

GREENLIFE BLISS HEALTHCARE LTD.

**FINANCIAL STATEMENT FOR THE
YEAR ENDED 31 ST MARCH, 2019**

AUDITORS

'BIODUN YEWANDE & CO.

(Chartered Accountants)

**Km 38 Lagos/Abeokuta Expressway Igbala Sango Ota
Ogun State**

GREENLIFE BLISS HEALTHCARE LTD.

DIRECTORS, OFFICIALS AND ADVISERS

DIRECTORS : **DR. OBIORA CHUKUWKA**
CHIEF EBERE NWOSU
S.N.KAMATH

OFFICE ADDRESS : **3, NEROS PHARMA AVENUE, OFF.**
EWUPE ROAD, SINGER BUS / STOP,
SANGO-OTA, OGUN STATE NIGERIA

AUDITORS : **MESSERS 'BIODUN YEWANDE & CO'**
(Chartered Accountants)
Km 38 Lagos/Abeokuta
Expressway Igbala, Sango Ota
Ogun State Nigeria



BIODUN YEWANDE & CO.

(Chartered Accountant)

* External Auditors * Tax & Financial Management Consultants * receivership
Km. 38, Lagos/Abeokuta Expressway, Igbala, Sango-Ota, Ogun State.
Tel: 08023027965, 07065320722.

AUDITOR'S REPORT

TO MEMBERS OF GREENLIFE BLISS HEALTHCARE LTD

We have audited the Financial Statement of GREENLIFE BLISS HEALTHCARE LTD for the year ended 31st March, 2019 which has been prepared on the basis of the Accounting Policies set out on these pages.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

In accordance with the Companies and Allied Matters Acts 1990, the Directors are responsible for the preparation of Financial Statements which give a true and fair view of the state of the affairs of the company.

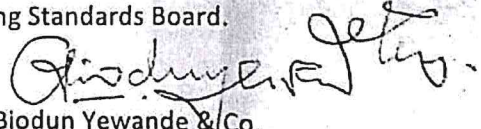
BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. An Audit includes an examination on a tests basis of evidence relevant to the amounts and the disclosure in the financial statements. It also includes an assessment of the significant estimates and judgments and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statement are free from material misstatements, whether caused by fraud, other irregularities or error in forming our opinion. We also evaluated the overall adequacy of information in the financial statements. The Financial Statements are in agreement with the books of accounts which have been properly kept and we obtained the information and explanation we required.

OPINION

In our opinion the Financial Statements give a true and fair view of the states of affairs of the company as at 31st March, 2019 and of the Profit/ (Loss) for the year ended on that date and have been properly prepared in accordance with the Companies and Allied Matters Act 1990 and relevant statement of accounting Standards issued by the Nigerian Accounting Standards Board.


'Biodun Yewande & Co.
(Chartered Accountants)
Nigeria.

