

NIGACHEM NIGERIA LIMITED

(RC. 97,718)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2018.

OLUFEMI JAIYESIMI AND COMPANY
Chartered Accountants,
NIGERIA.

NIGACHEM NIGERIA LIMITED
Financial Statements for the year ended 31st March, 2018

<u>CONTENT</u>	<u>PAGES</u>
Corporate Information	2
Financial Highlights	3
Report of the Directors	4 - 6
Statement of Directors' responsibilities	7
Report of the Auditors	8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	
General information	13
Basis of preparation	13
Critical accounting estimates and judgement	14
Summary of significant accounting policies	15 - 21
Financial risk management	22 - 24
Notes to the Financial Statements	25 - 33
Statement of Value Added	34
Five-Year Financial Summary	35
Detailed Statement of Comprehensive Income	36

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****DIRECTORS AND OTHER CORPORATE INFORMATION****DIRECTORS:**

Engr. S. C. Ghasarah
Mr. Milind Deshmukh
Engr. M. A. Yusuf
Mr. Suresh Menon
Chief D. I. Amoh
Mr. Albert O. O. Agbona
Mrs. Maureen Tiamiyu

- Chairman
- Executive Director

- Appointed WEF 26-05-2017

SECRETARY

Akinsec Consulting,
(Corporate Secretaries)
7, Funsho Williams Avenue, (2nd floor),
Ojuelegba,
SURU-LERE,
Lagos.

REGISTERED OFFICE:

20 Sule Abuka Crescent,
Off Opebi Road,
OPEBI,
Lagos.

AUDITORS:

Olufemi Jaiyesimi and Company
Chartered Accountants,
16, Ogunsefunmi Street,
Anifowoshe,
IKEJA
Lagos.

BANKERS:

Diamond Bank Plc.
Zenith International Bank Plc.
Standard Chartered Bank Limited
Fidelity Bank Plc.
Guaranty Trust Bank Plc.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****FINANCIAL HIGHLIGHTS**

	31st March <u>2018</u> N	31st March <u>2017</u> N	Change %
Major statement of financial position			
Total Assets	6,155,056,384	4,530,367,845	35.86
Total Liabilities	4,028,818,895	2,783,058,532	44.76
Total Equity	2,126,237,489	1,747,309,313	21.69
Total Equity:			
Share capital	424,242,424	424,242,424	-
Share premium	474,825,027	474,825,027	-
Retained earnings	1,227,170,038	848,241,862	44.67
Total Shareholders Fund	2,126,237,489	1,747,309,313	21.69
Major profit and loss account items			
Turnover	6,969,574,812	4,543,406,688	53.40
Profit before income tax	955,967,673	390,649,638	144.71
Taxation expenses	(286,790,660)	(145,668,453)	96.88
Profit for the year	669,177,013	244,981,186	173.15
Information per N1.00 ordinary share			
Basic earning per share (kobo)	1.58	0.58	173.15
Proposed dividend per N1.00 share	0.68	-	100.00
Net assets per share (Naira)	5.01	4.12	21.69

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****DIRECTORS:**

Engr. S. C. Ghasarah	- Chairman
Mr. Milind Deshmukh	- Executive Director
Engr. M. A. Yusuf	
Mr. Suresh Menon	
Chief D. I. Amoh	
Mr. Albert O. O. Agbona	
Mrs. Maureen Tiamiyu	- Appointed WEF 26-05-2017

REPORT OF THE DIRECTORS

The Directors are pleased to submit to the members their report together with the audited statements of account of the Company for year ended 31st March, 2018.

1 COMMENCEMENT OF BUSINESS

The Company was incorporated on 31st July 1987 as a Private Limited Liability Company and commenced business operations in November 1987.

2 PRINCIPAL ACTIVITY

The principal activity of the Company is that of manufacturing and trading in explosives etc.

3 RESULT FOR THE YEAR

	<u>2018</u>
	N
Turnover	6,969,574,812
Profit before Taxation	955,967,673
Profit after Taxation	669,177,013

4 PROPOSED DIVIDEND

The Directors do not proposed any dividend for the year under review.

5 STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the balance sheet date.

6 SIGNIFICANT CHANGES IN FIXED ASSETS

Details of these and movement therein during the period are shown in note 1 on page 25. In the opinion of the Directors, there is no substantial difference between the present market value of the assets and the amounts stated in these accounts.

7 RESEARCH AND DEVELOPMENT

The Company did not embark on any research and development during the period.

8 CHANGES ON THE BOARD

There have been no changes in the Board since the last Annual General Meeting.

9 DIRECTORS' INTEREST

The Directors' interest in the issued share capital of the Company as at 31st March, 2018 was as follows:

	<u>NUMBER OF SHARES HELD</u>			
	<u>2018</u>		<u>2017</u>	
	No of Shares held		No of Shares held	
Engr. S. C. Ghasarah -(Indirect)	144,909,091	shares	144,909,091	shares
Mr. Milind Deshmukh	Nil	shares	Nil	shares
Engr. M. A. Yusuf	10,000,000	shares	10,000,000	shares
Mr. Suresh Menon -(Indirect)	233,333,333	shares	233,333,333	shares
Chief D. I. Amoh	20,000,000	shares	20,000,000	shares
Mr. Albert O. O. Agbona	Nil	shares	Nil	shares
Mrs. Maureen Tiarniyu	Nil	shares	Nil	shares

10 SHAREHOLDING STRUCTURE

The shareholding position as at 31st March, 2018 was as follows:

	<u>NUMBER OF SHARES HELD</u>					
	<u>2018</u>			<u>2017</u>		
Nigerian citizens	190,909,091	Shares	45%	190,909,091	Shares	45%
Foreign citizens	233,333,333	Shares	55%	233,333,333	Shares	55%
	<u>424,242,424</u>		<u>100%</u>	<u>424,242,424</u>		<u>100%</u>

11 DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, of any disclosable interest in contracts involving the Company either as at March 31st, 2018 or at the date of this report.

12 CORPORATE GOVERNANCE

The Directors have striven to maintain the corporate governance ethics and rules and regulations of the regulatory authorities during the year under review

13 CHARITABLE GIFTS

In compliance with Section 38(2) of the Companies and Allied Matter Act, the Company did not make any donations or gifts to any political party, political association or for any political purpose during the year under review.

14 ACQUISITION OF OWN SHARES

The Company did not acquire any of its own shares during the year under review.

15 POST BALANCE SHEET EVENTS

There were no post balance sheet events which could have had material effect on the state of affairs of the Company as well as the Profit for the year ended 31st March, 2018 which have not been adequately provided for.

16 EMPLOYMENT AND EMPLOYEES

i) Employment of Disabled Persons

It is the policy of the Company that there should be no discrimination in considering application for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop.

ii) Health, Safety and Welfare

Employees' safety at work is taken seriously by management.

Fire extinguishers are provided in strategic areas and instructions on how to use them are properly displayed.

17 AUDITORS

The Auditors, **Messrs Olufemi Jaiyesimi & Company**, (Chartered Accountants), have indicated their willingness to continue in office as Auditors to the Company, and a resolution will be proposed at the Annual General Meeting to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD.

For: Akinsec Nominess
FRC/2014/ICSAN/00000008050
Company Secretaries
Lagos, NIGERIA.
May, 2018

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****STATEMENTS OF DIRECTORS' RESPONSIBILITIES**

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss.

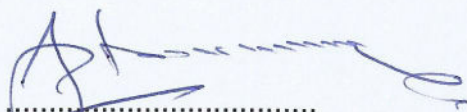
This responsibility includes:

- a) ensuring that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matter Act.
- b) designing, implementation 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 or error; and
- c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

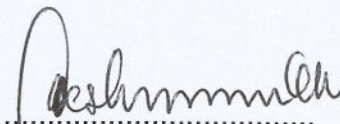
The Directors are of the opinion that the financial statements give a true and fair view of the state of the Financial affairs of the company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.



