IBIM
AFRICA HOLDINGS (IAH) LIMITED
ANNUAL REPORT
2018

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Corporate Information

Board of Directors	Oluseyi Abiodun Makinde Prof Alwyn de Koker Dr Robin John Elliot Beale
Company Secretary	Alexander Management Limited Belvedere Building 69 Pitts Bay Road Pembroke HM 08 Bermuda
Registered Office	Belvedere Building 69 Pitts Bay Road Pembroke HM 08 Bermuda
Incorporation Number	51975
Independent Auditors	TAC Professional Services (Chartered Accountants) 9 Military street, off King V George Road Onikan, Lagos Island Lagos, Nigeria

Directors' Report

The Directors have pleasure in presenting their report on the operations of IBIM Africa Holdings (IAH) Limited and its subsidiaries together with the audited group financial statements for the year ended 31 December 2018.

Statement of Directors' Responsibilities

The Company's Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

The Directors are responsible for ensuring that:

a. Adequate internal control procedures are established to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

b. Proper accounting records are maintained and with reasonable accuracy;

c. Applicable accounting standards are followed;

d. Suitable accounting policies are selected and consistently applied; and

e. The appropriate financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Corporate Information

IBIM Africa Holdings (IAH) Limited (the **Company**) is duly registered in Bermuda and incorporated under the laws of that country on 31 October 2016 under Registration Number 51975. The registered office of the company is situated at Belvedere Building, 69 Pitts Bay Road, Pembroke HM 08, Bermuda. The company is listed on the Bermuda Stock Exchange.

Principal Group Companies

The principal subsidiaries of the Company at 31 December 2018 are as follows:

- Makon Group Limited
- Makon Engineering and Technical Services Limited
- Makon Oil and Gas Limited

Principal Activities

The Company and its subsidiaries represent a globally diversified group with interests spanning Engineering, Procurement, Construction, Operation and Maintenance (EPICOM) for Oil and Gas Facilities, Upstream/Downstream Operations, Refined Petroleum and Specialty Products Supply, Power Generation and Distribution Services.

Directors

The Directors of the Company during the year under review are as shown under Corporate Information on page 3 of this report.

Corporate Governance

The Group Companies' high standard in Corporate Policies and Governance are designed to encourage transparency in all its activities, as well as to ensure the protection of the long-term interests of all stakeholders. The corporate governance practices of the Company and the group as a whole are overseen by the board of Directors who carry out a regular review of the policies.

Authorisation for Issue

The Company as at the date of this Document has an authorised share capital of US$50,000, consisting of 1,000 shares of $.001 par value Class A Voting Shares and 49,999,000 shares of $.001 par value Class B Non-voting Shares.

Results and Dividends

The results for the period are set out in the financial statements on pages 9-30. The Directors do not recommend the payment of a dividend for the period.

True and Fair Presentation

The Directors confirm that, to the best of their knowledge, the Group financial statements, which have been prepared in accordance with IFRS and issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group for the year ended 31 December 2018.

Future Prospects

The Directors are confident that the company is appropriately placed to continue its current business and to explore new business service opportunities.

Post Balance Sheet Events

There are no material changes in the Group's financial position as at 31 December 2018.

Auditors

TAC Professional Services (Chartered Accountants)
9 Military street, Off King George V Road
Onikan, Lagos Island
Lagos, Nigeria

Directors' Approval of Financial Statements

The accompanying audited Consolidated Financial Statements of IBIM Africa Holdings (IAH) Limited and the information in this Annual Report are the responsibility of management and are approved by the Board of Directors.

The Consolidated Financial Statements have been prepared by management in accordance with International Financial Reporting Standards.

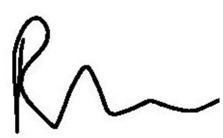
The significant accounting policies used are described in Note 3 to the Consolidated Financial Statements. Certain amounts in the financial statements are based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the Consolidated Financial Statements.

The Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures, and internal control over financial reporting. The CEO and the CFO have supervised an evaluation of the effectiveness of the Company's internal control over the financial reporting, as at 31 December 2018. Based on this evaluation, the CEO and CFO have concluded that the Company's internal control over financial reporting as at 31 December 2018 was effective to provide reasonable assurance regarding the reliability of the Company's financial reporting and the presentation of its Consolidated Financial Statements for external purposes in accordance with applicable accounting principles.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Consolidated Financial Statements have been audited on behalf of the shareholders by TAC Professional Services, a firm of independent external auditors, in accordance with International Standards on Auditing. The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 9-12.