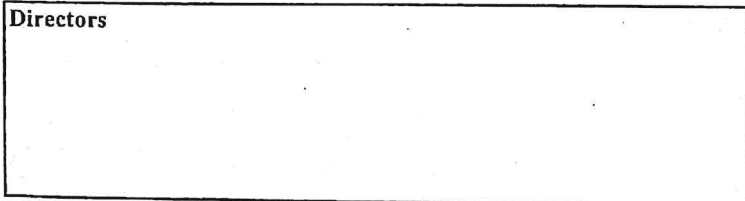


GREENLIFE BLISS HEALTHCARE LTD
STATEMENT OF FINANCIAL POSITION
AS ON 31ST MARCH 2019

	Notes	2019	2018
		₹	₹
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	1,57,68,44,048	1,54,14,58,154
(b) Capital Work-in-Progress		-	-
TOTAL NON-CURRENT ASSETS		<u>1,57,68,44,048</u>	<u>1,54,14,58,154</u>
CURRENT ASSETS			
(a) Inventories	5	64,93,37,270	70,94,84,961
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	6	63,15,48,708	67,45,12,705
(iii) Cash and Cash Equivalents	7	35,67,262	3,22,62,043
(iv) Prepayment		-	-
(vi) Other Financial Assets	6	1,12,91,723	2,48,41,619
TOTAL CURRENT ASSETS		<u>1,29,57,44,963</u>	<u>1,44,11,01,330</u>
TOTAL ASSETS		<u>2,87,25,89,011</u>	<u>2,98,25,59,484</u>
EQUITY			
(i) Share Capital	1	20,00,000	20,00,000
(ii) Share Premium		-	-
(iii) Share based payment reserve		-	-
(iv) Retain earnings		12,50,17,894	-1,66,20,479
		<u>12,70,17,894</u>	<u>-1,46,20,479</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	2	2,02,36,85,222	1,93,01,63,608
(ii) Other Financial Liabilities			
(b) Provisions			
(c) Deferred Tax Liabilities (Net)			
(d) Other Non-current Liabilities			
		<u>2,02,36,85,222</u>	<u>1,93,01,63,608</u>
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	3	58,02,11,389	98,52,43,156
(iii) Other Financial Liabilities		-	-
(b) Provisions	3	13,70,48,794	7,73,42,665
(C) Other Current Liabilities	3	46,25,712	44,30,533
		<u>72,18,85,894</u>	<u>1,06,70,16,355</u>
TOTAL LIABILITIES		<u>2,87,25,89,011</u>	<u>2,98,25,59,484</u>

The accompanying notes are an integral part of the Financial Statements

Directors



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GREENLIFE BLISS HEALTHCARE LTD
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	2019	2018
		₹	₹
Revenue	8	1,83,45,51,000	2,06,16,06,882
Cost of Sales		-1,38,14,22,989	-1,58,10,62,484
Gross Profit		45,31,28,011	48,05,44,398
Other Income	9	1,24,28,273	75,16,388
Marketing and distribution expenses		-	-
Administrative expenses	10 (b) & 11	-26,32,15,751	-26,19,87,228
Operating Profit		20,23,40,533	22,60,73,558
Finance Income		-	-
Finance cost		-	-
Net Finance Costs		-	-
Profit Before Tax	10	20,23,40,533	22,60,73,558
Income tax expense	12	-6,07,02,160	-6,78,22,067
Profit for the year		14,16,38,373	15,82,51,490
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total Other comprehensive income for the year		-	-
Profit for the year is attributable to :			
Owners of the company		14,16,38,373	15,82,51,490
Earnings per equity share:			
(1) Basic and Diluted earnings per share		708.19	791.26

The accompanying notes are an integral part of the Financial Statements

Directors

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GREENLIFE BLISS HEALTHCARE LTD

NOTES :- FINANCIAL POSITION
AS ON 31ST MARCH 2019

NOTE (8) :- Revenue for the year which arose from sales of goods comprise :

	2019	2018
	₦	₦
Nigeria	1,83,45,51,000	2,06,16,06,882
Export	-	-
Total Revenue	1,83,45,51,000	2,06,16,06,882

Geographical information :

Nigeria	1,83,45,51,000	2,06,16,06,882
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Major Customer :

Revenue from single customer namely "Greenlife Pharmaceutical LTD" comprise of 100% of the company total revenue

NOTE (9) :- Other Income :

	2019	2018
	₦	₦
Sales of Scrap	1,24,28,273	75,16,388
Other	-	-
Total Other income	1,24,28,273	75,16,388

NOTE (10) :- Profit before taxation :

	2019	2018
	₦	₦
(a) Profit before taxation is stated after charging (crediting) :		
Depreciation of Property, Plant and Equipment	9,53,44,269	9,06,02,347
Auditors remuneration	10,00,000	10,00,000
Personal expenses	11,16,71,968	11,71,03,656
Rent including lease rentals	1,24,66,666	1,24,66,666
(b) Analysis of expenses by nature		
Raw materials and consumables	1,38,14,22,989	1,58,10,62,484
Depreciation	9,53,44,269	9,06,02,347
Employee benefits	11,16,71,968	11,71,03,656
Power and fuel	42,23,715	32,40,652
Rent (including lease rentals)	1,05,89,451	1,24,71,666
Rates and taxes	5,99,537	-
Insurance	46,46,950	17,07,903
Repairs and maintenance- Machinery	40,86,900	42,11,134
Repairs and maintenance- Others	68,050	99,450
Postage, Telephone and Communication	4,97,000	4,06,500
Legal and Professional Charges	24,38,542	11,39,542
Travelling & Conveyance Expenses	56,91,680	67,89,715
Auditors' remuneration	20,00,000	10,00,000
Miscellaneous expenses	2,13,57,688	2,32,14,663
Total cost of sales, marketing & distribution and administration expenses	1,64,46,38,740	1,84,30,49,712