.....
Ghasarah Sylvanus Chi
Chairman
FRC/2015/CNMGs/00000013023

May, 2018



.....
Deshmukh Milind Bhalchandra
Executive Director
FRC/2015/IODN/00000013021

May, 2018

O. A. Jaiyesimi, FCA



Olufemi Jaiyesimi & Co.
(Chartered Accountants)

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Off Adekunle St, Behind Foma Oil Station on
Oba Akran Avenue, Anifowosho, Lagos,
NIGERIA.
Telephone: +234 813 239 3674, 802 302 1971
Fax No: +234 1 255 1087
E-mail: olufemi.jaiyesimi@oicconsulting.com
Postal: P. O. Box 3882, Oshodi, Lagos, Nigeria.
Website: www.oicconsulting.com

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF NIGACHEM NIGERIA LIMITED

Opinion

We have audited the financial statements of NIGACHEM NIGERIA LIMITED which comprises, the statement of financial position as at 31st March 2018, statement of profit or loss and other comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, the significant accounting policies, other explanatory notes, the statement of value added and the financial summary. These financial statements are set out on pages 9 to 35 and have been prepared using the significant accounting policies set out on pages 9 to 24.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March, 2018 and of its financial performance and its cash flows for the year ended on that date, and comply with the applicable International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria.

Basis of our opinion

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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal controls 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Independence

We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA) Code. We have fulfilled our other ethical responsibilities in accordance with the IESBA code.

Other information other than the financial statements and auditors report

The directors report, chairman's statement and other information contained therein are the responsibility of directors. Our opinion does not cover these reports and accordingly we do not express any form of assurance conclusion thereon. It is our responsibility to read the other information and in doing so, consider whether the information is materially inconsistent with the financial statements or with the knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work we conclude that there is material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Directors responsibility and those charged with governance for the financial statements

The directors and those charged with governance are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria. 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.

In preparing the financial statements, management and directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

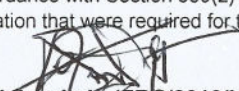
Auditors' Responsibility

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 and Nigerian Standards on Auditing issued by the Institute of Chartered Accountants of Nigeria. The Standards requires that we comply with ethical requirements and plan and perform the audit so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

Compliance with the relevant legislation and regulations

In accordance with Section 360 (1) and (2) the companies and Allied Matters Act CAP C20 LFN 2004 we confirm that the financial statements are in agreement with the accounting records, which have been properly kept.

In accordance with Section 359(2) of the Companies and Allied Matters Act, CAP LFN 2004, we confirm that we received all of the information and explanation that were required for the purpose of the audit.


Femi Jaiyesimi (FRC/2013/ICAN/00000001920)
Engagement Partner
For: OLUFEMI JAIYESIMI AND CO
Chartered Accountants
Lagos, NIGERIA.

May, 2018




NIGACHEM NIGERIA LIMITED

Financial Statements for the year ended 31st March, 2018

STATEMENT OF FINANCIAL POSITION

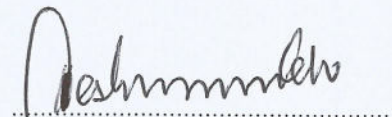
	Notes	31st March 2018 N	31st March 2017 N
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	1	788,263,300	839,393,179
Deferred tax assets	7a	-	-
		<u>788,263,300</u>	<u>839,393,179</u>
CURRENT ASSETS			
Inventories	2	1,591,364,334	1,427,490,070
Trade receivables	3	1,286,805,255	1,459,865,194
Other receivables & Prepayments	4	1,256,518,141	320,139,462
Cash and cash equivalents	5	1,232,105,353	483,479,941
		<u>5,366,793,083</u>	<u>3,690,974,666</u>
TOTAL ASSETS		<u>6,155,056,384</u>	<u>4,530,367,845</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Borrowings	6b	549,665,431	417,387,611
Deferred tax liabilities	7b	114,559,441	116,484,541
		<u>664,224,872</u>	<u>533,872,152</u>
CURRENT LIABILITIES:			
Trade and other payables	8	2,274,454,825	1,303,243,391
Borrowings	6a	125,228,010	434,459,883
Current Income tax liabilities	9	288,715,760	125,536,516
Propose Dividend	10	676,195,428	385,946,590
		<u>3,364,594,024</u>	<u>2,249,186,380</u>
TOTAL LIABILITIES		<u>4,028,818,895</u>	<u>2,783,058,532</u>
EQUITY:			
Ordinary share capital	11	424,242,424	424,242,424
Share premium	11b	474,825,027	474,825,027
Retained earnings	12	1,227,170,038	848,241,862
TOTAL EQUITY		<u>2,126,237,489</u>	<u>1,747,309,313</u>
TOTAL EQUITY AND LIABILITIES		<u>6,155,056,384</u>	<u>4,530,367,845</u>

The financial statements, accounting policies and the notes were approved by the board on ⁽¹⁾ May, 2018 ⁽²⁾ and signed on its behalf by:



.....
Ghasarah Sylvanus Chi

Chairman
FRC/2015/CNMGS/00000013023



.....
Deshmukh Milind Bhalchandra

Executive Director
FRC/2015/IODN/00000013021

The accounting policies and notes on pages 13 to 33 are an integral part of these financial statements.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****STATEMENT OF COMPREHENSIVE INCOME**

		31st March <u>2018</u> N	31st March <u>2017</u> N
	<u>Notes</u>		
Revenue	13	6,969,574,812	4,543,406,688
Direct expenses	14.1	(4,265,158,341)	(2,898,808,152)
Gross Profit		2,704,416,471	1,644,598,535
Administrative expenses	14.2	(1,642,349,116)	(1,021,403,538)
Selling and distribution expenses	14.3	(53,599,757)	(64,814,250)
Other Income	15	122,546,091	94,873,150
Operating Profit		1,131,013,688	653,253,897
Finance income	16a	16,204,973	152,477
Finance cost	16b	(191,250,987)	(262,756,735)
Profit before taxation		955,967,673	390,649,638
Taxation	17	(286,790,660)	(145,668,453)
Profit for the year after taxation		669,177,013	244,981,186
Other Comprehensive Income		-	-
Total comprehensive income for the year		669,177,013	244,981,186
Earning per share for profit attributable to equity holders of the Company			
Basic & diluted Earnings per share (kobo)	18	<u>1.58</u>	<u>0.58</u>
Dividend per share (kobo)		<u>0.68</u>	<u>-</u>

The accounting policies and notes on pages 13 to 33 are an integral part of these financial statements.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****STATEMENT OF CHANGES IN EQUITY**

	Share Capital N	Share Premium N	Total Share Capital N	Other Reserves N	Retained Earnings N	Total Equity N
Balance as at 1st April 2016	424,242,424	474,825,027	899,067,451	-	603,260,676	1,502,328,128
Comprehensive income for the year						
Profit for the year	-	-	-	-	244,981,186	244,981,186
Other Comprehensive income for the year	-	-	-	-	-	-
Transaction between the business and its owners:						
Dividend Paid	-	-	-	-	-	-
Increase in share premium	-	-	-	-	-	-
Balance as at 31st March 2017	424,242,424	474,825,027	899,067,451	-	848,241,862	1,747,309,313
Comprehensive income for the year						
Profit for the year	-	-	-	-	669,177,013	669,177,013
Transaction between the business and its owners:						
Dividends	-	-	-	-	(290,248,837)	(290,248,837)
Bonus share issue	-	-	-	-	-	-
Balance as at 31st March 2018	<u>424,242,424</u>	<u>474,825,027</u>	<u>899,067,451</u>	<u>-</u>	<u>1,227,170,038</u>	<u>2,126,237,489</u>
Note(s)	11a	11b			12	

