

**NIGACHEM NIGERIA LIMITED**

**(RC. 97,718)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 2017.**



**Olufemi Jaiyesimi & Co.**  
(Chartered Accountants)

**NIGACHEM NIGERIA LIMITED**

**(RC. 97,718)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 2017.**

**OLUFEMI JAIYESIMI AND COMPANY**  
**Chartered Accountants,**  
**NIGERIA.**

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

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**NIGACHEM NIGERIA LIMITED**

**Financial Statements for the year ended 31st March, 2017**

**DIRECTORS AND OTHER CORPORATE INFORMATION**

**DIRECTORS:**

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

- Chairman
- Executive Director

**SECRETARY**

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

**REGISTERED OFFICE:**

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

**AUDITORS:**

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

**BANKERS:**

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

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****FINANCIAL HIGHLIGHTS**

	31st March <u>2017</u> N	31st March <u>2016</u> N	Change %
<b>Major statement of financial position</b>			
Share Capital	424,242,424	424,242,424	-
Share premium	474,825,027	474,825,027	-
Shareholders' fund	1,747,309,312	1,502,328,128	16.31
Total assets	<b>4,530,367,844</b>	<b>3,686,110,336</b>	22.90
<b>Major profit and loss account items</b>			
Turnover	4,543,406,688	3,429,530,152	32.48
Profit before income tax	390,649,638	262,028,329	49.09
Profit for the year	244,981,185	160,528,329	52.61
<b>Information per N1.00 ordinary share</b>			
Basic earning per share (kobo)	0.58	0.38	52.61
Proposed dividend per N1.00 share	-	-	-
Net assets per share (Naira)	4.12	3.54	16.31

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**DIRECTORS:**

Engr. S. C. Ghasarah	- Chairman
Mr. Milind Deshmukh	- Executive Director
Engr. M. A. Yusuf	
Mr. Suresh Menon	
Chief D. I. Amoh	
Mr. Albert O. O. Agbona	

**REPORT OF THE DIRECTORS**

The Directors are pleased to submit to the members their report together with the audited statements of account of the Company for year ended 31st March, 2017.

**1 COMMENCEMENT OF BUSINESS**

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

**2 PRINCIPAL ACTIVITY**

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

**3 RESULT FOR THE YEAR**

	<u>2017</u>
	N
Turnover	4,543,406,688
Profit before Taxation	390,649,638
Profit after Taxation	<b>244,981,185</b>

**4 PROPOSED DIVIDEND**

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

**5 STATE OF AFFAIRS**

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

**6 SIGNIFICANT CHANGES IN FIXED ASSETS**

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

**7 RESEARCH AND DEVELOPMENT**

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

## 8 CHANGES ON THE BOARD

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

## 9 DIRECTORS' INTEREST

The Directors' interest in the issued share capital of the Company as at 31st March, 2017 was as follows:

	<u>2017</u>		<u>2016</u>	
	No of Shares held		No of Shares held	
Engr. S. C. Ghasarah -(Indirect)	144,909,091	shares	144,909,091	shares
Mr. Milind Deshmukh	Nil	shares	Nil	shares
Engr. M. A. Yusuf	10,000,000	shares	10,000,000	shares
Mr. Suresh Menon -(Indirect)	233,333,333	shares	233,333,333	shares
Chief D. I. Amoh	20,000,000	shares	20,000,000	shares
Mr. Albert O. O. Agbona	Nil	shares	Nil	shares

## 10 SHAREHOLDING STRUCTURE

The shareholding position as at 31st March, 2017 was as follows:

	<u>2016/2017</u>			<u>2016/2017</u>		
	No of Shares held			No of Shares held		
Nigerian citizens	190,909,091	Shares	45%	190,909,091	Shares	45%
Foreign citizens	233,333,333	Shares	55%	233,333,333	Shares	55%
	<u>424,242,424</u>		<u>100%</u>	<u>424,242,424</u>		<u>100%</u>

## 11 DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, of any disclosable interest in contracts involving the Company either as at March 31st, 2017 or at the date of this report.

## 12 CORPORATE GOVERNANCE

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

## 13 CHARITABLE GIFTS

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

## 14 ACQUISITION OF OWN SHARES

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

## 15 POST BALANCE SHEET EVENTS

There were no post balance sheet events which could have had material effect on the state of affairs of the Company as well as the Profit for the year ended 31st March, 2017 which have not been adequately provided for.

## 16 EMPLOYMENT AND EMPLOYEES

### i) Employment of Disabled Persons

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

### ii) Health, Safety and Welfare

Employees' safety at work is taken seriously by management.

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

## 17 AUDITORS

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

BY ORDER OF THE BOARD.



D. Akinola Dosu - (FRC/2014/ICSAN/00000008050)

For: Akinsec Consulting

Corporate Secretaries

Lagos, NIGERIA.

26th May, 2017



**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****STATEMENTS OF DIRECTORS' RESPONSIBILITIES**

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


This responsibility includes:

- a) ensuring that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matter Act.
- b) designing, implementation and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or or error; and
- c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

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

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

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



**Ghasarah Sylvanus Chi**

Chairman

FRC/2015/CNMGS/00000013023

**26th May, 2017**



**Deshmukh Milind Bhalchandra**

Executive Director

FRC/2015/IODN/00000013021

**26th May, 2017**

O. A. Jaiyesimi, FCA


**Olufemi Jaiyesimi & Co.**  
 (Chartered Accountants)

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 Off Abeokuta Str. Behind Forte Oil Station on  
 Oba Akron Avenue, Anifowoshe, Ikeja,  
 Lagos, Nigeria.  
 Telephone: +234 815-239-3574, 802-302-1971  
 Fax No: +234 1-255-1057  
 E-mail: ojcconsulting@yahoo.com  
 Postal: P. O. Box 3882, Oshodi, Lagos, Nigeria.  
 Website: www.ojcconsulting.com

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

### Report on the financial statements

We have audited the accompanying financial statements of NIGACHEM NIGERIA LIMITED. These financial statements comprise the statement of financial position as at 31st March, 2017, and the statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' Responsibility for the Financial Statements

Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and for such internal control, as the directors determine is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing (NSAs). Those standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the Company's financial affairs at 31st March, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Report Council of Nigeria Act.