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NOTE (1) :- Statement of changes in Equity

Attributable to equity holders of the company	Equity		Reserves and Surplus					
	Share Capital	Share premium	Capital Reserve	Securities Premium Reserve	Treasury Shares	General Reserve	Other Reserve (specify nature)	Retained Earnings
As at 1 April 2017	20,00,000	-	-	-	-	-	-	-17,48,71,969
Profit / (Loss) for the period	-	-	-	-	-	-	-	15,82,51,490
Other Comprehensive Income / (Loss)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	20,00,000	-	-	-	-	-	-	-1,66,20,479
Dividend paid on Equity Shares	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-	-	-
Transfers from retained earnings	-	-	-	-	-	-	-	-
Equity Share Issuance Costs	-	-	-	-	-	-	-	-
Exercise of employee stock options	-	-	-	-	-	-	-	-
Options granted during the period	-	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-
As at 31 March 2018	20,00,000	-	-	-	-	-	-	-1,66,20,479
Profit / (Loss) for the period	-	-	-	-	-	-	-	14,16,58,373
Other Comprehensive Income / (Loss)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	20,00,000	-	-	-	-	-	-	12,50,17,895
Dividend paid on Equity Shares	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-	-	-
Transfers from retained earnings	-	-	-	-	-	-	-	-
Equity Share Issuance Costs	-	-	-	-	-	-	-	-
Exercise of employee stock options	-	-	-	-	-	-	-	-
Options granted during the period	-	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-
As at 31 March 2019	20,00,000	-	-	-	-	-	-	12,50,17,895

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NOTE (4) :- Property, Plant and Equipment

Note	Land & Building	Plant & Machinery	Motor Car	Furniture & Fixture	Computer	Equipment	CWIP	TOTAL
Cnst								
As at 1 April 2017	81,50,12,454	1,01,44,38,034	27,90,221	1,91,14,458	51,95,317	-	-	1,85,65,50,474
Addition	13,41,762	11,11,368	-	1,62,000	5,87,000	-	-	32,02,130
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
As at 31 March 2018	81,63,54,216	1,01,55,49,392	27,90,221	1,92,76,458	57,82,317	-	-	1,85,97,52,604
As at 1 April 2018	81,63,54,216	1,01,55,49,392	27,90,221	1,92,76,458	57,82,317	-	-	1,85,97,52,604
Addition	-	8,11,700	-	93,500	2,80,000	-	12,95,24,963	13,07,30,163
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
As at 31 March 2019	81,63,54,216	1,01,63,81,092	27,90,221	1,93,69,958	60,62,317	-	12,95,24,963	1,99,04,82,767
Accumulated Depreciation								
As at 1 April 2017	4,38,58,616	17,82,30,546	3,28,615	33,36,449	19,37,876	-	-	22,76,92,103
Depreciation	2,73,34,452	5,75,58,585	6,97,555	38,55,292	11,56,463	-	-	9,06,02,347
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	7,11,93,068	23,57,89,131	10,26,170	71,91,741	30,94,340	-	-	31,82,94,450
As at 1 April 2018	7,11,93,068	23,57,89,131	10,26,170	71,91,741	30,94,340	-	-	31,82,94,450
Depreciation	4,08,17,711	5,08,19,055	5,58,044	19,56,996	12,12,463	-	-	9,53,44,269
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	11,20,10,779	28,66,08,185	15,84,214	91,28,737	43,06,803	-	-	41,36,38,719
Current Assets								
As at 1 April 2017	77,11,53,838	83,62,07,478	24,61,606	1,57,78,009	32,57,441	-	-	1,62,88,58,371
As at 31 March 2018	74,51,61,148	77,97,60,261	17,64,051	1,20,84,717	26,87,977	-	-	1,54,14,58,154
As at 31 March 2019	70,43,43,437	72,97,72,906	12,06,007	1,02,41,221	17,55,514	-	12,95,24,963	1,57,68,44,048

The estimated useful lives for the current and comparative years are as follows:

Assets	Estimated useful lives
Buildings	20 years
Plant and machinery	20 years
Furniture and equipment	10 years
Motor vehicles	5 years
computer	5 years

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NOTE (2) :- Non current Borrowings :

Long term borrowing represent long term loan granted to the company from related party and liabilities stand base on time of repayment fall due.