The financial statements set out on pages 9-30, which have been prepared on the going concern basis, were approved by the board on 23 September 2019 and were signed on its behalf by:



Oluseyi Abiodun Makinde Director	Robin John Elliot Beale Director

Auditor's Report

TAC Professional Services
•Chartered Accountants •

TAC Professional Services BN 2131535
Head Office: 9, Military Street,
Off King George V Road, Onikan
Lagos Island, Lagos.
Tel: +234 9086300652
info@tacgroupng.com
www.tacgroupng.com
Abuja: C6, Amma Centre,
Oro-Ago Cres., Garki 2, Abuja
Tel: +234 (0)809 625 7040

Opinion

We have audited the financial statements of IBIM Africa Holdings (IAH) Limited, which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of IBIM Africa Holdings (IAH) Limited as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and the requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information. The other information comprises the information included in the directors' report, the chairman's statement, the value added statement and financial summary but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, such misstatements could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omission, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lagos, Nigeria
September 2019

TUNDE FANIYI FRC/2012/ICAN/0000000325
For: TAC Professional Services
(Chartered Accountants)

Financial Statements

Statement of Financial Position at 31 December 2018

Expressed in USD	Notes	Group 2018	Group 2017 Restated	Company 2018	Company 2017 Restated
Assets					
Non-Current Assets					
Property, Plant and Equipment	1	6,549,998	7,363,395	-	-
Intangible Assets	2	9,244	9,227	-	-
Bank Guarantee Retentions	4.1	3,827,457	3,840,005	-	-
Deferred Tax Asset		585,371	727,688		
Goodwill	3	39,022,785	39,022,785	-	-
Investment in Subsidiary		-	-	50,000,000	50,000,000
Total Non-Current Assets		**49,994,855**	**50,963,102**	**50,000,000**	**50,000,000**
Current Assets					
Inventories	5	547,815	394,298	-	-
Deferred Costs	5	1,788,098	2,090,157	-	-
Trade and Other Receivables	6	26,551,414	27,000,629	-	-
Sundry Debtors and Prepayments	7	21,927,768	18,550,615	-	-
Bank Retention	4.1	9,975,484	10,687,993	-	-
Cash and Cash Equivalents	8	324,084	110,729	-	-
Shares debtors		-	50,000	50,000	50,000
Total Current Assets		**61,114,663**	**58,884,421**	**50,000**	**50,000**
Current Liabilities					
Project Payables	9	16,788,586	17,548,189	-	-
Creditors and Accruals	10	4,120,779	6,879,847	-	-
Term Loan and Other Creditors	11	35,755,590	32,508,694	-	-
Tax Payable	12	213,459	194,582	-	-
Deposit for shares		98,039	98,361	-	-
Total Current Liabilities		**56,976,453**	**57,229,672**	**-**	**-**
Net Current Assets		**4,138,210**	**2,382,438**	**50,000**	**50,000**
Total Assets		**54,133,066**	**52,617,851**	**50,050,000**	**50,050,000**
Equity and Liabilities					
Paid-up Share Capital		-	-	-	-
Unpaid Issued Share Capital	13	50,000	50,000	50,000	50,000
Deposit for shares		50,000,000	50,000,000	50,000,000	50,000,000
General Reserve		65,804	-	-	-
Shareholders' Funds		50,115,804	50,050,000	50,050,000	50,050,000
Non-Current Liabilities	14	4,017,262	2,567,851	-	-
Total Equity and Liabilities		**54,133,066**	**52,617,851**	**50,050,000**	**50,050,000**

Statement of Comprehensive Income for the year ended 31 December 2018

Expressed in USD	Notes	Group 2018	Group 2017	Company 2018	Company 2017
Revenue	15	50,475,874	-	-	-
Cost of Projects		(39,758,770)	-	-	-
Gross Profit		**10,717,104**	**-**	**-**	**-**
Operating Expenses	18	(6,083,126)	-	-	-
Operating Income		**4,633,978**	**-**	**-**	**-**
Other Income	16	117,654	-	-	-
Profit Before Interest and Tax		**4,751,632**	**-**	**-**	**-**
Finance Income	17	257,856	-	-	-
Finance Expenses	17	(4,536,072)	-	-	-
Profit Before Tax		**473,416**	**-**	**-**	**-**
Income tax expense	11a	(345,822)	-	-	-
Profit After Tax		**127,594**	**-**	**-**	**-**
Other Comprehensive Income:		-	-	-	-
Exchange Loss from Translation		(61,790)	-	-	-
Total Comprehensive Income		**65,804**	**-**	**-**	**-**
Basic earnings per share		1.32	-	-	-