The accounting policies and notes on pages 13 to 33 are an integral part of these financial statements.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****STATEMENT OF CASH FLOWS**

	<u>Notes</u>	31st March 2018 N	31st March 2017 N
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash generated from operations	19	1,010,414,076	711,019,621
Tax paid	9.2	(125,536,516)	(203,680,528)
Net Cash from operating activities		884,877,560	507,339,093
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	1	(95,878,954)	(77,177,072)
Proceeds from sale of property, plant and equipment		2,395,000	4,850,000
Interest Income	16a	16,204,973	152,477
Net Cash from investing activities		(77,278,982)	(72,174,595)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowing cost		132,277,821	26,591,309
Dividend paid	10b	-	(207,992,804)
Finance cost	16b	(191,250,987)	(262,756,735)
Net Cash from financing activities		(58,973,166)	(444,158,230)
Total cash movement for the year		748,625,412	(8,993,732)
Cash at the beginning of the year	5	483,479,941	492,473,673
Total Cash at end of the year	5	1,232,105,353	483,479,941

The accounting policies and notes on pages 13 to 33 are an integral part of these financial statements.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES****1 The Company**

Nigachem Nigeria Limited is a company registered in Nigeria as a Private Limited Liability Company. It was incorporated on July 31, 1987 and commenced operations in November 1987.

The address of the Company and registered office is 20 Sule Abuka Crescent, off Opebi, Ikeja, Lagos.

The Company is into the manufacturing and trading in explosives etc. This involves the importation of raw materials that is processed into finished goods that is sold to regulated government agencies.

2 Basis of preparation**2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004 and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act, No 6, 2011.

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost concept, except for certain financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies.

2.3 Functional and presentation currency

The Company's functional and presentation currency is Nigerian Naira. The financial statements are presented in Nigerian Naira and have been rounded to the nearest thousand except where otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.5 Current versus non-current classification

Nigachem Nigeria Limited presents assets and liabilities in the statement of financial position based on current and /or non-current classification. An asset is current when it is :

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading
- Is due to be settled within 12 months after the reporting period
or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Non-current assets are due to be settled more than 12 months after the reporting period.

A liability is current when it is:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
or There is no unconditional right to defer the settlement of the liability for at least twelve month after the reporting period

The company classifies all other liabilities as non-current.

2.6 Going Concern

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention except otherwise stated.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES (continued)****3 Critical accounting estimates and judgements****Critical accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires directors to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on directors experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Significant accounting judgements and estimates made in the preparation of the financial statements is shown below.

Plant and Machinery

Plant and machinery is depreciated over its useful life. Nigachem Nigeria Ltd estimates the useful lives of plant and machinery based on the period over which the assets are expected to be available for use. The estimation of the useful lives of plant and machinery are based on technical evaluations carried out by those staff with knowledge of machines and experience with similar assets. Estimates could change if expectations differ due to physical wear and tear and technical or commercial obsolescence. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and machinery would increase expenses and decrease the value of non-current assets.

Impairment of non-financial assets

The Company reviews other non-financial assets for possible impairment if there are events or changes in circumstances that indicate that the carrying values of the assets may not be recoverable, or at least at every reporting date, when there is any indication that the asset might be impaired. The Company is of the opinion that there is no impairment indicator on its non-financial assets as at the reporting date.

Income taxes

Taxes are paid by the Company under a number of different regulations and laws, which are subject to varying interpretations. In this environment, it is possible for the tax authorities to review transactions and activities that have been reviewed in the past and scrutinize these in greater detail, with additional taxes being assessed based on new interpretations of the applicable tax law and regulations. Accordingly, management's interpretation of the application tax law and regulations as applied to the transactions and activities of the Company may be challenged by the relevant taxation authorities. The Company's management believes that its interpretation of the relevant tax law and regulations is appropriate and that the tax position included in these financial statements will be sustained.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, or other financial reorganisation, and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of loss is recognised in the statement of comprehensive income. If a loan or receivable has a variable interest rate, the discount rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. Also, the Company may measure impairment on the basis of an instrument's fair value, using an observable market price. If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in debtor's rating), a reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

NIGACHEM NIGERIA LIMITED
Financial Statements for the year ended 31st March, 2018

ACCOUNTING POLICIES (continued)

4 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

a) Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are measured at cost price less accumulated depreciation calculated from the date of commissioning and any accumulated impairment losses. The cost price is based on the purchase price and expenditure that are directly attributable to the acquisition of the asset. Item of property, plant and equipment under construction are disclosed as capital work in progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working conditions for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

ii) Subsequent costs

Modifications and capacity enhancing investments on any assets are capitalised as cost and amortised over the remaining life of the asset. Also 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 and maintenance of an item of property, plant and equipment are recognised as an expenses in the statement of profit or loss and other comprehensive income during the period in which they are incurred.

iii) Depreciation

Depreciation is calculated on items of property, plant and equipment to write down the cost of each asset to its estimated useful life on straight line basis. No depreciation is charged on items of property, plant and equipment until they are in the manner that management intent. Where property, plant and equipment consist of components with different useful lives they are accounted for as separate items.

The principal annual rates used to write down the cost of the assets are as follows:

Type of asset

Factory Building	10%
Building	10%
Plant and machinery	10%
Motor vehicles	25%
Office equipment & Furniture	20%

The assets depreciable methods, useful lives and residual values are reviewed annually and adjusted if necessary. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

iv) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. 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 profit or loss component of the statement of profit or loss and other comprehensive income within other or operating expenses in the year that the asset is derecognised.

b) Investment Property

Investment property is recognised as an asset when it is probable that the future economic benefits associated with the investment property will flow to the Company and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and cost incurred subsequently to add to, or to replace a part of, or service a property.

Subsequent costs are included in the carrying amount of the investment property or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Investment property is carried at cost, less depreciation and any impairment losses.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES (continued)****c) Intangible assets**

Software acquired by the company is stated at cost less accumulated and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increase the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expenses as incurred.

Amortisation is recognised in the income statement on a straight line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of the software is 3 years. This is reassessed annually.

d) Impairment of non-financial assets

Non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and in use. For the purposes of assessing impairment assets are grouped at the lowest levels for which they have separately identifiable cash flows (cash generating units).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would determine had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment is treated as a revaluation increase.

e) Financial Instruments**1) Financial assets**

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent re-measurement of financial assets is determined by their designation that is revisited at each reporting date.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The company's financial assets comprise of held-to-maturity financial assets cash and cash equivalent and other receivables.

At each reporting date, the company assesses whether its financial assets have been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income where there is objective evidence of impairment.

i) Financial assets at fair value through profit or loss

This category has two components: those held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for those purpose of generating a profit short-term fluctuations in price or dealer's margin, or a security is included in a portfolio in which a pattern of short-term profit taking existing or if so designated by management at inception as held are fair value through profit or loss.

Financial assets designated at fair value through profit or loss at inception are those that are:

- held to match liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different bases; or
- managed and whose performance is evaluated on a fair basis.

ii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative assets with fixed or determinable payment and fixed maturity that the company has to positive intent and ability to hold a maturity, and which are not designates at fair value through profit or loss or available for sale.

