBA (USD Account) | 57,987.55 | - |
| Cash in Hand | 3,632.53 | 15,380.00 |
| | 2,708,164.48 | 14,113,197.95 |
| Bank overdraft | - | - |
| Cash and cash equivalents in the Statement of Cash Flow | 2,708,164.48 | 14,113,197.95 |

14. Share capital

| | 2017 | 2016 |
|-------------------------------|---------------------|---------------------|
| Balances at 1st June, 2016 | 1,000,000.00 | 1,000,000.00 |
| Shares issued during the year | - | - |
| Balances at 31st May, 2017 | 1,000,000.00 | 1,000,000.00 |

15. Trade and other payables

| | 2017 | 2016 |
|---------------------------------|-------------------|-------------------|
| | ₦ | ₦ |
| Trade payables: | | |
| Audit fee | 200,000.00 | 100,000.00 |
| Accrued Salaries and Allowances | - | - |
| | 200,000.00 | 100,000.00 |