

IVORENE OIL SERVICES NIGERIA LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

IVORENE OIL SERVICES NIGERIA LIMITED

FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST MARCH, 2018**

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IVORENE OIL SERVICES NIGERIA LIMITED

FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST MARCH, 2018**

CORPORATE INFORMATION

1. **BOARD OF DIRECTORS**

Mr Agarwal Atul Jitendra (Indian) – Resigned 21st September, 2017

Mr. Kapil Garg (Indian)

Mr. Ram Gajare (Indian) – Appointed 21st September, 2017

Mr. Vinod Khatod (Indian) - Appointed 21st September, 2017

2. **REGISTERED OFFICE**

Plot 239, Kofo Abayomi Street,

Victoria Island,

Lagos, Nigeria

3. **COMPANY SECRETARIES**

Solola & Akpana

(Barristers & Solicitors)

Plot 239, Kofo Abayomi Street,

Victoria Island,

Lagos, Nigeria

4. **AUDITORS**

GIWA – OSAGIE, DFK & CO.

(Chartered Accountants)

290, Borno Way

Yaba, Lagos

5. **PRINCIPAL BANKER**

Guaranty Trust Bank Plc

IVORENE OIL SERVICES NIGERIA LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 2018

1. Legal Form and Principal Activities

Ivorene Oil Services Nigeria Limited (RC. 881175) (“the Company”) was incorporated as a private limited liability company on April 15, 2010 with the principal object of engaging in the business of operating and maintaining offshore and onshore production and processing vessels, platforms, rigs and other facilities; to manufacture, design, build, assemble, repair, sell, import, export, install, buy, sell, deal in, rent, hire, lease and/or maintain machineries, equipment, spare parts, accessories, equipments, components, tools, merchandise, goods, materials, hardware, software and/or chemical, related products and by-products whether under licenses or otherwise and all types of oil servicing products and after sales services and general merchandise; procure intellectual property rights such as patents, copyrights, trademarks, formulae, licenses, concessions on designs, products and innovations; and/or all other trade or business of whatever nature.

2. Summary of Financial Results

The financial results reflect the operations of the Company for the year ended 31st March, 2018.

	N
Profit before taxation	27,660,269
Taxation	<u>(9,487,689)</u>
Profit after taxation	<u><u>18,172,580</u></u>

3. Dividend

The directors recommend that no dividend be declared for the year ended 31st March, 2018.

4. Business Review and Future Development

The Company carried out and will continue to carry out its business activities in accordance with its Memorandum and Articles of Association.

IVORENE OIL SERVICES NIGERIA LIMITED

REPORT OF THE DIRECTORS (CONT'D) **FOR THE YEAR ENDED 31ST MARCH 2018**

5. Fixed Assets

The movement in the fixed assets during the year is shown in the financial statements.

6. Directors

The following persons served as directors of the Company during the year 2018:

Mr Agarwal Atul Jitendra (Indian)	- Resigned 21 st September, 2017
Mr. Kapil Garg (Indian)	
Mr. Ram Gajare (Indian)	- Appointed 21 st September, 2017
Mr. Vinod Khatod (Indian)	- Appointed 21 st September, 2017

7. Directors' Interests

The interest of each of the Directors in the issued capital of the Company as recorded in the register of members and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004 (CAMA) are as follows:

Name of the Director	No. of shares held as at 31st March, 2018
Mr. Kapil Garg (Indian)	1
Mr. Ram Gajare (Indian)	Nil
Mr. Vinod Khatod (Indian)	Nil

In accordance with Section 258(2) of CAMA, the record of the Directors' Meeting during the year is available for inspection at the Annual General Meeting.

IVORENE OIL SERVICES NIGERIA LIMITED

REPORT OF THE DIRECTORS (CONT'D) **FOR THE YEAR ENDED 31ST MARCH 2018**

7. Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements/statement of affairs which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for that year and comply with the provisions of CAMA. In doing so, they ensure that:

- Adequate internal control procedures are instituted to safeguard the assets, prevent and detect frauds and other irregularities;
- Proper accounting records are maintained;
- Applicable accounting standards are adhered to;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent; and
- The financial statements are prepared on a going concern basis unless it is inappropriate to presume that the company will continue in business.

8. Analysis of Shareholdings

As at 31st March, 2018, the shareholding structure of the Company stood as follows:

Name of Shareholder	No. of shares
Asian Oilfield and Energy Services DMCC	9,999,999
Mr. Kapil Garg	1
Total	10, 000,000

9. Authorized Share Capital

The authorized share capital of the Company is ₦10, 000,000 (Ten Million Naira) divided into 10,000,000 ordinary shares of Naira 1 each.