Statement of Changes in Equity for the year ended 31 December 2018

Expressed in USD	Issued Capital	Deposit for Shares	Retained Earnings	Total Equity
As at 1 January 2018:	50,000	50,000,000	-	50,050,000
Profit for the period	-	-	127,594	127,594
Other Comprehensive income	-	-	(61,790)	(61,790)
Total Comprehensive income	-	-	-	-
At 31 December 2018	**50,000**	**50,000,000**	**65,804**	**50,115,804**
As at 1 January 2017:	-	-	-	-
Profit for the period	-	-	-	-
Other Comprehensive income	-	-	-	-
Total Comprehensive income	-	-	-	-
Issue of share capital	50,000	-	-	50,000
Deposit for Shares	-	50,000,000	-	50,050,000
At 31 December 2017	**50,000**	**50,000,000**	**-**	**50,050,000**

Statement of Cashflow for the year ended 31 December 2018

Expressed in USD	Notes	Group 2018	Group 2017
Operating Activities		-	-
Profit before income tax		473,416	-
Adjustments for noncash items:		-	-
Depreciation charge	1	945,326	-
Adjustment for property, plant and equipment		(31,588)	-
Profit from disposal of property and equipment		64,131	-
Fair value adjustment		(16,378)	-
Working capital adjustments:		-	-
Movement in current assets		2,921,788	-
Movement in current liabilities		(245,080)	-
Cashflow from operating activities		**4,111,615**	**-**
Tax paid		(186,369)	-
Net cash inflows from operating activities		**3,925,246**	**-**
		-	-
Investing Activities		-	-
Proceeds from disposal of property and equipment		70,229	-
Purchase of property and equipment		(228,961)	-
Restricted bank balance		725,057	-
Finance income		257,856	-
Net cash inflow from investing activities		**824,181**	**-**
		-	-
Financing Activities		-	-
Interest paid		(4,536,072)	-
Net proceeds from borrowings		-	-
Net cash outflows from financing activities		**(4,536,072)**	**-**
			-
Cash and cash equivalents at 31 December 2018		213,355	-
Cash and cash equivalents at 1 January 2018		110,729	-
Net increase in cash and cash equivalents		**324,084**	**-**

Notes to the Financial Statements

1. Presentation of the financial statements

The consolidated financial statements of IBIM Africa Holdings (IAH) Limited cover the financial year from 1 January to 31 December 2018, with comparative figures for the financial years from 1 January to 31 December 2017. The consolidated financial statements include the assets and liabilities of the Company and its subsidiary companies and were authorized for issue by the Directors on 23 September 2019.

A list of the subsidiaries, which, in the opinion of the Directors, principally affected the amount of profit or net assets of the Group, is provided on page 4.

The consolidated financial statements are drawn up in United States Dollars, the functional currency of the Company, and in accordance with IFRS accounting presentation.

2. Basis of preparation

2.1. Statement of compliance

The consolidated financial statements of IBIM Africa Holdings (IAH) Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2.2. Basis of measurement

The financial statements are prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2.3. Consolidation

The financial statements of IBIM Africa Holdings (IAH) Limited and the Makon Group are made up to 31 December 2018. On this date, the Group consolidated the individual entities within the Makon Group (Makon Group Limited, Makon Engineering and Technical Services Limited and Makon Oil and Gas Limited) into a single set of financial statements, under the principles of post consolidation, whereby all entities are included at their post-acquisition carrying amounts.

In preparing the financial information up to 31 December 2018, the financial statements of the individual entities were combined on a line-by-line basis by adding together like items of assets, liabilities, equity. Balances and transactions between the combined and consolidated entities, including their subsidiaries, were eliminated in full.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations

The Group use the post-acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are carried at their historical values at the acquisition date. Acquisition-related costs are expensed as incurred.

2.4. Financial Statements

Assets and liabilities on the statement of financial position are classified as current and non-current. Items on the statement of profit or loss and other comprehensive income are presented by function. The statement of profit or loss and other comprehensive income shows net profit together with income and expenses that are recognised directly in equity in accordance with IFRS. The statement of changes in equity includes profit or loss for the year, transactions with shareholders and other changes in shareholders' equity. The statement of cash flows is prepared using the indirect method, whereby net profit is adjusted for the effects of non-cash transactions.

3. Significant Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements. The significant accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1. Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates (the functional currency).