NIGACHEM NIGERIA LIMITED
Financial Statements for the year ended 31st March, 2018

ACCOUNTING POLICIES (continued)

e) Financial Instruments (continued)

ii) *Held-to-maturity financial assets (con'td)*

Held to maturity investment are carried at amortised cost using the effective interest method. A sale or reclassification of all held to maturity investments would result in the reclassification of all held to maturity investments as available for sale and prevent the company from classifying investment securities as held to maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- sales or reclassification that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value.
- sales or reclassification after the company has collected substantially all the asset's original principal.
- sales or reclassification attributable to non-recurring isolated events beyond the company control that could not have been reasonably anticipated.

iii) *Available for sale financial assets*

Non derivative financial assets classified as available for sale comprise principally the company strategic investment in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value, other than those arising due to exchange rate fluctuations and interest calculated using the effective interest rate, recognised in other comprehensive income and accumulated in the available for sale reserve. Exchange differences on investments denominated in a foreign currency and interest calculated using the effective rate method is recognised in profit or loss. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment including any amount previously recognised in other comprehensive income, is recognised in profit or loss.

Purchases and sales of available for sale financial assets are recognised on settlement date with any changes in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale the cumulative gain or loss recognised in other comprehensive income is reclassified from the available for sale reserve to profit or loss.

iv) Inventories

Inventories are recorded at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The cost of inventory is determined using the first-in, first-out (FIFO) method and comprises cost of raw materials factory stock, finished goods, fuel and diesel other direct costs incurred in bringing inventory to its present location and condition.

v) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivables is impaired.

The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. The recoverable amount, if the receivable is more than one year is equal to the present value of expected cash flows, discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognised as an expense in the statement of comprehensive income.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of comprehensive income.

vi) Loans and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash and bank balance in the statements of financial position.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES (continued)****e) Financial Instruments (continued)****vi) Loans and Receivables -(cont'd)****Recognition and measurement**

Loans and receivables are initially recognised at fair value and subsequently they are carried at amortised cost using the effective interest method.

Impairment of financial assets

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result an event that occurred after the initial recognition of the asset and that loss event has an impact in the estimated future cash flows of the financial assets or group of financial asset that can be reliably estimated.

Evidence of impairment may include indication that the debtor is experiencing financial difficulty, default in interest or principal payments, or the probability that they will enter bankruptcy and where there is an indication of a decrease in the estimated future cash flows.

For loans and receivables, the amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced and the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating) the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

vii) Other receivables

Other receivables are other loans and advances that are neither loans and advances and cash and cash equivalents. They comprise of interest receivable and other receivables. They are initially recognised at fair value when there is evidence that the contractual cash flow in the asset will flow to the company. They are subsequently measured at amortised cost using the effective interest method.

viii) Cash, cash equivalents and bank overdrafts

Cash and cash equivalents include cash on hand and deposits held at call with banks. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

ix) De-recognition of financial assets

The company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risk and rewards of ownership of the asset to another entity. On de-recognition of a financial assets in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit or loss and other comprehensive income.

2) Financial liabilities

Financial liabilities at amortised cost include trade and other payables, bank overdraft and long-term loans.

Recognition and measurement

Trade payables are initially recognised at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method.

Bank debt and long-term debt are recognised initially at fair value, net of any transaction costs incurred, and subsequently at amortised cost using the effective interest method. These are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

i) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES (continued)****e) Financial Instruments (continued)**

Trade and other payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

ii) De-recognition of financial liabilities

The company de-recognise financial liabilities when, and only when, company obligation are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognise and the consideration paid and payable is recognised in statement of profit or loss and other comprehensive income.

iii) a) Borrowings

Borrowings are recognised initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

b) Borrowing cost

General and specific borrowing costs directly attributed to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of comprehensive income in the period in which they are incurred.

f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise and settle the liability simultaneously.

g) Provisions

A provisions is recognised only 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. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of

obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be insignificant. Provision are measured at the present value of the expenditures expected to be required to settle the obligations. The unwinding of the discount us recognised as finance cost.

h) Employee benefit**i) Short term employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The company recognises wages, salaries, bonuses and other allowances for current employees in the statement of profit or loss and other comprehensive income as the employees render such services.

A liability is recognised for the amount expected to be paid under short-term benefits if the company has a present legal or constructive obligations to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NIGACHEM NIGERIA LIMITED
Financial Statements for the year ended 31st March, 2018

ACCOUNTING POLICIES (continued)

ii) Defined contribution scheme

The company operates a defined contribution plan as stipulated in the Pension Reform Act, 2014. Under the defined contributory scheme the company contributes 10% while the employees contribute 8% of their annual basic, housing and transport allowances to the scheme. Once the contributions have been paid, the company retains no legal and constructive obligations to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

The company's obligations are recognised in the statement of profit or loss and other comprehensive income as operating (employee benefits) when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

Pension Fund Administrators manage pension funds in accordance with National Pension Commission (PENCOM) regulations.

i) Taxation

i) Current income tax

The tax for the period comprises current, education and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. The taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

ii) Current and deferred income tax

Deferred tax is the tax expected to be payable or recoverable on difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

j) Share capital and share premium

Shares are classified as equity when there is no obligations to transfer cash or other assets. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

k) Dividends on ordinary share

Dividends on ordinary shares are recognised as a liability and deducted when they are approved by the company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the shareholders. Dividends for the year that are approved after the statements of financial positions date are disclosed as an event after the statement of financial position date.

l) Related party transactions

Related parties include the related companies, the directors and any employee who is able to exert significant influence on the operating policies of the company. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The company considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transaction with the company, the transaction are disclosed as to the type of relationship that exists with the company and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

NIGACHEM NIGERIA LIMITED
Financial Statements for the year ended 31st March, 2018

ACCOUNTING POLICIES (continued)

m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represent amounts receivable from products supplied or sold, net of discount, returns and excluding value added tax (VAT) and when the significant risk and rewards of ownership have been transferred and title passed to the customer.

Sales of services

Sales arises from both domestic and foreign sales to third parties. Revenue from sale of services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Delivery occurs when a customer's has been delivered with the goods specified in the invoice.

Interest Income

Interest income is recognised in the Company's financial statements using the effective interest rate method.

Other Income

Other income refers to all other income apart from the sales of the company's products which the company receives.

n) Translation of foreign currencies

Transactions in foreign currencies are recorded at the official rates of exchange on the transaction date. At the end of each reporting period, monetary items denominated in foreign currency are retranslated at the official rates prevailing at that day while non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities denominated in foreign currency are translated at the applicable official rates of exchange on the reporting date. Exchange gains and losses are included in the profit or loss of the period in which they arise.

Exchange difference on monetary items are recognised in profit or loss in the period in which they occur.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES (continued)****3 Financial risk management****3.1 Financial risk factors**

The Company's business activities expose it to a variety of financial risk: credit risk and liquidity risk. The objective of the Company's risk management programme is to minimise potential adverse impacts on the Company's financial performance.

Risk management is carried out in line with policies approved by the board of directors. The board provides written principles for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as credit risk and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the Treasury manager, which aims to effectively manage the financial risk Nigachem Nigeria Limited, according to the policies approved by the Board of Directors. The treasury Manager identifies and monitors financial risk. The Board provides principles for overall risk management, as well as policies covering specific areas such as credit risks, use of financial instruments, and investment of excess liquidity.

The Company's financial instruments consists of trade and other receivables and trade and other payables, bank overdraft, cash and cash equivalents and loans.

a) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Company uses policies to ensure that sales of products are to customers with appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms of sales. Nigachem Nigeria Limited carries out its business mostly on a cash and carry basis. Individual customers make cash deposit before delivery of goods, while some are expected to make payments within a month after goods are delivered. At the year end, Welcome Centre & Hotel assessed some debtors balances to be possibly impaired due to non performance, and has made adequate allowances in the financial statements.

As at 31st March 2018, no credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these customers.

The payment terms are not structured for all related party transactions and the amounts receivable from these related parties are deemed to be fully recoverable and not impaired, except where the related party is facing bankruptcy. As a result, impairment losses were not recognised with respect to amounts due from related parties during the period covered by the first IFRS financial statements (31 March 2017: Nil).

