



ANNUAL REPORT

2021 | 2022 | 2023

CONSTRUCTION | TRAFFIC SOLUTIONS | PROCUREMENT

2021
FINANCIAL
STATEMENTS

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COMPANY INFORMATION**Board of Directors**

Adeolu Adeboye
Ukuevo Jackson
Okafor Akalaka
Temitope Adeboye
Tope Adebosin
Lanre Ladipo
Leon Kelly
Nasir Muhammad
Niyi Ogunnowo

Appointment Date

14 April 2021
14 April 2021
NIL
NIL
07 January 2022
10 November 2021
10 November 2021
10 November 2021
NIL

Business Address:

179A Moshood Olugbani Street,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

RC NUMBER:

771515

Company Secretary

Chris Oruete

Auditors:

Sheize Professional Services
7th Floor Mulinner Towers
39, Alfred Rewane Road,
Ikoyi, Lagos.

Bankers:

Access Bank Plc.
Guaranty Trus Bank Plc.
Zenith International Bank Plc.
Polaris Bank Limited
United Bank for Africa Plc.
Access Bank Plc.
Eco Bank
Providus Bank Plc
Keystone Bank Limited

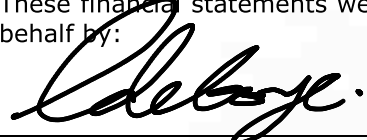
RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
For the year ended 31 December 2021*

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2021 '000	2020 '000
Non-current assets			
Property, plant and equipment	17	3,980,335	2,918,705
Total Non-current assets		3,980,335	2,918,705
Current assets			
Cash & Cash Equivalents	9	2,008,844	188,026
Trade and Other Receivables	10	12,562,898	5,514,120
Investments	11	-	30,000
Prepayments	11b	34,103	-
Total current assets		14,605,845	5,732,146
Total Assets		18,586,180	8,650,850
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	14	91,000	91,000
Revaluation Reserve	17	1,241,752	-
Retained Earnings		12,831,927	7,862,131
Total equity		14,164,679	7,953,131
Current Liabilities			
Trade and other Payables	12	3,275,651	581,899
Bank Overdraft	16	65	-
Income Tax Payable	8	274,555	110,820
Borrowings	13	871,230	5,000
Total current liabilities		4,421,501	697,719
Total Liabilities and Equity		18,586,180	8,650,850

These financial statements were approved by the Directors 30 March 2022 and signed on its behalf by:



Adeolu Adeboye
Chairman

Osimhen Celestine

Celestine Osimhen
Financial Controller
ICAN: MB019763



Jackson Ukuevo
Chief Executive Officer
Member, Institute of Directors Nigeria

Christopher Egba Orueta, SCN071719
Company Secretary

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
For the year ended 31 December 2021*

DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of RONCHESS GLOBAL RESOURCES PLC (the "Company") for the year ended 31 December, 2021.

LEGAL FORM

RONCHESS GLOBAL RESOURCES PLC was incorporated on the 5th of September, 2008. In 2021, the Company converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange.

PRINCIPAL ACTIVITIES

The company is engaged in the business of Road Marking and Construction.

OPERATING RESULTS

The following is a summary of the Company's operating results:

	2021 ₦'000	2020 ₦'000
Revenue	15,082,491	10,305,021
Profit/(Loss) before tax	5,062,489	4,483,456
Taxation	(163,735)	(60,196)
Profit/(Loss) after tax	4,898,754	4,428,538

DIRECTORS AND THEIR INTERESTS

The names of the present Directors are detailed on page 1. None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act 2020 of any interest in contracts with which the Company was involved during the period under review.

SHAREHOLDERS AND SHAREHOLDING

The names of the shareholders and their allotted shareholdings are as follows:

Share Range	Number of Ordinary Shares of ₦1 each	
	% Holding	2021
1 - 50,000,000	29.90%	20,200,000
50,000,001-100,000,000	70.10%	70,800,000
	100%	91,000,000

PROPOSED DIVIDEND

The directors did not recommend the payment of any dividend to shareholders for the year ended 31 December 2021.

AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company as at 31 December 2021 is N91,000,000 dividends into 91,000,000 ordinary shares of ₦1 each.

RONCHESS GLOBAL RESOURCES PLC

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FIVE YEAR SUMMARY

STATEMENT OF FINANCIAL POSITION

	2021 ¥'000	2020 ¥'000	2019 ¥'000	2018 ¥'000	2017 ¥'000
ASSETS					
Non-current assets					
Property, plant and equipment	3,980,335	2,918,705	165,341	139,649	157,665
	3,980,335	2,918,705	165,341	139,649	157,665
Current assets					
Receivables	12,562,898	5,514,120	3,256,111	2,722,006	1,242,674
Investment	-	30,000	-	-	-
Prepayment	34,103				
Cash & cash equivalents	2,008,844	188,026	4,344	179	117,866
Total current assets	14,605,845	5,732,146	3,260,455	2,722,184	1,360,540
Total Assets	18,586,180	8,650,850	3,425,797	2,861,834	1,518,205
LIABILITIES					
Current liabilities					
Trade and other payables	3,275,651	585,777	48,323	23,126	3,153
Bank Overdraft	65	-			
Tax Payable	274,555	110,820	50,624	42,542	22,689
Borrowings	871,230				
Total current liabilities	4,421,501	696,597	98,947	65,668	25,841
EQUITY					
Share capital	91,000	91,000	1,000	1,000	1,000
Revaluation Reserve	1,241,752				
Retained earnings	12,831,927	7,863,253	3,325,849	2,795,166	1,491,363
Total equity	14,164,679	7,954,253	3,326,849	2,796,166	1,492,363
Total Equity and Liabilities	18,586,180	8,650,850	3,425,797	2,861,834	1,518,205