10. Post Balance Sheet Events

There were no significant developments and/or events since the balance sheet that could have a material effect on the state of affairs of the Company as at 31st March, 2018 and the profit for the year ended on that date, which have not been adequately provided for or recognized.

IVORENE OIL SERVICES NIGERIA LIMITED

REPORT OF THE DIRECTORS (CONT'D) **FOR THE YEAR ENDED 31ST MARCH 2018**

11. Donation and Charitable Gifts

No donation was made to any political party or organization during the year ended 31st March, 2018.

12. Health, Safety and Welfare

The Company maintains a retained medical services and free canteen facilities at its operational base and offices for the welfare of its employees. The core policy of the Company is to maintain a safe and healthy environment at all times in its operational base and offices, and measures are taken to ensure the achievement of the objectives.

13. Employees involvement and Training

The Company is committed to keeping its employees fully informed as much as possible regarding the Company's operations through regular briefings and capacity building. The Company engages its employees in training programs from time to time.

14. Auditors

M/s. Giwa-Osagie, DFK & Co. Chartered Accountants have indicated their willingness to continue in office in accordance with Section 357 (2) of the Companies and Allied Matters Act, Cap C20 LFN 2004. A Resolution will be proposed re-appointing them and authorizing the Directors to fix their remuneration.

By Order of the Board

Mr. Vinod Khatod

Director

Dated 21st day of May, 2018

IVORENE OIL SERVICES NIGERIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31ST MARCH 2018

In accordance with the provisions of the Companies and Allied Matters Act of Nigeria, the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the financial position of the Company at the end of the financial year and of the profit or loss for the year then ended.

The responsibilities include 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 Matters Act of Nigeria;
- Appropriate and adequate internal controls are established to safeguard the Company's assets and to prevent and detect fraud and other irregularities;
- The company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- It is appropriate for the financial statements to be prepared on a going concern basis.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with Statements of Accounting Standards issued by Financial Reporting Council of Nigeria and the requirements of the Companies and Allied Matters Act, 2004.

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 operating results.

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.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Signature:

Signature:

Name: Kapil Garg

Name: Vinod Khatod

Date: 21st May, 2018

Date: 21st May, 2018

REPORT OF THE AUDITORS TO THE MEMBERS OF
IVORENE OIL SERVICES NIGERIA LIMITED

We have audited the accompanying financial statements of IVORENE OIL SERVICES NIGERIA LIMITED which comprise the balance sheet as at 31st March, 2018 the income statement and statement of cash flows for the period, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Directors are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles applicable in Nigeria and for such internal controls as management determines is necessary to enable the preparation of financial statements 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 require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

REPORT OF THE AUDITORS TO THE MEMBERS OF
IVORENE OIL SERVICES NIGERIA LIMITED (CONT'D)

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of IVORENE OIL SERVICES NIGERIA LIMITED as at 31st March, 2018 and of its financial performance and its cash flows for the period then ended in accordance with Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria and Companies and Allied Matters Act CAP C20. LFN 2004.

GIWA-OSAGIE, DFK & CO.
((Chartered Accountants))

LAGOS, NIGERIA

21st May, 2018

IVORENE OIL SERVICES NIGERIA LIMITED

FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST MARCH, 2018**

ACCOUNTING POLICIES

These are some of the accounting policies adopted by the Company.

1. **Accounting Convention**

These financial statements have been prepared under the historical cost convention and no adjustment has been made on the financial statements to reflect the impact of any specific or general changes in the level of prices.

2. **Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation.

3. **Depreciation**

Depreciation is provided to write off the cost of fixed assets over the estimated useful lives of the assets at the following rates.

Office Equipment	20%
Computers	20%
Furniture & Fixtures	20%
Plant & Machinery	25%
Motor Vehicles	20%

4. **Foreign Currencies**

Transactions in foreign currencies are converted at the appropriate rates of exchange ruling at the time they arise.

Foreign currency denominated assets and liabilities existing at the balance sheet date are translated into Naira at the rate of exchange ruling at that date.

IVORENE OIL SERVICES NIGERIA LIMITED

BALANCE SHEET **AS AT 31ST MARCH, 2018**

	<u>NOTES</u>	<u>2018</u>	<u>2017</u>
		<u>=N=</u>	<u>=N=</u>
FIXED ASSETS	1	853,296	1,275,000
<u>CURRENT ASSETS</u>			
Debtors & Prepayments	2	679,008,514	948,083,337
Cash & Bank	3	<u>129,545,347</u>	<u>74,964,627</u>
		<u>808,553,861</u>	<u>1,023,047,964</u>
<u>LESS: CURRENT LIABILITIES</u>			
Creditors and Accruals	4	736,148,969	974,806,448
Taxation	5	9,487,689	6,075,303
		<u>745,636,658</u>	<u>980,881,751</u>
NET CURRENT ASSETS		<u>62,917,203</u>	<u>42,166,213</u>
		<u>63,770,499</u>	<u>43,441,213</u>
<u>FINANCED BY:</u>			
Share Capital	6	10,000,000	10,000,000
Profit & Loss Account	7	<u>53,770,499</u>	<u>33,441,213</u>
		<u>63,770,499</u>	<u>43,441,213</u>

DIRECTORS

The accounting policies on page 9 and notes on pages 13 to 15 form an integral part of these financial statements.