The maximum exposure to credit risk for trade receivables approximates the amount recognised on the statement of financial position. The Company does not hold any collateral as security.

The table below analysis the company's financial assets into relevant maturity grouping as at the reporting date.

Financial Assets:

		31st March 2018				
		Neither past due nor impaired	Up to 90 days	91 - 150 days	Impairment Allowance	Total
	Notes	N	N	N	N	N
Trade receivables	3	1,429,657,072	-	142,851,817	(142,851,817)	1,429,657,072
Other receivables	4	174,871,676	-	-	-	174,871,676
Receivables from related part	4	298,051,617	-	-	-	298,051,617
		<u>1,902,580,365</u>	<u>-</u>	<u>142,851,817</u>	<u>(142,851,817)</u>	<u>1,902,580,365</u>

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES (continued)****3 Financial risk management**

	Notes	31st March 2017				Total N
		Neither past due nor impaired N	Up to 90 days N	91 - 150 days N	Impairment Allowance N	
		Trade receivables	3	1,543,306,601	-	
Other receivables	4	182,741,468	-	-	-	182,741,468
Receivables from related parties	4	3,125,000	-	-	-	3,125,000
		<u>1,729,173,069</u>	<u>-</u>	<u>83,441,407</u>	<u>(83,441,407)</u>	<u>1,729,173,069</u>

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they due.

Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times so that the company does not breach borrowing limit on any of its borrowing facilities. The Company manages liquidity risk by effective working capital and cash flow management.

At the reporting date, the Company invests its surplus cash in interest bearing current accounts. At the reporting date the Company had N579.4million (March 2017 N95.5million) in non-interest current account.

Maturity analysis:

The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		31st March 2018			
		Less than 1 year N	Between 1 and 2 years N	Between 2 and 5 years N	Total N
Financial Liabilities:	Notes				
Trade and other payables	8	1,459,697,730	-	-	1,459,697,730
Amount due to related parties	8	-	-	-	-
Other payables	8	331,140,058	-	-	331,140,058
		<u>1,790,837,788</u>	<u>-</u>	<u>-</u>	<u>1,790,837,788</u>
		31st March 2017			
		Less than 1 year N	Between 1 and 2 years N	Between 2 and 5 years N	Total N
Trade and other payables	8	1,126,527,212	-	-	1,126,527,212
Amount due to related parties	8	466,358	-	-	466,358
Other payables	8	49,035,300	-	-	49,035,300
		<u>1,176,028,869</u>	<u>-</u>	<u>-</u>	<u>1,176,028,869</u>

Financial liabilities exclude provisions, WHT payable, and VAT payable (Note 8) as these are not financial instruments.

3.2 Fair value estimation

The carrying values of cash and cash equivalents, trade receivables and trade payables approximate their fair value.

Other receivables and other payables are carried at amortised cost. The Company can not reliably estimate when settlement of outstanding related party balances would be made, due to the unstructured pattern of transactions.

3.2.1 Fair value hierarchy

The Company adopted the amendment to IFRS 13, effective 1 April 2012. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significant of the inputs used in making the measurements.

All the Company's financial assets and liabilities are measured at amortised cost.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****ACCOUNTING POLICIES (continued)****3 Financial risk management****3.2.1 Fair value hierarchy (cont'd)**

The Company's Financial instruments are categorised as follows:

Financial assets	Notes	31st March 2018	31st March 2017
		N	N
Trade receivables	3	1,286,805,255	1,459,865,194
Other receivables	4	174,871,676	182,741,468
Receivables from related parties	4	386,470,443	3,125,000
Staff loan	4	35,004,412	20,061,585
Cash and cash equivalents	5	1,232,105,353	483,479,941
		<u>3,115,257,140</u>	<u>2,149,273,188</u>
Financial liabilities			
Trade payables	8	1,459,697,730	1,126,527,212
Amount due to related parties	8	-	466,358
Other payables	8	331,140,058	49,035,300
		<u>1,790,837,788</u>	<u>1,176,028,869</u>

3.3 Capital risk management

The Objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

Consistent with others in the industry, the Company monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents.

Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratio at 31st March 2018 and 2017 are as follows:

	30th March 2018	30th March 2017
	N	N
Net Debt	973,907,855	851,847,494
Total equity	2,126,237,489	1,747,309,313
Total capital	3,100,145,344	2,599,156,807
Gearing ratio	<u>31.41%</u>	<u>32.77%</u>

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS****1 Property, plant and equipment**

Property, plant and equipment movement analysis

Cost or Valuation:	31st March, 2018						
	Land	Factory Building	Building	Plant & Machinery	Motor Vehicles	Office Equip. & Furniture	Total
	N	N	N	N	N	N	N
At 1st April 2017	101,427,226	465,050,767	156,429,816	555,077,697	107,224,400	71,159,341	1,456,369,247
Additions	2,013,865	8,380,600	-	46,034,572	28,555,500	10,894,418	95,878,954
Disposal	-	-	-	-	(3,700,000)	(80,000)	(3,780,000)
At 31st March 2018	103,441,091	473,431,367	156,429,816	601,112,268	132,079,900	81,973,759	1,548,468,201
Depreciation:							
At 1st April 2017	-	140,715,875	96,398,300	253,683,539	74,165,746	52,012,609	616,976,068
Charge for the year	-	58,482,626	8,492,516	55,716,722	15,779,160	8,535,709	147,006,732
Disposal	-	-	-	-	(3,698,000)	(79,900)	(3,777,900)
At 31st March 2018	-	199,198,501	104,890,815	309,400,261	86,246,906	60,468,418	760,204,901
Net book Value:							
At 31st March 2018	103,441,091	274,232,866	51,539,001	291,712,008	45,832,994	21,505,342	788,263,300
Cost or Valuation:	31st March 2017						
	Land	Factory Building	Building	Plant & Machinery	Motor Vehicles	Office Equip. & Furniture	Total
	N	N	N	N	N	N	N
As at 1st April 2016	90,175,551	448,335,365	156,429,816	542,393,647	102,450,600	59,028,391	1,398,813,370
Additions	11,251,675	16,715,402	-	14,479,045	22,600,000	12,130,950	77,177,072
Disposal	-	-	-	(1,794,995)	(17,826,200)	-	(19,621,195)
At 31st March 2017	101,427,226	465,050,767	156,429,816	555,077,697	107,224,400	71,159,341	1,456,369,247
Depreciation:							
As at 1st April 2016	-	105,836,026	73,604,852	199,107,402	73,873,279	41,521,103	493,942,662
Charge for the year	-	34,879,849	22,793,448	56,371,032	15,192,835	10,491,506	139,728,669
Disposal	-	-	-	(1,794,895)	(14,900,367)	-	(16,695,262)
At 31st March 2017	-	140,715,875	96,398,300	253,683,539	74,165,746	52,012,609	616,976,068
Net book Value:							
At 31st March 2017	101,427,226	324,334,892	60,031,516	301,394,158	33,058,654	19,146,733	839,393,179
Net book Value:							
At 1st April 2016	90,175,551	342,499,339	82,824,964	343,286,245	28,577,322	17,507,288	904,870,709

Assets under construction represents the value of building under construction. On completion, the assets will be capitalised and subsequently depreciated.