### Report on other legal requirements

The companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of account have been kept by the company; and
- (iii) The Company's balance sheet and profit or loss account are in agreement with the books of account.

  
**Femi Jaiyesimi - (FRC/2013/ICAN/00000001920)**  
**For: OLUFEMI JAIYESIMI & CO**  
**(Chartered Accountants.)**  
**Lagos, NIGERIA.**

26th May 2017

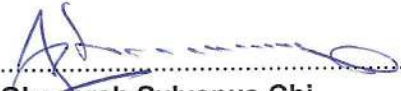


**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**STATEMENT OF FINANCIAL POSITION**

	<u>Notes</u>	<u>31st March 2017 N</u>	<u>31st March 2016 N</u>
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	1	839,393,179	904,870,709
Deferred tax assets	7a	-	-
		<u>839,393,179</u>	<u>904,870,709</u>
<b>CURRENT ASSETS</b>			
Inventories	2	1,427,490,070	1,020,883,080
Trade receivables	3	1,459,865,194	1,001,829,090
Other receivables & Prepayments	4	320,139,462	266,053,785
Cash and cash equivalents	5	483,479,940	492,473,674
		<u>3,690,974,665</u>	<u>2,781,239,628</u>
<b>TOTAL ASSETS</b>		<u><b>4,530,367,844</b></u>	<u><b>3,686,110,336</b></u>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Borrowings	6b	417,387,611	390,796,302
Deferred tax liabilities	7b	116,484,541	142,620,173
		<u>533,872,152</u>	<u>533,416,475</u>
<b>CURRENT LIABILITIES:</b>			
Trade and other payables	8	1,303,243,391	532,964,570
Borrowings	6a	434,459,883	366,048,811
Current Income tax liabilities	9	125,536,516	157,412,959
Propose Dividend	10	385,946,590	593,939,394
		<u>2,249,186,380</u>	<u>1,650,365,734</u>
<b>TOTAL LIABILITIES</b>		<u><b>2,783,058,532</b></u>	<u><b>2,183,782,209</b></u>
<b>EQUITY:</b>			
Ordinary share capital	11	424,242,424	424,242,424
Share premium	11b	474,825,027	474,825,027
Retained earnings	12	848,241,861	603,260,676
<b>TOTAL EQUITY</b>		<u><b>1,747,309,312</b></u>	<u><b>1,502,328,128</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>4,530,367,844</b></u>	<u><b>3,686,110,337</b></u>

The financial statements, accounting policies and the notes were approved by the board on 26th May 2017 and signed on its behalf by:

  
**Ghasarah Sylvanus Chi**  
 Chairman  
 FRC/2015/CNMGS/00000013023

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

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

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**STATEMENT OF COMPREHENSIVE INCOME**

		31st March <u>2017</u> N	31st March <u>2016</u> N
	<u>Notes</u>		
Revenue	13	4,543,406,688	3,429,530,152
Direct expenses	14.1	<u>(2,898,808,152)</u>	<u>(2,403,654,261)</u>
<b>Gross Profit</b>		<b>1,644,598,535</b>	<b>1,025,875,891</b>
Administrative expenses	14.2	(1,021,403,538)	(663,082,033)
Selling and distribution expenses	14.3	(64,814,250)	(36,866,331)
Other Income	15	94,873,150	73,660,790
		<u>653,253,897</u>	<u>399,588,317</u>
<b>Operating Profit</b>			
Finance income	16a	152,477	45,430
Finance cost	16b	(262,756,735)	(137,605,418)
		<u>390,649,638</u>	<u>262,028,329</u>
<b>Profit before taxation</b>			
Taxation	17	(145,668,453)	(101,500,000)
		<u>244,981,185</u>	<u>160,528,329</u>
<b>Profit for the year after taxation</b>			
Other Comprehensive Income		-	-
<b>Total comprehensive income for the year</b>		<u><u>244,981,185</u></u>	<u><u>160,528,329</u></u>
Earning per share for profit attributable to equity holders of the Company			
Basic & diluted Earnings per share (kobo)	18	<u><u>0.58</u></u>	<u><u>0.38</u></u>
Dividend per share (kobo)		-	-

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

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**STATEMENT OF CHANGES IN EQUITY**

	Share Capital N	Share Premium N	Total Share Capital N	Other Reserves N	Retained Earnings N	Total Equity N
Balance as at 1st April 2015	424,242,424	474,825,027	899,067,451	-	442,732,347	1,341,799,798
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	160,528,329	160,528,329
Other Comprehensive income for the year	-	-	-	-	-	-
<b>Transaction between the business and its owners:</b>						
Dividend Paid	-	-	-	-	-	-
Increase in share premium	-	-	-	-	-	-
<b>Balance as at 31st March 2016</b>	<b>424,242,424</b>	<b>474,825,027</b>	<b>899,067,451</b>	<b>-</b>	<b>603,260,676</b>	<b>1,502,328,127</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	244,981,185	244,981,185
<b>Transaction between the business and its owners:</b>						
Dividends	-	-	-	-	-	-
Bonus share issue	-	-	-	-	-	-
<b>Balance as at 31st March 2017</b>	<b>424,242,424</b>	<b>474,825,027</b>	<b>899,067,451</b>	<b>-</b>	<b>848,241,861</b>	<b>1,747,309,311</b>
Note(s)	11a	11b			12	

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

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****STATEMENT OF CASH FLOWS**

	<u>Notes</u>	<b>31st March 2017 N</b>	<b>31st March 2016 N</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash generated from operations	<b>19</b>	711,019,621	990,684,469
Tax paid	<b>9.2</b>	(203,680,528)	(395,761,487)
<b>Net Cash from operating activities</b>		<b><u>507,339,093</u></b>	<b><u>594,922,982</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	<b>1</b>	(77,177,072)	(54,621,156)
Proceeds from sale of property, plant and equipment		4,850,000	900,000
Interest Income	<b>16a</b>	152,477	45,430
<b>Net Cash from investing activities</b>		<b><u>(72,174,595)</u></b>	<b><u>(53,675,726)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Borrowing cost		26,591,309	-
Dividend paid	<b>10b</b>	(207,992,804)	-
Finance cost	<b>16b</b>	(262,756,735)	(137,605,418)
<b>Net Cash from financing activities</b>		<b><u>(444,158,230)</u></b>	<b><u>(137,605,418)</u></b>
Total cash movement for the year		(8,993,732)	403,641,837
Cash at the beginning of the year	<b>5</b>	492,473,674	88,831,836
<b>Total Cash at end of the year</b>	<b>5</b>	<b><u>483,479,942</u></b>	<b><u>492,473,674</u></b>

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

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES**

**1 The Company**

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

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

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

**2 Summary of significant accounting policies**

The Principal accounting policies adopted in the preparation of the Financial statement are has set out below: These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6,2011.