These financial statements are presented in USD, which is the presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised on profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss within 'Other operating income'. All other foreign exchange gains and losses are presented in contract costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (*ie* translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Advances are recognised at the exchange rate on the date of payment.

3.2. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, unrestricted demand, call deposits with banks, and short term highly liquid financial assets (including money market funds), with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their value and used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. The Company classify bank overdrafts with cash and cash equivalents as they are considered an integral part of its cash management policies and strategies.

3.3. Financial Instruments

In the current year, the company has not applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs that are effective for an annual period that begins on or after 1 January 2018. The company has elected not to restate comparative as allowed by the transition provisions of IFRS 9.

IFRS 9 introduced new requirements for:

- the classification and measurement of financial assets and financial liabilities;
- impairment of financial assets; and
- general hedge accounting.

Details of these new requirements as well as their impact on the company's financial statements are described below.

(*a*) Classification and measurement of financial assets

The date of initial application (*ie* the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the company has not applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. All recognised financial assets within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the company may make the following irrevocable election/designation at initial recognition of a financial asset;
- the company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

All debt instruments held by the company are to be held within a business model whose objective is to collect the contractual cash flows, and have contractual cash flows that are solely payments of principal and interest. These are to be measured at amortised cost similar to the measurement criteria applied in prior periods, hence no material impact on the financial statements.

(*b*) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on:

- debt investments measured subsequently at amortised cost or at FVTOCI;
- lease receivables;
- trade receivables and contract assets; and
- financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to twelve-months' ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances

(*c*) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised.

Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The Company does not hold financial liabilities designated as at FVTPL; therefore, the application of IFRS 9 has had no impact on the classification and measurement of the company's financial liabilities.

General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the company's risk management activities have also been introduced. The company does not apply hedge accounting; therefore, the application did not have any impact on the financial statements.

3.3.1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position which are measured at amortised cost using the effective interest method, less any impairment.

Trade receivables are carried at original invoice amount less any allowance for doubtful debts. Allowances are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any allowance available and then to profit or loss. Subsequent recoveries of amounts for which a previous allowance was made are credited to the profit or loss. Long-term receivables are discounted where the effect is material. Trade receivables are measured at amortized cost. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.3.2. Impairment of financial assets

Trade receivables are carried at original invoice amount less any allowance for doubtful debts. Allowances are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any allowance available and then to profit or loss. Subsequent recoveries of amounts for which a previous allowance was made are credited to the profit or loss. Long-term receivables are discounted where the effect is material. Trade receivables are measured at amortized cost. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is probable that the borrower will enter bankruptcy or financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

For financial assets measured at amortised cost, 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, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3.3.3. De-recognition of financial assets

The company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's 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 profit or loss.

On derecognition of a financial asset other than in its entirety (*eg* when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.3.4. Financial liabilities

Financial liabilities are classified as either financial liabilities at Fair Value through Profit or Loss (at FVTPL) or ‘other financial liabilities.

Financial liabilities are recognised initially at fair value less directly attributable transaction costs and are subsequently measured, other than those measured at fair value through profit or loss, at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company’s financial liabilities include Trade payables and short-term finance facilities.

The Company does not have financial liabilities classified as at FVTPL.

De-recognition

The Company de-recognises financial liabilities when, and only when, the contractual obligations are discharged, cancelled or expire and gains and losses are recognised in profit or loss. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability.

3.3.5. Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4. Inventories

Inventories comprise mainly spare parts and bulk item of construction materials and are stated at the lower of purchase cost and net realisable value. The cost of inventories is determined by applying the specific identification cost.

The net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and/or the estimated costs necessary to make the sale.

3.5. Contract work-in-progress.

Work-in-progress relating to long-term contracts is stated on the basis of agreed contract revenue, cost incurred on milestone achieved but not yet invoiced determined with reasonable certainty, recognised in proportion to the stage of completion of contract activity. The percentage of completion, which takes into account the nature of the contracts and the type of work, is calculated by the output method on the basis of the milestone achieved. The valuation of work-in-progress considers all directly related costs, contractual risks and contract revision clauses, where they can be objectively determined.

3.6. Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software when their values can be reasonably determined and economic benefits will accrue to the Company. Computer software is stated at cost less amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining the computer software programmes are recognised as an expense when incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life estimated as the period over which the assets will be used by the company. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation rate for intangible asset is as follows:

- Computer Software 25%

The amortisation expense on intangible assets with finite lives is recognised in profit or loss as the expense category that is consistent with the function of the intangible assets.

De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss.