Related party name	2019	2018
	N	N
Greenlife Pharmaceutical Ltd	2,02,56,85,222	1,93,01,63,608

NOTE (3) :- Trade and Other Payable

	2019	2018
	N	N
Trade Payables	98,24,30,516	98,24,30,516
Provisions	13,70,48,794	7,75,42,665
Other Current Liabilities	46,25,712	44,30,533
	<u>1,12,41,05,021</u>	<u>1,06,42,03,715</u>

NOTE (5) :- Inventories:

	2019	2018
	N	N
Raw materials	54,09,99,488	61,40,15,611
Packing Materials	3,99,24,632	4,04,19,590
Work-in-progress	-	-
Finished Products	6,84,13,149	5,50,49,760
	<u>64,93,37,270</u>	<u>70,94,84,961</u>

NOTE (6) :- Cash and Cash Equivalents

	2019	2018
	N	N
cash and bank balances	35,67,262	3,22,62,043
Short term investment	-	-
bank overdraft used for cash management	-	-
	<u>35,67,262</u>	<u>3,22,62,043</u>

NOTE (7) :- Trade and Other Receivables

	2019	2018
	N	N
Trade Receivables	63,13,48,708	67,45,12,703
Other Financial Assets	1,12,91,723	2,48,41,619
	<u>64,28,40,431</u>	<u>69,93,54,325</u>

Significant accounting policies

Except for the changes explained if any, the Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in income statement. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(b) Financial instruments

i. Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company has the following non-derivative financial assets:

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise trade and other receivables.

Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables with short-term maturities and no stated rates of interest are measured at original invoice amounts where the effect of discounting is not significant.

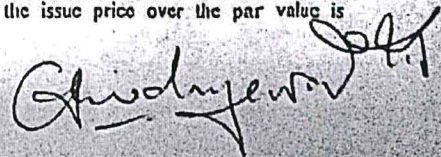
ii. Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

iii. Share capital

The Company has one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.



Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment

i. *Recognition, measurement and derecognition*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in income statement.

ii. *Subsequent costs*

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 of property, plant and equipment are recognised in income statement as incurred.

iii. *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

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(d) Intangible assets

Software and concession right

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. The Company's intangible assets with finite useful life comprises computer software and concession right. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost less its residual value. Amortisation is recognised in income statement on a straight-line basis over the estimated useful lives of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

An intangible asset is derecognised where it is certain that there would be no future flow of economic benefit to the Company as a result of holding such asset.

(e) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on re-assessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Company's statement of financial position.

Lease payments

Payments made under operating leases are recognised in income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

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Raw materials, non-returnable packaging materials and consumable spare parts	—	purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished products and products-in-process	—	average cost of direct materials and labour plus the appropriate amount attributable to production overheads based on normal production capacity.
Inventory-in-transit	—	purchase cost incurred to date.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

(g) Impairment

i. *Non-derivative financial assets*

A financial asset not measured at fair value through income statement, including an equity accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in income statement and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income statement.

ii. *Non financial assets*

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

For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset 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 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.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee

i. *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2004, the Company has instituted a defined contribution pension scheme for its management and non-management employees. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to income statement. The Company contributes 10% and 12% for management and non-management employees respectively while employees contribute 8% of their insurable earnings (basic, housing and transport allowance).

ii. *Gratuity*

- *Defined benefit gratuity scheme*

Lump sum benefits payable upon retirement or resignation of employment are fully accrued over the service lives of management and non-management staff under the scheme. Employees under the defined benefit scheme are those who had served a minimum of 5 years on or before 31 December 2008 when the scheme was terminated. Independent actuarial valuations are performed periodically on a projected unit credit basis. Actuarial gains/losses arising from valuations are charged in full to other comprehensive income. The Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

- *Defined contribution gratuity scheme*

The Company has a defined contribution gratuity scheme for management and non-management staff. Under this scheme, a specified amount is contributed by the Company to third party fund managers and recognised as an employee benefit expense to income statement over the service life of the employees.

iii. *Other long-term employee benefits*

The Company's other long-term employee benefits represents Long Service Awards payable upon completion of certain years in service and accrued over the service lives of the employees. Independent actuarial valuations are performed periodically on a projected unit credit basis. Actuarial gains/losses and curtailment gains or losses arising from valuations are charged in full to income statement.