Additional standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

**(b) Basis of measurements**

The financial statements have been prepared under the historical cost convention.

**(c.) Uses of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Directors believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

**(d) Functional and presentation currency**

The Company's functional and presentation currency is Nigerian Naira. The financial statements are presented in Nigerian Naira.

**2.1.1 Going Concern**

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

**2.1.2 Changes in accounting policy and disclosure**

**(a) New and revised IFRSs that are mandatorily effective for the year ended 31st December 2014**

All the applicable International Financial Reporting Standards effective for the year ended 31st December 2014 have been adopted for the year ended 31 March 2017.

**(b) Accounting standards issued not yet effective**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31st March 2017. They have not been adopted in preparing the financial statements for the year ended 31st March 2017 and are expected not to affect the entity in the period of initial application. The Company plans to adopt these standards at their respective effective dates.

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****ACCOUNTING POLICIES (continued)****(i) IFRS 9, 'Financial instruments' issued in July 2014 (effective 1st January 2018)**

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost.

This determination is made at initial recognition. This classification also depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments. Nigachem Nigeria Limited is yet to assess the full impact of the standards on its financial statements.

**(ii) IFRS 15, 'Revenue from Contracts with Customers', issued in May 2014 (effective 1 January 2017)**

IFRS 15 addresses how and when an IFRS reporter will recognise revenue. It also requires such entities to provide users of financial statements with more informative, relevant disclosures. This standard specifies the accounting for the incremental costs of obtaining a contract with a customer and for the costs incurred to fulfil a contract with a customer if those costs are not within the scope of another standard. The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. A contract with a customer may be partially within the scope of this standard and partially within the scope of other standards. The Company is yet to assess the full impact of the standard on its financial statements.

There are no other IFRSs or IFRS interpretations that are not yet effective that would be expected to have a material impact on the Company.

**2.2 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

**2.3 Property, plant and equipment**

All property, plant and equipment are stated at historical cost less accumulated depreciation and less accumulated impairment. Historical cost included expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost can be measured reliably. All other repairs and maintenance cost are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land and assets under construction are not depreciated. Depreciation on other assets is calculated using the straight line method; i.e. the cost of the assets less its residual value, which is systematically allocated over the estimated useful lives of the assets, as follows:

		Revised useful life (in years)
Factory Building	-	10
Building	-	10
Plant and machinery	-	10
Motor vehicles	-	4
Furniture and Equipment	-	5

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as an expense in the statement of comprehensive income



**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as an expense in the statement of comprehensive income.

Gains and losses on disposal of property, plant and equipment are determined by the difference between the sales proceeds and the carrying amount of the asset. These gains and losses are included in the statement of comprehensive income.

**2.4 Impairment of non-financial assets**

Assets that have an indefinite useful life not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

**2.5 Financial assets**

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and reward of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged.

**Classification**

Management determines the classification of its financial instruments at initial recognition.

The company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

The company did not own any financial assets that can be classified as fair value through profit and loss or available-for-sale financial assets during the periods presented in these financial statements.

**Loans and Receivables**

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

**Recognition and measurement**

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

**Impairment of financial assets**

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

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

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

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

**Impairment of financial assets (continued)**

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

**2.6 Financial liabilities**

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

**Recognition and measurement**

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

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

**Offsetting financial instruments**

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

**2.7 Inventories**

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

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

**2.8 Trade receivables**

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

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

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

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

**2.9 Cash, cash equivalents and bank overdrafts**

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

**2.10 a) Borrowings**

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

**b) Borrowing cost**

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

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

**2.11 Trade payables**

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

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

**2.12 Current and deferred income tax**

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

**2.12 Current and deferred income tax (continued)**

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

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

**2.13 Employee benefit**

**Pension Scheme**

**Defined contribution scheme**

The Company operates a defined contribution pension scheme for all its full time employees which is independent of its finances and is managed by the Pension Fund Administrators. The scheme which is funded by contribution from employees (8%) and the employer (10%) is consistent with the provisions of the Pension Reforms Acts, 2004. The company's contributions to the defined contribution schemes are charged to the statement of comprehensive income in the year to which they relates.

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

**2.14 Share capital and share premium**

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

**Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the in which the dividends are approved by the Company's shareholders.

**2.15 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represent amounts receivable from products supplied or sold, net of discount, returns and excluding value added tax (VAT)

**Sales of services**

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

**2.16 Provisions**

Provision for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

**3 Financial risk management**

**3.1 Financial risk factors**

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

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

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

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

**a) Credit risk**

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

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

As at 31st March 2017, no credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these customers.

The payment terms are not structured for all related party transactions and the amounts receivable from these related parties are deemed to be fully recoverable and not impaired, except where the related party is facing bankruptcy. As a result, impairment losses were not recognised with respect to amounts due from related parties during the period covered by the first IFRS financial statements (31 March 2016: Nil).

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

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

**Financial Assets:**

Notes	31st March 2017					Total N
	Neither past due nor impaired N	Up to 90 days N	91 - 150 days N	Impairment Allowance N		
	Trade receivables	1,543,306,601	-	83,441,407	(83,441,407)	
Other receivables	182,741,468	-	-	-	182,741,468	
Receivables from related parties	3,125,000	-	-	-	3,125,000	
	<b>1,729,173,069</b>	<b>-</b>	<b>83,441,407</b>	<b>(83,441,407)</b>	<b>1,729,173,069</b>	
	31st March 2016					
Trade receivables	1,045,970,023	-	44,140,933	(44,140,933)	1,045,970,023	
Other receivables	500,000	-	-	-	500,000	
Receivables from related parties	-	-	-	-	-	
	<b>1,046,470,023</b>	<b>-</b>	<b>44,140,933</b>	<b>(44,140,933)</b>	<b>1,046,470,023</b>	

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

Financial assets exclude prepayments as these are not financial instruments.