	31st March 2018	31st March 2017
	N	N
2 Inventories		
Finished Goods- Explosives	179,633,791	125,353,461
Finished Goods- Cord & Accessories	847,471,858	581,583,859
Finished Goods- Ammonium Nitrate	103,831,219	31,582,866
Work in Progress	11,801,999	9,382,502
Raw Materials	166,357,428	500,397,895
Packing Material	245,282,902	133,148,181
	1,554,379,197	1,381,448,764
Factory stock & goods in transit	36,985,138	44,318,546
Fuel & Diesel	-	1,722,759
	1,591,364,334	1,427,490,070

No provision for obsolete stock were made during the year.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2018	31st March 2017
3 Trade receivables		
Trade receivables	1,429,657,072	1,543,306,601
Provision for impairment of trade receivables	<u>(142,851,817)</u>	<u>(83,441,407)</u>
As at 31st March	<u>1,286,805,255</u>	<u>1,459,865,194</u>

The fair value of financial assets included above approximates its carrying value.

There was impairment charge against trade receivables in 2018 of N142,851,817 (2017 N83,441,407).

4 Other receivables & Prepayments

Other receivables	174,871,676	182,741,468
Receivables from related parties	386,470,443	3,125,000
Staff advance**	35,004,412	20,061,585
Prepayments	<u>660,171,610</u>	<u>114,211,409</u>
As at 31st March	<u>1,256,518,141</u>	<u>320,139,462</u>

**Staff advance are cash payments made by the company to its employees for personal expenses. The company expects all staff advances to be paid back within a year.

5 Cash and cash equivalents

Cash in hand	34,726,203	28,324,571
Cash at bank	802,925,989	298,103,136
Domiciliary account balance	<u>394,453,161</u>	<u>157,052,234</u>
Cash and cash equivalent	<u>1,232,105,353</u>	<u>483,479,941</u>

Of the total Cash at bank of N1,232M, N64.7M was held in domiciliary account, N329.8 in Forward bid with CBN, non in strict call, N200M in fixed deposit and N584.2M in the Company's bank accounts.

Fixed deposit	216,073,882	200,000,000
Strict call	2,640,265	2,640,265
Bank accounts	<u>584,211,842</u>	<u>95,462,870</u>
As at 31st March	<u>802,925,989</u>	<u>298,103,135</u>

For the purpose of the cash flow statement, cash and cash equivalent comprise of: cash in hand, cash at bank, domiciliary account balance and bank overdraft.

Cash and cash equivalent	1,232,105,353	483,479,941
Bank overdraft - (Note 6)	<u>-</u>	<u>(47,540,607)</u>
As at 31st March	<u>1,232,105,353</u>	<u>435,939,335</u>

Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Trade receivables	1,286,805,255	1,459,865,194
Other receivables	596,346,531	205,928,053
Cash and bank	<u>1,232,105,353</u>	<u>483,479,941</u>
As at 31st March	<u>3,115,257,140</u>	<u>2,149,273,188</u>

6 Borrowings**6a Short term loan:**

	-	47,540,607
Term loan	<u>125,228,010</u>	<u>386,919,276</u>
As at 31st March	<u>125,228,010</u>	<u>434,459,883</u>

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2018 N	31st March 2017 N
6 Borrowings		
6b Long term loan:		
Term loan	<u>549,665,431</u>	<u>417,387,611</u>
All borrowings are domiciled in Naira and are non-current in nature i.e. they are payable in more than 12 months.		
7 Deferred tax		
7a Deferred tax assets		
The movement in deferred tax is as follows:		
As start of the year	-	-
Changes during the year:		
-(Credit)/charge to profit or loss - Note 17	<u>-</u>	<u>-</u>
As at 31st March	<u>-</u>	<u>-</u>
7b Deferred tax liabilities		
The movement in deferred tax is as follows:		
As start of the year	116,484,541	142,620,173
Changes during the year:		
-(Credit)/charge to profit or loss - Note 17	<u>(1,925,100)</u>	<u>(26,135,632)</u>
As at 31st March	<u>114,559,441</u>	<u>116,484,541</u>
8 Trade and other payables		
Trade payables	1,459,697,730	1,126,527,212
Amount due to related parties	-	466,358
Other payable	331,140,058	49,035,300
Accrued expenses***	<u>483,617,038</u>	<u>127,214,522</u>
As at 31st March	<u>2,274,454,825</u>	<u>1,303,243,391</u>

All trade payables are due within twelve (12) months

** Amount due to related parties consists of Deposit for shares by shareholders

*** Accrued expenses consist of PAYE, Pension, audit fees and expenses

Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Trade payables	1,459,697,730	1,126,527,212
Amount due to related parties	-	466,358
Other payables	<u>331,140,058</u>	<u>49,035,300</u>
As at 31st March	<u>1,790,837,788</u>	<u>1,176,028,869</u>

9 Current Income tax liabilities**9.1 Tax payable**

The movement in tax payable is as follows:

As at 1st April	125,536,516	157,412,959
Provision for the year	288,715,760	171,804,086
Payment during the year	(125,536,516)	(203,680,528)
Withholding tax credit utilised	<u>-</u>	<u>-</u>
As at 31st March	<u>288,715,760</u>	<u>125,536,516</u>

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2018 N	31st March 2017 N
9.2 Tax paid		
Balance at beginning of the year	(125,536,516)	(157,412,959)
Current tax for the year	(288,715,760)	(171,804,086)
Balance at the end of the year	<u>288,715,760</u>	<u>125,536,516</u>
As at 31st March	<u>(125,536,516)</u>	<u>(203,680,528)</u>
10 DIVIDEND PAYABLE		
(a) Declared dividend represents dividend proposed for the preceding year but declared during the current year.		
(b) The movement in dividend payable account was as follows:		
Balance as at 1st April	385,946,590	593,939,394
Declared provision during the year	290,248,837	-
Payments during the year	-	(207,992,804)
As at 31st March	<u>676,195,427</u>	<u>385,946,590</u>
11a Share capital		
Authorised, issued and fully paid:		
450,000,000 ordinary shares of N1.00 each	<u>450,000,000</u>	<u>450,000,000</u>
Called-up, Issued and fully paid:		
424,242,424 ordinary shares of N1.00 each:		
Balance as at 1st April	424,242,424	424,242,424
Allotment during the year	-	-
As at 31st March	<u>424,242,424</u>	<u>424,242,424</u>
11b SHARE PREMIUM ACCOUNT		
Balance brought forward	474,825,027	474,825,027
Premium on share purchased	-	-
As at 31st March	<u>474,825,027</u>	<u>474,825,027</u>
This represents the premium on the allotment of 233,333,333 ordinary shares of N1.00k each at N1.90k per share.		
12 Retained earnings		
Balance at beginning of year	848,241,862	603,260,676
Dividend provision	(290,248,837)	-
Profit for the year	669,177,013	244,981,186
As at 31st March	<u>1,227,170,038</u>	<u>848,241,862</u>
13 Revenue		
Manufacturing	4,834,917,762	3,097,356,870
Trading	998,522,089	674,127,084
Ammonium Nitrate	1,136,134,961	771,922,734
	<u>6,969,574,812</u>	<u>4,543,406,688</u>