3.7. Property, Plant and Equipment

The Company's property plant and equipment comprise land, buildings, motor vehicles, equipment, machinery, furniture and fittings.

Recognition and measurement

All categories of property, plant and equipment are initially recognised using the cost model and stated at their purchase cost including any costs directly attributable to bringing the asset into operation when the following conditions are met:

- Their values can be reasonably determined
- The economic benefit will accrue to the Company.

Property, plant and equipment are subsequently stated at cost and where revaluation has been carried out, at revalued amount less accumulated depreciation and impairment losses, if any.

Subsequent costs

The costs of replacing an identifiable component of an item of property or 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 reliably measured. The carrying amount of the component that has been replaced is charged to profit or loss.

The costs of ordinary day-to-day servicing and maintenance of property and equipment are recognised in profit or loss as incurred.

Depreciation

The depreciable amount of an asset is its cost less the estimated residual value at the end of its useful life, if this is significant and can be reasonably determined. Land is not depreciated, even where purchased with a building.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognised or classified as held-for-sale in accordance with OFRS 5, entitled 'Non-current Assets Held for Sale and Discontinued Operations'. Depreciation is provided on a straight-line basis so as to allocate the depreciable amount of the asset over the estimated useful lives at the following annual rates:

Freehold Land	nil
Leasehold Land and Buildings	5%
Leasehold Improvements	20%
Operational Equipment, Plant and Machinery	15%
Portakabin	20%
Household and Office Equipment	20%
Leasehold Equipment	20%
Motor Vehicles	20%
Furniture and Fittings	25%

Freehold land is not depreciated as it is deemed to have an infinite life.

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss of the year the asset is de-recognised.

3.8. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date.

Company as a Lessee

Finance leases, which transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the income statement.

Leased assets are depreciated over the useful life of the asset. If there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

3.9. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are assessed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

The recoverable amount of an asset or, if the recoverable amount of single assets cannot be determined, for the smallest identifiable group of assets that generates independent cash inflows from their continuous use, referred to as cash generating units, is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows expected to be derived from the use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life, net of disposal costs are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Cash flows are determined on the basis of reasonable and documented assumptions that represent the best estimate of the future economic conditions during the remaining useful life of the asset, giving more importance to independent assumptions.

Tangible assets destined for specific operating projects, for which no further future use is envisaged due to the characteristics of the asset itself or the high usage sustained during the execution of the project, are amortised over the duration of the project.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

3.10. Non- current assets held for sale and discontinued operations

Non-current assets included within disposal groups, whose carrying amount will be recovered principally through a sale transaction rather than through their continuing use, are classified as held for sale. This condition for held for sale is considered met when the sale is highly probable and the asset or disposal group is available for immediate sale in its current condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale, and assets included within disposal groups and liabilities directly associated with them are recognised in the statement of financial position separately from the entity's other assets and liabilities. Non-current assets held for sale are not depreciated or amortised.

3.11. Provisions

Provisions for contingencies concern risks and charges of a definite nature and whose existence is certain or probable but its timing or amount of future expenditure is uncertain at the reporting date. A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 obligation 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 small.

Provisions represent the best estimate of the expenditure required to settle the obligation or to transfer it to third parties at the reporting date. The amount recognised for onerous contracts is the lower of the cost necessary to fulfil the contract obligations, net of the economic benefits expected to be received under it, and any compensation or penalties arising from failure to fulfil these obligations.

If the effect of the time value of money is material and the payment dates of the obligations can be reliably estimated, provisions are discounted using a current pre-tax rate that reflects, where appropriate, current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the change in the provision due to the passage of time is recognised as 'Finance (expense) income'. When the liability regards tangible assets, the provision is stated with a corresponding entry to the asset to which it refers and taken to profit or loss through the depreciation process.

Post-employment benefits -– Defined contribution plans

The subsidiaries of the Group Company in Nigeria operate a defined contribution plan in accordance with the provisions of the Nigerian Pension Reform Act. The contribution of the employee and employer is 8% and 10% of the qualifying monthly emoluments *(ie* basic, housing and transport) of the employees respectively. The company's obligations for contributions to the plan are recognised as an expense in profit or loss when they are due.

3.12. Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.13. Taxation

Income tax expense comprises current and deferred tax.

Income tax expense is recognised in profit or loss except to the extent that results of transactions relate to items recognised directly in equity, in which case it is recognised in equity.

Current income tax is calculated on the basis of estimated taxable income for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax recoverable or payable in respect of previous years.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes based on tax rates and laws that have been enacted or substantively enacted at the reporting period date and are expected to apply when the related deferred income tax liability is settled.