Financial assets classified as neither past due nor impaired are those that fall within the 3 months credit limit of the Company.

**Credit quality of financial assets**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates and the credit policy of the Company.

Details of the credit quality of financial assets which are neither past due nor impaired is presented as follows:

Note	31st March 2017 N	31st March 2016 N
Trade receivables		
Counter parties without external ratings		
Group 1	-	-
Group 2	1,729,173,069	1,046,470,023
Group 3	-	-
	<u>1,729,173,069</u>	<u>1,046,470,023</u>
Group 1 - New customers/related parties/staff (with business relationship established within 6 months).		
Group 2 - Existing customers/related parties/staff (with business relationship greater than 6 months) with no defaults in the past.		
Group 3 - Existing customers/related parties/staff (with business relationship greater than 6 months) with some defaults in the past . All defaults were fully recovered.		

An analysis of the international long term credit ratings of counterparties where cash and short-term deposits are held is as follows:

Credit rating	31st March 2017 N	31st March 2016 N
A	-	-
B+	455,155,369	466,718,024
B	-	-
B-	-	-
	<u>455,155,369</u>	<u>466,718,024</u>
Cash in hand	<u>28,324,571</u>	<u>25,755,650</u>
	<u>483,479,940</u>	<u>492,473,674</u>

A' ratings indicate a strong capacity to meet financial commitments but somewhat susceptible to adverse economic conditions and changes in circumstances.

B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met. However, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

The modifier "+" or "-" may be appended to a rating to denote relative status within major rating categories.

These ratings represent the various ratings from external rating agencies (Agusto & Co, Standard & Poor's and Fitch).

**b) Liquidity risk**

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

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

At the reporting date, the Company invests its surplus cash in interest bearing current accounts. At the reporting date the Company had N95.5million (March 2016 N331.3 million) in non-interest current account.

**Maturity analysis:**

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

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

**c Financial risk factors (continued)**

Financial Liabilities:	Notes	31st March 2017			Total N
		Less than 1 year N	Between 1 and 2 years N	Between 2 and 5 years N	
Trade and other payables		1,126,527,212	-	-	1,126,527,212
Amount due to related parties		466,358	-	-	466,358
Other payables		49,035,300	-	-	49,035,300
		<u>1,176,028,869</u>	<u>-</u>	<u>-</u>	<u>1,176,028,869</u>
<b>Financial Liabilities:</b>					
	Notes	31st March 2016			Total N
		Less than 1 year N	Between 1 and 2 years N	Between 2 and 5 years N	
Trade and other payables		419,380,524	-	-	419,380,524
Amount due to related parties		-	-	-	-
Other payables		29,197,500	-	-	29,197,500
		<u>448,578,024</u>	<u>-</u>	<u>-</u>	<u>448,578,024</u>

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

**3.2 Fair value estimation**

The carrying values of cash and cash equivalents, trade receivables and trade payables approximate their fair value. Other receivables and other payables are carried at amortised cost. The Company can not reliably estimate when settlement of outstanding related party balances would be made, due to the unstructured pattern of transactions.

**3.2.1 Fair value hierarchy**

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

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

The Company's Financial instruments are categorised as follows:

Financial assets	Notes	31st March 2017	31st March 2016
		N	N
Trade receivables		1,459,865,194	1,001,829,090
Other receivables		182,741,468	500,000
Receivables from related parties		3,125,000	-
Staff loan		20,061,585	24,253,482
Cash and cash equivalents		483,479,940	492,473,674
		<u>2,149,273,187</u>	<u>1,519,056,246</u>
<b>Financial liabilities</b>			
Trade payables		1,126,527,212	419,380,524
Amount due to related parties		466,358	-
Other payables		49,035,300	29,197,500
		<u>1,176,028,869</u>	<u>448,578,024</u>

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**ACCOUNTING POLICIES (continued)**

**3.1 Financial risk factors (continued)**

**3.3 Capital risk management**

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

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

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

The gearing ratio at 31st March 2017 and 2016 are as follows:

	30th March 2017 N	30th March 2016 N
Net Debt	841,630,035	756,845,113
Total equity	<u>1,747,309,312</u>	<u>1,502,328,128</u>
Total capital	<u>2,588,939,347</u>	<u>2,259,173,240</u>
<b>Gearing ratio</b>	<b><u>32.51%</u></b>	<b><u>33.50%</u></b>



**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****ACCOUNTING POLICIES (continued)****4 Critical accounting estimates and judgements****Critical accounting policies and key sources of estimation uncertainty**

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

**Plant and Machinery**

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

**Impairment of non-financial assets**

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

**Income taxes**

Taxes are paid by the Company under a number of different regulations and laws, which are subject to varying interpretations. In this environment, it is possible for the tax authorities to review transactions and activities that have not been reviewed in the past and scrutinize these in greater detail, with additional taxes being assessed based on new interpretations of the applicable tax law and regulations. Accordingly, management's interpretation of the applicable tax law and regulations as applied to the transactions and activities of the Company may be challenged by the relevant taxation authorities. The Company's management believes that its interpretation of the relevant tax law and regulations is appropriate and that the tax position included in these financial statements will be sustained.

**Impairment of financial assets**

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

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

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS****1 Property, plant and equipment**

Property, plant and equipment movement analysis

	31st March, 2017						
	Land	Factory Building	Building	Plant & Machinery	Motor Vehicles	Office Equip. & Furniture	Total
Cost or Valuation:	N	N	N	N	N	N	N
At 1st April 2016	90,175,551	448,335,365	156,429,816	542,393,647	102,450,600	59,028,391	1,398,813,370
Additions	11,251,675	16,715,402	-	14,479,045	22,600,000	12,130,950	77,177,072
Disposal	-	-	-	(1,794,995)	(17,826,200)	-	(19,621,195)
<b>At 31st March 2017</b>	<b>101,427,226</b>	<b>465,050,767</b>	<b>156,429,816</b>	<b>555,077,697</b>	<b>107,224,400</b>	<b>71,159,341</b>	<b>1,456,369,247</b>
<b>Depreciation:</b>							
At 1st April 2016	-	105,836,026	73,604,852	199,107,402	73,873,279	41,521,103	493,942,662
Charge for the year	-	34,879,849	22,793,448	56,371,032	15,192,835	10,491,506	139,728,669
Disposal	-	-	-	(1,794,895)	(14,900,367)	-	(16,695,262)
<b>At 31st March 2017</b>	<b>-</b>	<b>140,715,875</b>	<b>96,398,300</b>	<b>253,683,539</b>	<b>74,165,746</b>	<b>52,012,609</b>	<b>616,976,068</b>
<b>Net book Value:</b>							
<b>At 31st March 2017</b>	<b>101,427,226</b>	<b>324,334,892</b>	<b>60,031,516</b>	<b>301,394,158</b>	<b>33,058,654</b>	<b>19,146,733</b>	<b>839,393,179</b>