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2018 N	31st March 2017 N
14 Expenses by nature		
14.1 Cost of sales:		
Manufacturing expenses	3,961,166,965	2,623,234,612
Direct expenses	<u>303,991,376</u>	<u>275,573,541</u>
	<u>4,265,158,341</u>	<u>2,898,808,152</u>
14.2 Administrative expenses:		
Employee benefit expenses	Note 14.4 261,902,366	227,968,702
Rent & Rate	15,370,852	11,546,115
Electricity & power	291,000	399,000
Printing & stationery	8,548,894	6,523,825
Telephone & postage & communication	8,252,415	8,773,054
Insurance	7,021,293	4,134,370
Medical expenses	348,304	855,687
Motor running expense	43,984,862	37,666,907
Entertainment & Public Relation	33,361,937	28,007,846
Gifts & donation	35,071,087	17,695,100
Dues & subscriptions	80,855	734,578
Corporate social responsibility	6,978,271	7,178,968
Registration & licence	21,061,951	20,070,436
Staff welfare	14,016,291	12,144,369
Training & development	8,838,096	4,248,288
Repairs & development	11,577,690	11,785,321
Security Expenses	900,800	1,860,650
General expenses	220,400	103,500
Professional fees	4,163,480	9,130,980
Audit fees	3,300,000	4,000,000
Technical service fee	58,947,766	26,222,936
Operation Consulting Charges	998,863,656	455,224,880
Bad debts written off	-	362,960
Provision for doubtful debts	69,695,748	82,334,605
Depreciation	<u>29,551,104</u>	<u>42,430,460</u>
	<u>1,642,349,116</u>	<u>1,021,403,538</u>
14.3 Distribution cost:		
Travel and transportation	44,843,499	38,902,650
Advertisement/sales promotion	<u>8,756,259</u>	<u>25,911,600</u>
	<u>53,599,757</u>	<u>64,814,250</u>
Total cost of sales, admin expenses & distribution cost	<u>6,152,358,202</u>	<u>4,247,782,676</u>
14.4 Employee benefits expenses		
Directors remuneration	88,856,500	57,066,415
Salaries and wages	161,703,246	159,865,061
Pension costs/ NSITF (employers contribution)	<u>11,342,620</u>	<u>11,037,226</u>
	<u>261,902,366</u>	<u>227,968,702</u>

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2018 N	31st March 2017 N
15 Other Income		
Transport Income	66,965,000	42,020,000
Escorts	33,889,500	21,562,000
Container deposit refund	7,720,240	7,486,662
Sundry Income	10,328,451	58,500
Insurance claims	1,250,000	21,821,921
Asset disposal account	2,392,900	1,924,067
Foreign exchange gain/loss	-	-
	<u>122,546,091</u>	<u>94,873,150</u>
16 Finance income and expenses		
a) Finance income:		
Interest income - Fixed deposit	-	-
- Call deposit	-	-
- Current account	16,204,973	152,477
	<u>16,204,973</u>	<u>152,477</u>
b) Finance cost:		
Bank & similar charges	68,592,793	77,285,782
Interest expense on loans	122,658,194	185,470,953
	<u>191,250,987</u>	<u>262,756,735</u>
Net finance income/(cost)	<u>(175,046,015)</u>	<u>(262,604,259)</u>
17 Income tax expenses		
Current:		
Income tax	325,075,588	158,707,834
Education tax	24,494,235	13,026,756
Prior year under/(over) provision	(60,854,063)	69,495
	<u>288,715,760</u>	<u>171,804,086</u>
Deferred:		
Deferred tax (credit)/charge	(1,925,100)	(26,135,632)
Tax expense	<u>286,790,660</u>	<u>145,668,453</u>

The current tax charge has been computed at the applicable rate of 30% (31 March 2017: 30%) plus Education levy of 2% (31st March 2017: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as donation and certain provisions which are not allowed as deductions by the tax authorities.

Tax exempt income include income such as export profits and gain on disposal of assets which are not taxable.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2018 N	31st March 2017 N
The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the company as follows:		
Reconciliation of tax expense using accounting profit		
Accounting profit	955,967,673	390,649,638
Company Income Tax at 30%	286,790,302	117,194,891
Education Tax at 2% of adjusted profit	24,494,235	13,026,756
Tax effect of non-deductible	80,614,251	73,581,864
Tax exempt income	8,970	577,220
Capital allowances	(42,337,935)	(36,693,511)
Effect of tax incentives	-	4,047,370
Other Taxes	(60,854,063)	69,495
	288,715,760	171,804,086

18 Earning per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Profit attributable to shareholders of the company	669,177,013	244,981,186
Weighted average number of ordinary shares in issue	424,242,424	424,242,424
Basic Earning per share (Naira)	1.58	0.58

Diluted EPS is the same as the Basic earning per share as there are no potential securities convertible to ordinary shares.

19 Cash generated from operating activities

Profit before tax	955,967,673	390,649,638
Adjustment for:		
Depreciation of fixed assets	147,006,732	139,728,669
(Profit)/Loss on sales of assets	(2,392,900)	(1,924,067)
Interest income	(16,204,973)	(152,477)
Interest expense	191,250,987	262,756,735
Changes in working capital:		
(Increase)/decrease in inventories	(163,874,265)	(406,606,989)
(Increase)/decrease in trade receivables	173,059,938	(458,036,104)
(Increase)/decrease in other receivables	(936,378,679)	(54,085,678)
Increase/(decrease) in trade & other payables	971,211,434	770,278,822
Increase/(Decrease)in Short term loans	(261,691,266)	20,870,465
Increase/(Decrease)in bank overdraft	(47,540,607)	47,540,607
Net cash generated from operations	1,010,414,076	711,019,621

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2018 N	31st March 2017 N
20 Particulars of directors and staff		
a) The average number of persons , excluding directors, employed by the company during the year was as follows:		
	Number	Number
Operators	46	40
Marketing	16	16
Administration	30	34
	<u>92</u>	<u>90</u>
b) The number of the employees in Nigeria with gross emoluments excluding retirement benefits within the bands stated below were:		
N120,001 to N240,000	0	2
N240,001 to N360,000	6	6
N360,001 to N480,000	25	23
N480,001 to N600,000	14	13
N600,001 to N720,000	9	6
N720,001 to N840,000	2	6
N840,001 to N960,000	5	7
N960,001 to N1,080,000	3	3
N1,080,001 to N2,000,000	12	10
Above N2,000,000	16	14
	<u>92</u>	<u>90</u>
c) Staff cost for the above persons (excluding executive directors)		
Wages and salaries	161,703,246	159,865,061
Pension costs	11,342,620	11,037,226
Medical	348,304	855,687
Staff welfare	14,016,291	12,144,369
Staff training	8,838,096	4,248,288
	<u>196,248,556</u>	<u>188,150,632</u>
d) Directors emoluments		
The remuneration paid to the Directors of the Company was:		
Fees paid to Non-Executive Directors	1,550,820	825,000
Remuneration paid to Executive Directors	63,312,961	49,910,000
Other emoluments	23,992,719	6,331,415
	<u>88,856,500</u>	<u>57,066,415</u>
Amount paid to the Chairman	20,000,000	18,500,000
Amount paid to the highest paid director	<u>15,000,000</u>	<u>12,000,000</u>
The number of directors of the company (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the Company fell within the following ranges:		
	Number	Number
N1,000,000 - N5,000,000	3	3
N5,000,001 - N25,000,000	3	3
	<u>6</u>	<u>6</u>
Directors with no emoluments	<u>0</u>	<u>0</u>
Directors with no emoluments waived their right to receive remuneration from the company.		

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****NOTES TO THE FINANCIAL STATEMENTS (continued)****21 Related parties transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The company's related parties are as follows:

- 1 Sil-Adiman Limited
- 2 Wajima Limited
- 3 Solar Industries Limited
- 4 Solar Overseas Mauritius

Management agreement

All transfers of goods and services between the company and its related parties are to be carried out at arms length

Transactions with related parties

The following transactions were carried out with the related parties:

Outstanding balances arising from related party transactions

Below are the outstanding balances receivable and payable balances with related parties. These did arise from trade transactions.