Deferred tax assets and liabilities are recorded under non-current assets and liabilities.

3.14. Value Added Tax

Expenses and assets are recognised net of the amount of the value added tax, except that value added tax incurred on a purchase of assets or services is not recoverable from that taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.15. Share Capital and Reserves

Share capital

The issued ordinary shares of the company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

3.16. Revenue Recognition

Contract

Revenues for contract work-in-progress are recognised by reference to the stage of completion of a contract (milestone), when the outcome of such a contract can be reliably measured and it is accepted by the client.

Contract revenue. Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue, and they can be reliably measured.

Contract costs. Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site employee costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design; technical assistance and other overheads that are directly related to the contract.

The Company's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or a group of contracts together in order to reflect the substance of a contract or a group of contracts. Assets covered by a single contract are treated separately when:

- Separate proposals have been submitted for each asset.
- Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset.
- The costs and revenues of each asset can be identified.

A group of contracts are treated as a single construction contract when:

- The group of contracts is negotiated as a single package;
- The contracts are performed concurrently or in a continuous sequence.

Requests for additional payments deriving from a change in the scope of the work are included in the total amount of revenues when realization is probable, *ie* it is probable that the client will approve the variation and the relevant amount. Claims deriving, for example, from additional costs incurred for reasons attributable to the client are included in the total amount of revenues when it is probable that the client will accept them. Expected losses on contracts are recognised fully in the year in which they become probable. Bidding costs are expended in the year in which they are incurred.

Revenues associated with sales of products and services, with the exception of contract work-in-progress, are recognised when the significant risks and rewards of ownership pass to the customer or when the transaction can be considered settled and associated revenue can be reliably measured.

Revenues related to partially rendered services are recognised by reference to the stage of completion, providing this can be measured reliably and that there is no significant uncertainty regarding the collectability of the amount and the related costs. Otherwise they are recognised only to the extent of the recoverable costs incurred.

Interest

Interest income for interest bearing financial instruments, are recognised within 'Interest Income' in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset. The effective interest rate is calculated on initial recognition of the financial asset and is not revised subsequently.

3.17. Expense Recognition

Interest

Interest paid is recognised in profit or loss as it accrues and is calculated by using the effective interest rate method for facilities beyond one year. Accrued interest is included within the carrying value of the interest-bearing financial liability.

3.18. Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the 'exit price') in an orderly transaction that is not a forced sale, liquidation sale or a distressed sale between participants at the measurement date. Fair value is determined based on market conditions at the measurement date and the assumptions that market participants would use (*ie* it is a market-based measurement). Fair value measurement assumes that transaction to sell the asset or transfer the liability occurs in a principal market or, in the absence of a principal market, in the most advantageous market to which the entity has access. It does not consider an entity's intent to sell the asset or transfer the liability. Fair value measurement of non-financial assets take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use is determined from the perspective of market participants, even if the entity intends a different use. An entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset. In the absence of quoted market prices, the fair value, the fair value of a financial or non-financial liability or an entity's own equity instruments is taken as the fair value of the corresponding asset held by another market participant at the measurement date. Counterparty credit risk and own credit risk are taken into account in determining the fair value of a liability. In the absence of quoted market prices, an entity uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities; and reported income and expenses that are not readily apparent from other sources. Uncertainty about these assumptions and conditions could result in actual results differing from these estimates and therefore require material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

4.1. Contract work-in-progress

Contract work-in-progress for long-term contracts, for which estimates necessarily have a significant subjective component, are measured on the basis of estimated revenues and cost over the full life of the contract.

A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract which may lead to an increase or a decrease in contract revenue if their realisation is probable and the amount can be reliably estimated.

4.2. Impairment of Assets

Impairment losses are recognised if events and changes in circumstances indicate that the carrying amount of tangible and intangible assets may not be recoverable. Impairment is recognised in the event of significant permanent changes in the outlook for the market segment in which the asset is used. Determining as to whether and how much an asset is impaired involves management estimates on complex and highly uncertain factors, such as future market performances, the effects of inflation and technological improvements on operating costs, and the outlook for global or regional market supply and demand conditions.