	31st March 2016						
	Land	Factory Building	Building	Plant & Machinery	Motor Vehicles	Office Equip. & Furniture	Total
Cost or Valuation:	N	N	N	N	N	N	N
As at 1st April 2015	84,468,381	431,981,405	156,429,816	524,184,188	98,002,900	52,603,025	1,347,669,714
Additions	5,707,170	16,353,960	-	18,209,459	7,925,200	6,425,367	54,621,156
Disposal	-	-	-	-	(3,477,500)	-	(3,477,500)
<b>At 31st March 2016</b>	<b>90,175,551</b>	<b>448,335,365</b>	<b>156,429,816</b>	<b>542,393,647</b>	<b>102,450,600</b>	<b>59,028,391</b>	<b>1,398,813,370</b>
<b>Depreciation:</b>							
As at 1st April 2015	-	71,442,601	49,875,586	145,504,903	63,053,387	33,363,888	363,240,365
Charge for the year	-	34,393,425	23,729,266	53,602,499	14,296,392	8,157,215	134,178,797
Disposal	-	-	-	-	(3,476,500)	-	(3,476,500)
<b>At 31st March 2016</b>	<b>-</b>	<b>105,836,026</b>	<b>73,604,852</b>	<b>199,107,402</b>	<b>73,873,279</b>	<b>41,521,103</b>	<b>493,942,662</b>
<b>Net book Value:</b>							
<b>At 31st March 2016</b>	<b>90,175,551</b>	<b>342,499,339</b>	<b>82,824,964</b>	<b>343,286,245</b>	<b>28,577,322</b>	<b>17,507,288</b>	<b>904,870,709</b>
<b>Net book Value:</b>							
<b>At 1st April 2015</b>	<b>84,468,381</b>	<b>360,538,804</b>	<b>106,554,230</b>	<b>378,679,285</b>	<b>34,949,514</b>	<b>19,239,137</b>	<b>984,429,350</b>

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

	31st March 2017 N	31st March 2016 N
<b>2 Inventories</b>		
Finished Goods- Explosives	125,353,461	54,877,993
Finished Goods- Cord & Accessories	581,583,859	622,575,943
Finished Goods- Ammonium Nitrate	31,582,866	8,573,850
Work in Progress	9,382,502	3,086,303
Raw Materials	500,397,895	166,209,137
Packing Material	133,148,181	129,444,069
	<b>1,381,448,764</b>	<b>984,767,295</b>
Factory stock & goods in transit	44,318,546	33,997,527
Fuel & Diesel	1,722,759	2,118,259
	<b>1,427,490,070</b>	<b>1,020,883,080</b>

No provision for obsolete stock were made during the year.

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2017	31st March 2016
<b>3 Trade receivables</b>		
Trade receivables	1,543,306,601	1,045,970,023
Provision for impairment of trade receivables	(83,441,407)	(44,140,933)
<b>As at 31st March</b>	<b><u>1,459,865,194</u></b>	<b><u>1,001,829,090</u></b>

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

There was impairment charge against trade receivables in 2017 of N83,441,407 (2016 N44,140,933).

**4 Other receivables & Prepayments**

Other receivables	182,741,468	500,000
Receivables from related parties	3,125,000	-
Staff advance**	20,061,585	24,253,482
Prepayments	114,211,409	241,300,303
<b>As at 31st March</b>	<b><u>320,139,462</u></b>	<b><u>266,053,785</u></b>

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

**5 Cash and cash equivalents**

Cash in hand	28,324,571	25,755,650
Cash at bank	298,103,135	333,898,766
Domiciliary account balance	157,052,234	132,819,258
<b>Cash and cash equivalent</b>	<b><u>483,479,940</u></b>	<b><u>492,473,674</u></b>

Of the total Cash at bank of N483.5M, N9.2M was held in domiciliary account, N147.8 in Forward bid with CBN, non in strict call, N200M in fixed deposit and N95.5M in the Company's bank accounts.

Fixed deposit	200,000,000	-
Strict call	2,640,265	2,624,477
Bank accounts	95,462,870	331,274,289
<b>As at 31st March</b>	<b><u>298,103,135</u></b>	<b><u>333,898,765</u></b>

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

Cash and cash equivalent	483,479,940	492,473,674
Bank overdraft - (Note 6)	(47,540,607)	-
<b>As at 31st March</b>	<b><u>435,939,334</u></b>	<b><u>492,473,674</u></b>

**Financial assets by category**

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

Trade receivables	1,459,865,194	1,001,829,090
Other receivables	205,928,053	24,753,482
Cash and bank	483,479,940	492,473,674
<b>As at 31st March</b>	<b><u>2,149,273,187</u></b>	<b><u>1,519,056,246</u></b>

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

Bank Overdraft	47,540,607	-
Term loan	386,919,276	366,048,811
<b>As at 31st March</b>	<b><u>434,459,883</u></b>	<b><u>366,048,811</u></b>

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2017 N	31st March 2016 N
<b>6 Borrowings</b>		
<b>6b Long term loan:</b>		
Term loan	<u>417,387,611</u>	<u>390,796,302</u>
All borrowings are domiciled in Naira and are non-current in nature i.e. they are payable in more than 12 months.		
<b>7 Deferred tax</b>		
<b>7a Deferred tax assets</b>		
The movement in deferred tax is as follows:		
As start of the year	-	-
Changes during the year:		
-(Credit)/charge to profit or loss - Note 17	<u>-</u>	<u>-</u>
<b>As at 31st March</b>	<u>-</u>	<u>-</u>
<b>7b Deferred tax liabilities</b>		
The movement in deferred tax is as follows:		
As start of the year	142,620,173	149,500,000
Changes during the year:		
-(Credit)/charge to profit or loss - Note 17	<u>(26,135,632)</u>	<u>(6,879,827)</u>
<b>As at 31st March</b>	<u>116,484,541</u>	<u>142,620,173</u>
<b>8 Trade and other payables</b>		
Trade payables	1,126,527,212	419,380,524
Amount due to related parties	466,358	-
Other payable	49,035,300	29,197,500
Accrued expenses***	<u>127,214,522</u>	<u>84,386,546</u>
<b>As at 31st March</b>	<u>1,303,243,391</u>	<u>532,964,570</u>