IVORENE OIL SERVICES NIGERIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

	<u>NOTES</u>	<u>2018</u> <u>=N=</u>	<u>2017</u> <u>=N=</u>
Income		27,821,974	18,776,207
Sundry Income	8	<u>76,208,286</u>	<u>73,678,564</u>
		104,030,260	92,454,771
Less: Administrative Expenses	9	<u>(74,901,667)</u>	<u>(72,377,797)</u>
Profit before Depreciation of Fixed Assets		29,128,593	20,076,974
Depreciation of Fixed Assets		<u>(1,468,324)</u>	<u>(3,132,617)</u>
Profit before Taxation		27,660,269	16,944,357
Taxation	5	<u>(9,487,689)</u>	<u>(6,075,303)</u>
Profit after Tax		18,172,580	10,869,054
Profits brought forward		35,597,919	22,572,159
Balance Carried Forward		<u><u>53,770,499</u></u>	<u><u>33,441,213</u></u>

The accounting policies on page 9 and notes on pages 13 to 15 form an integral part of these financial statements.

IVORENE OIL SERVICES NIGERIA LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	<u>=N=</u>	<u>2018</u>	<u>=N=</u>	<u>2017</u>	<u>=N=</u>
<u>Cashflow from Operating Activities</u>					
Profit Before Taxation		27,660,269		16,944,357	
Prior Year Adjustment		2,156,706		(2,000)	
<u>Adjustment for Items not involving movement of funds</u>					
- Depreciation of Fixed Assets		1,468,324		3,132,617	
		31,285,299		20,074,974	
<u>Changes in Working Capital</u>					
(Increase)/Decrease in Debtors & Prepayments	269,074,823		(427,022,833)		
Increase/(Decrease) in Creditors and Accruals	(238,657,479)	30,417,344	481,412,513	54,389,680	
Cash generated from Operations		61,702,643		74,464,654	
Taxes Paid		(6,075,303)		(6,979,424)	
Net Cash Inflow/(Outflow) from Operating activities		55,627,340		67,485,230	
<u>Cashflow from Investing Activities</u>					
Purchase of Fixed Assets		(1,046,620)		-	
Net Increase/(Decrease) in cash & cash equivalents		54,580,720		67,485,230	
Cash and cash equivalents at the beginning of the year		74,964,627		7,479,397	
		129,545,347		74,964,627	
<u>This Comprises:</u>					
Bank and Cash Balances		129,545,347		74,964,627	

IVORENE OIL SERVICES NIGERIA LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH, 2018

	<u>2018</u>	<u>2017</u>
	N	N
4 <u>CREDITORS & ACCRUALS</u>		
Trade Creditors	42,857,091	546,533,705
Sundry Creditors	685,870,015	416,667,390
Accruals	7,421,863	11,605,353
	<u>736,148,969</u>	<u>974,806,448</u>

The Payables are as a result of operational costs incurred on behalf of the Parent/Associated Company.
See Note 2

	<u>2018</u>	<u>2017</u>
	N	N
5 <u>TAXATION</u>		
Income Tax 2019 YOA	8,861,983	5,673,763
Education Tax 2019 YOA	625,706	401,540
Charged to P & L A/C	9,487,689	6,075,303
Balance brought forward	6,075,303	6,979,424
Payment during the year	(6,075,303)	(6,979,424)
Balance carried forward	<u>9,487,689</u>	<u>6,075,303</u>

Deferred Taxation of N107,673 has not been provided for in these financial statements

6 <u>SHARE CAPITAL</u>		
<u>Authorized, Issued and Fully Paid</u>	<u>10,000,000</u>	<u>10,000,000</u>
10,000,000 Ordinary Shares of N1.00 each		

7 <u>PROFIT AND LOSS ACCOUNT</u>		
Balance Brought Forward	33,441,213	22,572,159
Prior Year Adjustment	2,156,706	-
	<u>35,597,919</u>	<u>22,572,159</u>
Retained Profit for the Year	18,172,580	10,869,054
Balance Carried Forward	<u>53,770,499</u>	<u>33,441,213</u>

8 <u>SUNDRY INCOME</u>		
Exchange Gain	-	15,610,745
Scrap Sales	-	65,500
Sundry Income	76,208,286	58,002,319
	<u>76,208,286</u>	<u>73,678,564</u>