Receivable from related parties

1 Sil-Adiman Limited	-	1,350,000
2 Wajima Limited	-	125,000
	<u>-</u>	<u>3,000,000</u>

The receivables from related parties arise mainly from payments made, and other expenses incurred by the company on behalf of other related companies and they bear no interest. No provision held against receivables from related parties

Payables to related parties

1 Sil-Adiman Limited	-	466,358
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>466,358</u>

23 Capital commitments

The Company had no capital commitments as at 31st March 2018 (2017 Nil)

24 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the year ended 31st March, 2018

25 Events after reporting period

There were no other post balance sheet events which could have had a material effect on the state of affairs of the company as at 31st March 2018 (March 2017 : Nil)

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****STATEMENT OF VALUE ADDED**

	31st March 2018		31st March 2017	
	N	%	N	%
Revenue	6,969,574,812		4,543,406,688	
Other Income	138,751,064		95,025,626	
	<u>7,108,325,875</u>		<u>4,638,432,314</u>	
Bought in materials and services:	(5,620,790,909)		(3,694,614,352)	
Value Added	<u><u>1,487,534,966</u></u>	<u>100</u>	<u><u>943,817,962</u></u>	<u>100</u>
Applied as follows:				
To pay employees:				
Wages, salaries and other benefits	261,902,366	17.6	227,968,702	24.2
To Pay provider of capital:				
Finance cost	122,658,194	8.2	185,470,953	19.7
Dividend	-	-	-	-
To pay government:				
Income tax expenses	286,790,660	19.3	145,668,453	15.4
To provide for enhancement of assets and growth:				
Depreciation of property, plant and equipment	147,006,733	9.9	139,728,669	14.8
Profit retained for the year	669,177,013	45.0	244,981,186	26.0
	<u><u>1,487,534,966</u></u>	<u>100</u>	<u><u>943,817,962</u></u>	<u>100</u>

Value added represents the additional wealth which the Company has been able to create by its own employees' efforts. This statement shows the allocation of that wealth between government, employees, providers of capital and that retained in the business.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****OTHER FINANCIAL INFORMATION - FIVE YEAR FINANCIAL SUMMARY**

	2018	2017	IFRS 2016	2015	2014
	N	N	N	N	N
Assets employed:					
Non-current assets	788,263,300	839,393,179	904,870,709	984,429,350	977,217,498
Current assets	5,366,793,083	3,690,974,666	2,781,239,628	3,042,122,035	1,921,973,382
Non-current liabilities	(664,224,872)	(533,872,152)	(540,296,302)	(149,339,648)	(5,000,000)
Current liabilities	(3,364,594,024)	(2,249,186,380)	(1,643,485,908)	(2,085,812,194)	(1,285,360,506)
Net assets	2,126,237,489	1,747,309,313	1,502,328,127	1,791,399,543	1,608,830,374
Capital employed:					
Ordinary share capital	424,242,424	424,242,424	424,242,424	424,242,424	424,242,424
Share premium	474,825,027	474,825,027	474,825,027	474,825,027	474,825,027
Retained earnings	1,227,170,038	848,241,862	603,260,676	892,332,092	709,762,923
Total equity	2,126,237,489	1,747,309,313	1,502,328,127	1,791,399,543	1,608,830,374
	0	(0)	1	(0)	(0)
			IFRS		
Revenue	6,969,574,812	4,543,406,688	3,429,530,152	4,236,273,962	3,873,956,747
Profit before income tax	955,967,673	390,649,638	262,028,329	486,241,860	964,789,506
Income tax expense	(286,790,660)	(145,668,453)	(101,500,000)	(184,884,986)	(309,266,957)
Profit for the year	669,177,013	244,981,185	160,528,328	301,356,874	655,522,549
Other comprehensive income	-	-	-	-	-
Total comprehensive income	669,177,013	244,981,185	160,528,328	301,356,874	655,522,549
Per share data					
Earning per share (Naira)	1.58	0.58	0.38	0.71	1.55
Net asset per share (Naira)	5.01	4.12	3.54	4.22	3.79

Earnings per share (EPS) is calculated by dividing the profit attributed to equity holders of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Net assets per share is calculated by dividing net assets of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	31st March 2018		31st March 2017	
	N	N	N	N
REVENUE		6,969,574,812		4,543,406,688
Direct expenses		(4,265,158,341)		(2,898,808,152)
Gross Margin		2,704,416,471		1,644,598,535
Sundry income		138,751,064		95,025,626
Gross profit		2,843,167,535		1,739,624,161
Less: OVERHEADS:				
Directors remuneration	88,856,500		57,066,415	
Salaries and wages	161,703,246		159,865,061	
Pension costs/ NSITF (employers contribution)	11,342,620		11,037,226	
Rent & Rate	15,370,852		11,546,115	
Electricity & power	291,000		399,000	
Printing & stationery	8,548,894		6,523,825	
Telephone & postage & communication	8,252,415		8,773,054	
Insurance	7,021,293		4,134,370	
Medical expenses	348,304		855,687	
Motor running expense	43,984,862		37,666,907	
Travel and transportation	44,843,499		38,902,650	
Advertisement/sales promotion	8,756,259		25,911,600	
Entertainment & Public Relations	33,361,937		28,007,846	
Gifts & donation	35,071,087		17,695,100	
Dues & subscriptions	80,855		734,578	
Corporate social responsibility	6,978,271		7,178,968	
Registration & licence	21,061,951		20,070,436	
Staff welfare	14,016,291		12,144,369	
Training & development	8,838,096		4,248,288	
Repairs & development	11,577,690		11,785,321	
Security expenses	900,800		1,860,650	
General expenses	220,400		103,500	
Professional fees	4,163,480		9,130,980	
Audit fees	3,300,000		4,000,000	
Technical service fee	58,947,766		26,222,936	
Bank charges	68,592,793		77,285,782	
Finance cost	122,658,194		185,470,953	
Operation Consulting Charges	998,863,656		455,224,880	
Bad Debts Written Off	-		362,960	
Provision for doubtful debts	69,695,748		82,334,605	
Fines & penalty	-		-	
Depreciation	29,551,104		42,430,460	
		(1,887,199,861)		(1,348,974,524)
NET PROFIT FOR THE YEAR		955,967,673		390,649,638

NIGACHEM NIGERIA LIMITED**Financial Statements for the year ended 31st March, 2018****MANUFACTURING ACCOUNT**

		31st March 2018		31st March 2017
	N	N	N	N
Opening Stocks of finished goods:				
- Explosives		132,374,687		57,964,393
- Cord & Accessories		581,583,859		622,575,943
- Ammonium Nitrates		31,582,866		8,573,850
- Seismic		2,361,276		-
Opening stocks of Raw Materials	500,397,895		166,206,993	
Opening stocks of Packing Materials	133,148,181		129,446,115	
Add: Purchases for the year:				
Explosives	2,279,062,097		1,607,612,929	
Cord & Accessories	1,012,534,068		507,230,497	
Ammonium Nitrates	373,378,461		540,094,014	
Other Direct cost	469,122,772		364,978,641	
Sub total	4,767,643,474		3,315,569,190	
Closing stock of:				
Raw Materials	(166,357,428)		(500,397,895)	
Packing Materials	(245,282,902)		(133,148,181)	
	(411,640,330)	4,356,003,144	(633,546,077)	2,682,023,113
Closing stock of finished goods:				
- Explosives	(179,633,791)		(125,353,461)	
- Cord & Accessories	(847,471,858)		(581,583,859)	
- Ammonium Nitrates	(103,831,219)		(31,582,866)	
- Seismic	-		-	
	(1,130,936,867)	(1,130,936,867)	(738,520,186)	
Closing stock of Work-in-Progress:				
- Explosives		(11,801,999)		(9,382,502)
Cost of Raw & Packing materials Consumed		3,961,166,965		2,623,234,612
Add: Other Direct Cost:				
Factory Direct labour	88,457,122		77,616,717	
Power & Electricity	6,528,748		8,588,123	
Factory Repairs & Maintenance	14,561,347		20,612,008	
Factory Production Overheads	76,988,530		71,458,485	
Factory Depreciation	117,455,629		97,298,208	
		303,991,376		275,573,541
COST OF GOODS SOLD		4,265,158,341		2,898,808,152