The amount of an impairment loss is determined by comparing the carrying amount of an asset with its recoverable amount (the higher of fair value less costs to sell and value in use calculated as the present value of the future cash flows expected to be derived from the use of the asset net of disposal costs). The expected future cash flows used for impairment reviews are based on judgmental assessments of future variables such as prices, costs, demand growth rate and production volumes, considering the information available at the date of the review and are discounted at a rate that reflects the risk inherent in the relevant activity. Intangible assets with indefinite useful lives are not amortised. The recoverability of their carrying amount is reviewed at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

5. New and revised IFRSs in issue but not yet effective

A number of new standards, interpretations and amendments were issued for the first time for periods beginning on (or after) 1 January 2019. The company has elected not to adopt them in these financial statements. The nature and effect of each new standard, interpretation and amendment adopted by the company is detailed below.

Pronouncement	Nature of change	Effective date
IFRS 16 Leases	The standards set out the principle for the recognition, measurement, presentation and disclosure of leases for both parties to be contract i.e. the customer (lessee) and the supplier (lessor). IFRS 16 introduces a single lease accounting model. Applying this model, a lessee is required to recognise assets and liability for leases with a term of more than 12 months, unless the underlying assets is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating lease or finance lease and to account for these two types of leases differently.	Annual periods beginning on or after 1 January 2019
IFRS 17 Insurance contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.	Annual periods beginning on or after 1 January 2019

Pronouncement	Nature of change	Effective date
	There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policy holders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.	

New and revised standards adopted in 2018

IFRS 9 Financial instruments

With regard to the revised measurement principles, IFRS 9 contains 3 methods of classification:

- measured at amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

The standard eliminates the existing IAS 39 classification and measurement principles of loans and receivable, held to maturity and available for sale. The company has no investment classified as held to maturity, and other categories involve no change in measurement for the company.

With regard to the impact of 'Expected loss model' on trade receivable and loan to customer, the company conclude that the impact is immaterial. The impact on the company's future income statement is expected to be immaterial as the standard requires provision to be recorded earlier and initial impact of this timing difference is recorded in equity upon implementation.

IFRS 15 Revenue from contracts with customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers, IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling contract. In addition, the standards require extensive disclosures.

There are no material quantitative changes based on the adoption of IFRS 15 to the company's revenue but the qualitative disclosures have been updated in line with that application of IFRS 15.

1. Property, Plant and Equipment - Group

Expressed in USD	Land and Buildings	Plant and Operational Equipment	Household and Office Furniture and Fittings	Office Equipment	Motor Vehicles	Total
Cost						
At 1 January 2018	6,061,200	10,538,929	513,737	435,310	1,436,274	18,985,450
Additions	89,382	70,565	26,435	43,428	-	229,810
Adjustment	(3,059)	(119,850)	-	(451)	-	(123,360)
Disposal	(9,739)	(1,536)	-	-	-	(11,275)
At 31 December 2018	**6,137,785**	**10,488,109**	**540,172**	**478,287**	**1,436,274**	**19,080,625**
Accumulated Depreciation						
At 1 January 2018	1,206,541	8,151,509	505,893	372,842	1,385,283	11,622,068
Charges	175,724	692,331	8,182	30,262	38,827	945,326
Adjustment	(307)	(31,010)	-	(271)	-	(31,588)
Disposal	(4,869)	(307)	-	-	-	(5,176)
At 31 December 2018	**1,377,088**	**8,812,522**	**514,075**	**402,833**	**1,424,110**	**12,530,629**
Net Book Value						
At 31 December 2018	**4,760,697**	**1,675,587**	**26,097**	**75,454**	**12,164**	**6,549,998**
At 31 December 2017	**4,747,833**	**2,494,251**	**7,843**	**62,475**	**50,993**	**7,363,395**

*Additions to land and buildings relate to revaluations done on an open market value basis.

1a. Assets to pledge as security

No asset of the company was pledged as security for borrowings.

1b. Impairment of property, plant and equipment

There are no indicators of impairment at the end of the reporting period. The directors are of the opinion that allowance for impairment is not required. No impairment is recognized during the period.

Expressed in USD	2018	2017
2. Intangible Assets		
Cost		
At 1 January 2018	96,331	96,331
Additions during the year	3,083	-
Disposal	-	-
At 31 December 2018	**99,414**	**96,331**
Amortisation		
At 1 January 2018	87,105	84,028
Charges for the year	3,065	3,076
Disposal/write –offs	-	-
At 31 December	**90,170**	**87,104**
Net Book Value	**9,244**	**9,227**

3. Goodwill

Goodwill is as a result of the acquisition of the subsidiaries, which has conferred on the group contractual and other legal rights on the entity acquired. The restatement in respect of the 2017 year was to reflect the impact of deferred tax omitted during the year ended 31 December 2017.