IVORENE OIL SERVICES NIGERIA LIMITED

NOTES ON THE FINANCIAL STATEMENTS (CONT'D) **FOR THE YEAR ENDED 31ST MARCH, 2018**

	<u>2018</u>	<u>2017</u>
	N	N
9 <u>ADMINISTRATIVE EXPENSES</u>		
Salaries & Wages	21,316,955	14,020,475
Staff Welfare and Medical	1,587,861	66,200
Insurances	1,468,323	1,093,414
Rent	8,467,988	10,970,656
Transport & Travelling	-	2,415,804
Vehicle Running Expenses	2,045,201	1,099,536
Repairs and Maintenance	8,885,563	11,497,284
Telephone and Postages	2,192,058	1,169,272
Printing and Stationery	333,750	258,290
Electricity	451,400	328,000
Office Expenses	5,704,035	12,248,877
Finance Charges	801,033	1,159,889
Legal, & Professional Fees	19,647,500	14,370,100
Audit Fees	2,000,000	1,680,000
	<u>74,901,667</u>	<u>72,377,797</u>
10 <u>PROFIT BEFORE TAX</u>		
This is stated after charging:		
- Directors' Fees	-	-
- Depreciation of Fixed Assets	1,468,324	3,132,617
- Audit Fees	2,000,000	1,680,000
	<u>2,000,000</u>	<u>1,680,000</u>
11 <u>FINANCIAL COMMITMENTS</u>		
The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the Company's state of affairs, have been taken into account in the preparation of these financial statements.		
12 <u>POST BALANCE SHEET EVENTS</u>		
There are no significant post balance sheet events which would have had any material effect on the balance sheet and the profit for the year ended on that date, which have not been adequately provided for or disclosed in the financial statements		
13 <u>APPROVAL OF FINANCIAL STATEMENTS</u>		
The Financial Statements were approved by the Board of Directors of the Company on 21st May 2018		

IVORENE OIL SERVICES NIGERIA LIMITED

VALUE ADDED STATEMENT **FOR THE YEAR ENDED 31ST MARCH, 2018**

	<u>2018</u>		<u>2017</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Income	27,821,974		18,776,207	
Sundry Income	76,208,286		73,678,564	
	<u>104,030,260</u>		<u>92,454,771</u>	
Bought in Materials and Services	-53,584,712		-58,291,122	
VALUE ADDED	<u>50,445,548</u>	<u>100.00</u>	<u>34,163,649</u>	<u>100.00</u>
<u>APPLIED AS FOLLOWS:-</u>				
To pay employees' salaries allowances and other benefits	21,316,955	42.26	14,086,675	41.23
To pay Government- Tax	9,487,689	18.81	6,075,303	17.78
To provide for maintenance of assets and business expansions:				
- Depreciation	1,468,324	2.91	3,132,617	9.17
- Retained Earnings	18,172,580	36.02	10,869,054	31.82
	<u>50,445,548</u>	<u>100.00</u>	<u>34,163,649</u>	<u>100.00</u>

NOTE:

Value added represents the additional wealth which the company has been able to create by its own and its employees efforts. The statement shows the allocation of that wealth amongst employees, capital providers, government and that retained for the future creation of more wealth.

IVORENE OIL SERVICES NIGERIA LIMITED

5 YEARS FINANCIAL SUMMARY YEAR ENDED 31ST MARCH 2018

	<u>2018</u> N	<u>2017</u> N	<u>2016</u> N	<u>2015</u> N	<u>2014</u> N
TURNOVER AND PROFIT					
Turnover	27,821,974	18,776,207	14,783,000	16,300,000	14,935,000
Profit./(Loss) before Tax	27,660,269	16,944,357	20,046,842	12,387,391	9,002,578
Profit./(Loss) after Tax	18,172,580	10,869,054	13,067,418	(5,469,740)	2,945,263
Earnings Per Share (Kobo)	182	109	131	-	29
CAPITAL EMPLOYED					
Share Capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Profit and Loss Account	53,770,499	33,441,213	22,527,159	9,505,741	14,974,481
Shareholders' Fund	63,770,499	43,441,213	32,527,159	19,505,741	24,974,481
REPRESENTED BY					
Fixed Assets	853,296	1,275,000	4,405,617	9,287,458	14,835,147
Net Current Assets/(Liabilities)	62,917,203	42,166,213	28,166,542	10,217,283	10,139,334
	63,770,499	43,441,213	32,572,159	19,504,741	24,974,481
Number of Shares Issued	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Nominal Value Per Share (Naira)	1.00	1.00	1.00	1.00	1.00
Shareholders' Fund Per Share (Naira)	6.4	4.3	3.3	2.0	2.5