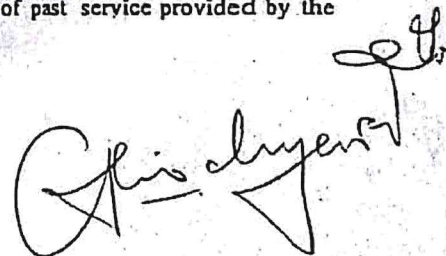
iv. *Termination benefits*

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

v. *Short-term employee benefits*

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

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



vi. *Share-based payment transactions*

The fair value of equity settled share options and share grants is initially measured at grant date based on the binomial or Monte Carlo models and is charged in income statement over the vesting period. For equity settled shares, the credit is included in retained earnings in equity whereas for cash settled share-based payments a liability is recognised in the statement of financial position, measured initially at the fair value of the liability.

For cash settled share options and share grants, the fair value of the liability is remeasured at the end of each reporting period until the liability is settled, and at the date of settlement, with any changes in the fair value recognised in income statement. Cancellations of share options are treated as an acceleration of the vesting period and any outstanding charge is recognised in operating profit immediately.

(i) **Provisions and contingent liabilities**

A provision is recognised 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

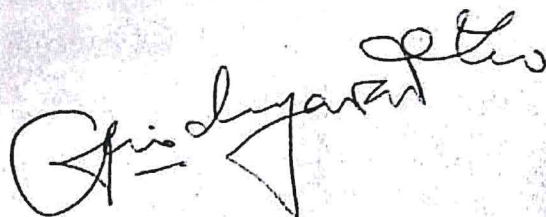
(j) **Revenue**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, excise duties, sales returns, trade discounts and volume rebates. Toll revenue represents income from operation of toll road which is the amount of tolls collected during the period. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(k) **Government grants**

Government grants that compensate the Company for expenses incurred are recognised in income statement as a reduction to cost of sales in the periods in which the expenses are recognised if the Company will comply with the condition attaching to them and it is probable that the grants will be received from the government.



(l) Finance income and finance costs

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets. Finance income is recognised as it accrues in income statement, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, interest expense on factoring of trade receivables recognised on financial assets except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognised in income statement using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(m) Income and deferred taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in income statement account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- i. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income statement
- ii. differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future
- iii. temporary differences arising on the initial recognition of goodwill.

(n) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income statement attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the income statement attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(o) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while finance income received is included in investing activities.

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(s) New standards and interpretations not yet adopted

The following new standards and amendments issued but not effective for 30 June 2017 year end, are expected to have significant impacts on the Company's financial statements. The Directors are currently assessing their impact on the Company financial statements.

Amendment to IAS 12 – Income taxes. Recognition of deferred tax assets for unrealised losses.

The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets. The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets. Effective for annual periods beginning on or after 1 January 2017

Amendment to IAS 7 – Cash flow statements. Statement of cash flows on disclosure initiative

In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities. Effective for annual periods beginning on or after 1 January 2017.

Amendments to IFRS 2 -- 'Share-based payments'. Clarifying how to account for certain types of share-based payment transactions.

This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. Effective for annual periods beginning on or after 1 January 2018.

IFRS 15 – Revenue from contracts with customers.

The IASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer. Effective for annual periods beginning on or after 1 January 2018.

Amendment to IFRS 15 – Revenue from contracts with customers.

The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard. Effective for annual periods beginning on or after 1 January 2018.

IFRS 9 – Financial Instruments (2009 & 2010). Financial liabilities, Derecognition of financial instruments and Financial assets - General hedge accounting

This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

Chris Chapman

The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss. Effective for annual periods beginning on or after 1 January 2018.

Amendment to IFRS 9 - 'Financial instruments'; on general hedge accounting

The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:

- . The own credit risk requirements for financial liabilities.
- . Classification and measurement (C&M) requirements for financial assets.
- . C&M requirements for financial assets and financial liabilities.
- . The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting).

The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9 Effective for annual periods beginning on or after 1 January 2018

IFRS 16 - Leases

This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a lease', SIC 15, 'Operating Leases - Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Effective for annual periods beginning on or after 1 January 2019.

IFRIC 22, 'Foreign currency transactions and advance consideration

This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice. Effective for annual periods beginning on or after 1 January 2018.

(i) **Service concession charges**

Service concession charges represent fixed annual amounts payable to the grantor in respect of concession right to the concession asset. These amounts are charged to the income statement over the duration of the concession period, if immaterial.