Expressed in USD	2018	2017
4. Bank Retentions		
Current Assets	9,975,484	10,687,993
Non-current Assets	3,827,457	3,840,006
	13,802,941	14,527,999
5. Stock and Work in Progress		
Stock - Material and Spares	547,815	394,298
Deferred Cost	1,788,098	2,090,157
	2,335,913	2,484,455
6. Trade and Project Receivables		
Project Receivable	25,278,905	25,728,120
Retention Receivable	1,272,509	1,272,509
	26,551,414	27,000,629
7. Sundry and Debtor Repayments		
Prepaid Expenses -Rent	57,117	45,410
Staff Debtors	39,941	20,739
Cash Advance Debtors	46,183	25,943
Prepayment - Insurance	82	14
Prepayment – Others	45,974	27,211
Prepayment to Vendors	1,634,023	708,139
Deferred Cost	-	21,258
Interest Receivables	-	11,288
Other Debtors	684,552	501,862
Withholding Tax	19,419,896	17,188,751
	21,927,768	18,550,615
8. Cash and Cash Equivalents		
Cash	6,846	6,878
Bank	317,238	103,851
	324,084	110,729
9. Accounts Payable		
Accounts Payable	16,788,586	17,548,189
	16,788,586	17,548,189

Expressed in USD	2018	2017
10. Creditors and Accruals		
Other Creditors	778,269	4,410,803
Directors Current Account	1,361,114	1,254,997
Salaries Payable	60,072	-
Interest on Bank Facility	91,474	708,320
Mobilization Account	274,846	493,157
Deferred Revenue	17,200	12,570
Accruals	1,537,804	-
	4,120,779	6,879,847
11. Term Loan and Other Creditors		
First Bank Facilities	22,579,820	21,997,806
Loans	4,245,111	6,333,698
Tripartite settlement	8,930,659	4,177,190
	35,755,590	32,508,694
12a. Income Tax		
Company Income Tax	175,177	-
Education Tax	30,706	-
Adjustment in respect of income tax	-	-
	205,883	-
Deferred Tax	139,939	-
	345,822	-

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purpose.

Expressed in USD	2018	2017 Restated
12b. Tax Payable		
Income/Education Taxes Payable B/F	194,582	153,517
Provision for the Year	205,882	191,655
Payment	(187,005)	(150,590)
	213,459	194,582

Expressed in USD	2018	2017
12c. Deferred Tax Asset		
As at 1st January	727,689	727,689
Movement in the year	(142,318)	-
	585,371	727,689

Expressed in USD	2018	2017
13. Share Capital		
Authorised		
50,000,000 shares of $.001 par value Class A Voting shares (Company: 50,000,000 ordinary shares of $0.00328 each)	50,000	50,000
49,999,000 shares of $.001 par value Class B Non-voting shares	49,999	49,999
Issued		
50,000,000 shares of $.001 par value Class	50,000	50,000
14. Non-Current Liabilities		
Terminal Benefit	2,376,973	927,562
Deferred tax liability	1,640,289	1,640,289
	4,017,262	2,567,851
15. Revenue		
Engineering and Construction	49,273,863	-
Procurement	17,788	-
Operation and maintenance	251,801	-
Gas sales	932,422	-
	50,475,874	-
16. Other Income		
Apartment rental income	44,373	-
Profit/(Loss) on Disposal of Fixed Assets	73,281	-
Other Income	117,654	-
17. Net Finance Cost		
Finance expense	(4,536,072)	-
Finance income	257,856	-
	(4,278,216)	-

Expressed in USD	2018	2017

18. Operating Expenses

Adverts and Publicity	52,578	-
Bank Charges	91,320	-
Communication	114,016	-
Audit Fee	16,765	-
Director's Fees and Allowances	1,187,503	-
Dues and Subscriptions	19,199	-
Employers Pension Contribution	118,520	-
Depreciation and amortisation	260,424	-
Entertainment	16,042	-
Fuel	44,288	-
Diesel and Electricity	99,411	-
HSE Related Expenses	65,660	-
Insurance Expense	13,527	-
Transport and Travelling Expenses	126,548	-
Legal and Professional/Consultancy	154,605	-
General	17,863	-
Medical	32,898	-
Office	2,072	-
Rent	129,820	-
Repairs and Maintenance	194,953	-
Printing and Stationery	9,830	-
Security	3,855	-
Staff Training	13,341	-
Staff Cost	3,152,614	-
IT/Software	58,154	-
Impairment	86,036	-
Fines and other charges	1,284	-
	6,083,126	-