All trade payables are due within twelve (12) months

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

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

**Financial liabilities by category**

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

Trade payables	1,126,527,212	419,380,524
Amount due to related parties	466,358	-
Other payables	49,035,300	29,197,500
<b>As at 31st March</b>	<u>1,176,028,869</u>	<u>448,578,024</u>

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

The movement in tax payable is as follows:

As at 1st April		157,412,959	446,674,440
Provision for the year	Note 17	171,804,086	106,500,006
Payment during the year	Note 9.2	(203,680,528)	(366,085,432)
Withholding tax credit utilised		-	(29,676,055)
<b>As at 31st March</b>		<u>125,536,516</u>	<u>157,412,959</u>

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2017 N	31st March 2016 N
<b>9.2 Tax paid</b>		
Balance at beginning of the year	(157,412,959)	(446,674,440)
Current tax for the year	(171,804,086)	(106,500,006)
Balance at the end of the year	125,536,516	157,412,959
<b>As at 31st March</b>	<b><u>(203,680,528)</u></b>	<b><u>(395,761,487)</u></b>
<b>10 DIVIDEND PAYABLE</b>		
(a) Declared dividend represents dividend proposed for the preceding year but declared during the current year.		
(b) The movement in dividend payable account was as follows:		
Balance as at 1st April	593,939,394	593,939,394
Declared during the year	-	-
Proposed interim during the year	-	-
Payments during the year	(207,992,804)	-
<b>As at 31st March</b>	<b><u>385,946,590</u></b>	<b><u>593,939,394</u></b>
<b>11a Share capital</b>		
<b>Authorised, issued and fully paid:</b>		
450,000,000 ordinary shares of N1.00 each	<u>450,000,000</u>	<u>450,000,000</u>
<b>Called-up, issued and fully paid:</b>		
<b>424,242,424 ordinary shares of N1.00 each:</b>		
Balance as at 1st April	424,242,424	424,242,424
Allotment during the year	-	-
<b>As at 31st March</b>	<b><u>424,242,424</u></b>	<b><u>424,242,424</u></b>
<b>11b SHARE PREMIUM ACCOUNT</b>		
Balance brought forward	474,825,027	474,825,027
Premium on share purchased	-	-
<b>As at 31st March</b>	<b><u>474,825,027</u></b>	<b><u>474,825,027</u></b>
This represents the premium on the allotment of 233,333,333 ordinary shares of N1.00k each at N1.90k per share.		
<b>12 Retained earnings</b>		
Balance at beginning of year	603,260,676	442,732,347
Dividend payable	-	-
Profit for the year	244,981,185	160,528,329
<b>As at 31st March</b>	<b><u>848,241,861</u></b>	<b><u>603,260,676</u></b>
<b>13 Revenue</b>		
Manufacturing	3,097,356,870	2,120,697,530
Trading	674,127,084	510,836,163
Ammonium Nitrate	771,922,734	797,996,459
	<b><u>4,543,406,688</u></b>	<b><u>3,429,530,152</u></b>

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

	N	N
<b>14 Expenses by nature</b>		
<b>14.1 Cost of sales:</b>		
Manufacturing expenses	2,623,234,612	2,072,478,837
Direct expenses	<u>275,573,541</u>	<u>331,175,424</u>
	<b><u>2,898,808,152</u></b>	<b><u>2,403,654,261</u></b>
<b>14.2 Administrative expenses:</b>		
Employee benefit expenses	Note 14.3 227,968,702	184,386,344
Rent & Rate	11,546,115	12,556,600
Electricity & power	399,000	270,500
Printing & stationery	6,523,825	4,101,035
Telephone & postage & communication	8,773,054	7,333,030
Insurance	4,134,370	8,020,413
Medical expenses	855,687	351,740
Motor running expense	37,666,907	31,533,063
Entertainment & Public Relation	28,007,846	14,733,665
Gifts & donation	17,695,100	13,724,945
Dues & subscriptions	734,578	2,487,531
Corporate social responsibility	7,178,968	6,138,118
Registration & licence	20,070,436	27,222,045
Staff welfare	12,144,369	13,690,762
Training & development	4,248,288	4,093,155
Repairs & development	11,785,321	9,541,060
Security Expenses	1,860,650	-
General expenses	103,500	90,550
Professional fees	9,130,980	2,152,340
Audit fees	4,000,000	3,500,000
Technical service fee	26,222,936	14,602,332
Operation Consulting Charges	455,224,880	265,851,801
Bad debts written off	362,960	-
Provision for doubtful debts	82,334,605	1,338,023
Fines & penalty	-	-
Depreciation	42,430,460	35,362,981
	<b><u>1,021,403,538</u></b>	<b><u>663,082,033</u></b>
<b>14.3 Distribution cost:</b>		
Travel and transportation	38,902,650	33,993,281
Advertisement/sales promotion	<u>25,911,600</u>	<u>2,873,050</u>
	<b><u>64,814,250</u></b>	<b><u>36,866,331</u></b>
Total cost of sales, admin expenses & distribution cost	<b><u>4,247,782,676</u></b>	<b><u>3,241,208,043</u></b>
<b>14.4 Employee benefits expenses</b>		
Directors remuneration	57,066,415	47,798,525
Salaries and wages	159,865,061	126,580,260
Pension costs/ NSITF (employers contribution)	<u>11,037,226</u>	<u>10,007,559</u>
	<b><u>227,968,702</u></b>	<b><u>184,386,344</u></b>

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2017 N	31st March 2016 N
<b>15 Other Income</b>		
Transport Income	42,020,000	44,001,000
Escorts	21,562,000	22,292,000
Container deposit refund	7,486,662	2,659,886
Sundry Income	58,500	218,500
Insurance claims	21,821,921	2,812,068
Asset disposal account	1,924,067	899,000
Foreign exchange gain/loss	-	778,336
	<u>94,873,150</u>	<u>73,660,790</u>
<b>16 Finance income and expenses</b>		
<b>a) Finance income:</b>		
Interest income - Fixed deposit	-	-
- Call deposit	-	-
- Current account	152,477	45,430
	<u>152,477</u>	<u>45,430</u>
<b>b) Finance cost:</b>		
Bank & similar charges	77,285,782	53,413,049
Interest expense on loans	185,470,953	84,192,370
	<u>262,756,735</u>	<u>137,605,418</u>
<b>Net finance income/(cost)</b>	<u>(262,604,259)</u>	<u>(137,559,989)</u>
<b>17 Income tax expenses</b>		
<b>Current:</b>		
Income tax	158,707,834	92,871,199
Education tax	13,026,756	8,415,095
Prior year under/(over) provision	69,495	213,706
	<u>171,804,086</u>	<u>101,500,000</u>
<b>Deferred:</b>		
Deferred tax (credit)/charge	(26,135,632)	-
Tax expense	<u>145,668,453</u>	<u>101,500,000</u>

The current tax charge has been computed at the applicable rate of 30% (31 March 2016: 30%) plus Education levy of 2% (31st March 2016: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as donation and certain provisions which are not allowed as deductions by the tax authorities.

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

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2017 N	31st March 2016 N
The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the company as follows:		
<b>Reconciliation of tax expense using accounting profit</b>		
Accounting profit	<u>390,649,638</u>	<u>262,028,329</u>
Company Income Tax at 30%	117,194,891	78,608,499
Education Tax at 2% of adjusted profit	13,026,756	8,415,095
Tax effect of non-deductible	78,206,454	47,617,928
Tax exempt income	-	-
Capital allowances	(36,693,511)	(33,374,080)
Effect of tax incentives	69,495	232,558
	<u>171,804,086</u>	<u>101,500,000</u>

**18 Earning per share**

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

Profit attributable to shareholders of the company	<u>244,981,185</u>	<u>160,528,329</u>
Weighted average number of ordinary shares in is	424,242,424	424,242,424
Basic Earning per share (Naira)	<b>0.58</b>	<b>0.38</b>

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

**19 Cash generated from operating activities**

Profit before tax	<b>390,649,638</b>	<b>262,028,329</b>
<b>Adjustment for:</b>		
Depreciation of fixed assets	139,728,669	134,178,797
(Profit)/Loss on sales of assets	(1,924,067)	(899,000)
Diminution in value in shares	-	-
Interest income	(152,477)	(45,430)
Interest expense	262,756,735	137,605,418
<b>Changes in working capital:</b>		
(Increase)/decrease in inventories	(406,606,989)	717,944,079
(Increase)/decrease in trade receivables	(458,036,104)	(106,759,057)
(Increase)/decrease in other receivables	(54,085,678)	257,549,720
Increase/(decrease) in trade & other payables	770,278,822	(629,089,183)
Increase/(Decrease)in Short term loans	20,870,465	294,384,403
Increase/(Decrease)in bank overdraft	47,540,607	(76,213,608)
<b>Net cash generated from operations</b>	<u><b>711,019,621</b></u>	<u><b>990,684,469</b></u>



**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS (continued)**

	31st March 2017 N	31st March 2016 N
<b>20 Particulars of directors and staff</b>		
a) The average number of persons, excluding directors, employed by the company during the year was as follows:	Number	Number
Operators	46	40
Marketing	16	16
Administration	30	34
	<u>92</u>	<u>90</u>
b) The number of the employees in Nigeria with gross emoluments excluding retirement benefits within the bands stated below were:		
N120,001 to N240,000	0	2
N240,001 to N360,000	6	6
N360,001 to N480,000	25	23
N480,001 to N600,000	14	13
N600,001 to N720,000	9	6
N720,001 to N840,000	2	6
N840,001 to N960,000	5	7
N960,001 to N1,080,000	3	3
N1,080,001 to N2,000,000	12	10
Above N2,000,000	16	14
	<u>92</u>	<u>90</u>
c) <b>Staff cost for the above persons (excluding executive directors)</b>		
Wages and salaries	159,865,061	126,580,260
Pension costs	11,037,226	10,007,559
Medical	855,687	351,740
Staff welfare	12,144,369	13,690,762
Staff training	4,248,288	4,093,155
	<u>188,150,632</u>	<u>154,723,476</u>
d) <b>Directors emoluments</b>		
The remuneration paid to the Directors of the Company was:		
Fees paid to Non-Executive Directors	825,000	750,000
Remuneration paid to Executive Directors	49,910,000	41,950,000
Other emoluments	6,331,415	5,098,525
	<u>57,066,415</u>	<u>47,798,525</u>
Amount paid to the Chairman	20,000,000	18,500,000
Amount paid to the highest paid director	<u>15,000,000</u>	<u>12,000,000</u>
The number of directors of the company (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the Company fell within the following ranges:		
	Number	Number
N1,000,000 - N5,000,000	3	3
N5,000,001 - N25,000,000	3	3
	<u>6</u>	<u>6</u>
<b>Directors with no emoluments</b>	<u>0</u>	<u>0</u>
Directors with no emoluments waived their right to receive remuneration from the company.		

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****NOTES TO THE FINANCIAL STATEMENTS (continued)****21 Related parties transactions**

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

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

**Management agreement**

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

**Transactions with related parties**

The following transactions were carried out with the related parties:

**Outstanding balances arising from related party transactions**

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

**Receivable from related parties**

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

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

**Payables to related parties**

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

**23 Capital commitments**

The Company had no capital commitments as at 31st March 2017 (2016 Nil)

**24 Compliance with regulatory bodies**

There was no penalty for non-compliance matters with respect to regulatory bodies for the year ended 31st March, 2017

**25 Events after reporting period**

There were no other post balance sheet events which could have had a material effect on the state of affairs of the company as at 31st March 2017 (March 2016 : Nil)

**NIGACHEM NIGERIA LIMITED**  
**Financial Statements for the year ended 31st March, 2017**

**STATEMENT OF VALUE ADDED**

	31st March 2017		31st March 2016	
	N	%	N	%
Revenue	4,543,406,688		3,429,530,152	
Other Income	95,025,626		73,706,220	
	<u>4,638,432,314</u>		<u>3,503,236,372</u>	
Bought in materials and services:	(3,694,614,352)		(2,838,450,533)	
<b>Value Added</b>	<u><b>943,817,962</b></u>	<u><b>100</b></u>	<u><b>664,785,841</b></u>	<u><b>100</b></u>
<b>Applied as follows:</b>				
<b>To pay employees:</b>				
Wages, salaries and other benefits	227,968,702	24.2	184,386,344	27.7
<b>To Pay provider of capital:</b>				
Finance cost	185,470,953	19.7	84,192,370	12.7
Dividend	-	-	-	-
<b>To pay government:</b>				
Income tax expenses	145,668,453	15.4	101,500,000	15.3
<b>To provide for enhancement of assets and growth:</b>				
Depreciation of property, plant and equipment	139,728,669	14.8	134,178,797	20.2
Profit retained for the year	244,981,185	26.0	160,528,329	24.1
	<u><b>943,817,962</b></u>	<u><b>100</b></u>	<u><b>664,785,841</b></u>	<u><b>100</b></u>

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

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****OTHER FINANCIAL INFORMATION - FIVE YEAR FINANCIAL SUMMARY**

	2017	2016	IFRS	2014	2013
	N	N	2015	N	N
			N		
<b>Assets employed:</b>					
Non-current assets	839,393,179	904,870,709	984,429,350	1,034,860,953	1,004,243,720
Current assets	3,690,974,665	2,781,239,628	3,042,122,035	1,775,719,379	1,495,009,079
Non-current liabilities	(533,872,152)	(533,416,475)	(149,339,648)	(118,454,420)	(96,820,240)
Current liabilities	(2,249,186,380)	(1,650,365,734)	(2,085,812,194)	(1,534,190,269)	(1,441,233,673)
<b>Net assets</b>	<b>1,747,309,312</b>	<b>1,502,328,127</b>	<b>1,791,399,543</b>	<b>1,157,935,644</b>	<b>961,198,887</b>
<b>Capital employed:</b>					
Ordinary share capital	424,242,424	424,242,424	424,242,424	424,242,424	424,242,424
Share premium	474,825,027	474,825,027	474,825,027	474,825,027	443,333,333
Retained earnings	848,241,861	603,260,676	892,332,092	258,868,193	93,623,131
<b>Total equity</b>	<b>1,747,309,312</b>	<b>1,502,328,128</b>	<b>1,791,399,543</b>	<b>1,157,935,644</b>	<b>961,198,887</b>
	(b)	(c)		(f)	(g)
			<b>IFRS</b>		
<b>Revenue</b>	<b>4,543,406,688</b>	<b>3,429,530,152</b>	<b>4,236,273,962</b>	<b>1,511,353,983</b>	<b>2,335,715,476</b>
<b>Profit before income tax</b>	<b>390,649,638</b>	<b>262,028,329</b>	<b>486,241,860</b>	<b>290,471,880</b>	<b>406,585,705</b>
Income tax expense	(145,668,453)	(101,500,000)	(184,884,986)	(65,226,817)	(124,629,000)
<b>Profit for the year</b>	<b>244,981,185</b>	<b>160,528,328</b>	<b>301,356,874</b>	<b>225,245,063</b>	<b>281,956,705</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>244,981,185</b>	<b>160,528,328</b>	<b>301,356,874</b>	<b>225,245,063</b>	<b>281,956,705</b>
<b>Per share data</b>					
<b>Earning per share (Naira)</b>	<b>0.58</b>	<b>0.38</b>	<b>0.71</b>	<b>0.53</b>	<b>0.66</b>
<b>Net asset per share (Naira)</b>	<b>4.12</b>	<b>3.54</b>	<b>4.22</b>	<b>2.73</b>	<b>2.27</b>

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

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

**NIGACHEM NIGERIA LIMITED****Financial Statements for the year ended 31st March, 2017****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	31st March 2017		31st March 2016	
	N	N	N	N
<b>REVENUE</b>		<b>4,543,406,688</b>		<b>3,429,530,152</b>
Direct expenses		(2,898,808,152)		(2,403,654,261)
<b>Gross Margin</b>		<b>1,644,598,535</b>		<b>1,025,875,891</b>
Sundry income		95,025,626		73,706,220
<b>Gross profit</b>		<b>1,739,624,161</b>		<b>1,099,582,111</b>
<b>Less: OVERHEADS:</b>				
Directors remuneration	57,066,415		47,798,525	
Salaries and wages	159,865,061		126,580,260	
Pension costs/ NSITF (employers contribution)	11,037,226		10,007,559	
Rent & Rate	11,546,115		12,556,600	
Electricity & power	399,000		270,500	
Printing & stationery	6,523,825		4,101,035	
Telephone & postage & communication	8,773,054		7,333,030	
Insurance	4,134,370		8,020,413	
Medical expenses	855,687		351,740	
Motor running expense	37,666,907		31,533,063	
Travel and transportation	38,902,650		33,993,281	
Advertisement/sales promotion	25,911,600		2,873,050	
Entertainment & Public Relations	28,007,846		14,733,665	
Gifts & donation	17,695,100		13,724,945	
Dues & subscriptions	734,578		2,487,531	
Corporate social responsibility	7,178,968		6,138,118	
Registration & licence	20,070,436		27,222,045	
Staff welfare	12,144,369		13,690,762	
Training & development	4,248,288		4,093,155	
Repairs & development	11,785,321		9,541,060	
Security expenses	1,860,650		-	
General expenses	103,500		90,550	
Professional fees	9,130,980		2,152,340	
Audit fees	4,000,000		3,500,000	
Technical service fee	26,222,936		14,602,332	
Bank charges	77,285,782		53,413,049	
Finance cost	185,470,953		84,192,370	
Operation Consulting Charges	455,224,880		265,851,801	
Bad Debts Written Off	362,960		-	
Provision for doubtful debts	82,334,605		1,338,023	
Fines & penalty	-		-	
Depreciation	42,430,460		35,362,981	
		<b>(1,348,974,524)</b>		<b>(837,553,782)</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>390,649,638</b>		<b>262,028,329</b>

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