RONCHESS GLOBAL RESOURCES PLC

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 ¥'000	2020 ¥'000	2019 ¥'000	2018 ¥'000	2017 ¥'000
Revenue	15,082,491	10,305,021	2,312,729	2,389,837	2,189,659
Cost of sales	(6,137,183)	(3,883,348)	(1,415,114)	(866,822)	(889,919)
Gross profit	8,945,308	6,421,673	897,615	1,523,015	1,299,740
Administrative expenses	(2,403,455)	(1,150,778)	(358,850)	(199,440)	(504,810)
Impairment loss on trade receivables	(1,339,442)	(786,317)	-	-	-
Finance Cost	(139,921)	(1,122)	-	-	-
Profit before tax	5,062,489	4,483,456	538,765	1,323,576	794,930
Tax	(163,735)	(60,196)	(8,081)	(19,854)	(11,924)
Profit after tax	4,898,754	4,423,260	530,684	1,303,722	783,006
Other comprehensive income net of tax	71,041	5,278		80	-
Total comprehensive income	4,969,796	4,428,538	530,684	1,303,802	783,006

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021 ¥'000	2020 ¥'000
Revenue	4	15,082,491	10,305,021
Cost of sales	5	(6,137,183)	(3,883,348)
Gross profit		8,945,308	6,421,673
Impairment loss on trade receivables		(1,339,442)	(786,317)
Administrative & Operational Expenses	7	(2,403,455)	(1,150,778)
Finance Cost	15	(139,921)	(1,122)
Profit/(Loss) before tax		5,062,489	4,483,456
Taxation	8	(163,735)	(60,196)
Profit/(Loss) after tax		4,898,754	4,423,260
Other Comprehensive Income			
Exchange Gains	6	71,041	5,278
Total Comprehensive Income		4,969,796	4,428,538



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RONCHESS GLOBAL RESOURCES PLC Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **RONCHESS GLOBAL RESOURCES PLC** which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss, statement of changes in equity, statement of cash flow for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **RONCHESS GLOBAL RESOURCES PLC** as at 31 December, 2021 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information

The directors are responsible for the other information. The other information comprises the director's report, which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Partner for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Financial Reporting Council Act, 2011 and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



7th Floor, Mulliner Towers, 39 Alfred Rowan Road
Ikoyi, Lagos Nigeria.
T: 01 888 7978, +234 708 730 6304.
E: info@shelze.com.ng | www.shelze.com.ng
shezenigeria



Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act 2020 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



For: Shelze Professional Services
Chartered Accountants
Lagos, Nigeria
31 March 2022



Engagement Partner: David Apaflo, FCA
FRC/2014/ICAN/00000007739



7th Floor, Mulliner Towers, 39 Alfred Rewane Road
Ikoyi, Lagos Nigeria.
T: 01 888 7978, +234 708 730 6304.
E: info@shelze.com.ng | www.shelze.com.ng
shelzenigeria

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
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1. General Information

1.1 Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies and Allied Matters Act 2020.

These financial statements were also prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). Historical cost is generally based on the consideration given in exchange for assets.

The company's functional and presentation currency is the Naira.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

2. Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

(a) Statement of Compliance

The financial statements of RONCHESS GLOBAL RESOURCES PLC is a general-purpose financial report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2011.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- ñ Financial instruments at fair value through profit or loss are measured at fair value;
- ñ Financial instruments measured at amortized value
- ñ Inventory- lower of cost and net realizable value.
- ñ Lease liabilities- measured at present value of future lease payments

Historical cost is generally based on the fair value of the considerations given in exchange for the assets.

(c) Functional and Presentation Currency

These financial statements are presented in Naira which is the Company's functional currency. All amounts have been rounded up to the nearest thousand, unless otherwise indicated.

2.1 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
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policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.1.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described in the notes below:

Note x: Revenue recognition - whether revenue from sales of goods and services is recognised over or at a point in time.

Note x: Trade receivables - in determining the expected credit loss to be recognised

There were no other significant judgements that could have a material impact on the reported amounts in the financial statements.

2.1.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Hence, measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).

Level 3– inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some cases, if the input used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Note xx - Financial Instruments - Financial risk management and fair value.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company in the period presented in the financial report.

3.1 Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2021 and have not been adopted in preparing

RONCHESS GLOBAL RESOURCES PLC

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these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Company are set out below. Earlier adoption is permitted; however, the Company has not early adopted the new or amended standard in preparing the financial statement.

- ñ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Disclosure Initiative - Definition of Material); and
- ñ Definition of a Business (Amendments to IFRS 3);
- ñ Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- ñ COVID-19-Related Rent Concessions (Amendments to IFRS 16).

3.2 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows;

- ñ Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37 - 1 Jan 2022
- ñ Property, Plant & Equipment: Proceeds before Intended Use - Amendments to IAS 16 - 1 Jan 2022;
- ñ Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- ñ Classification of Liabilities as Current and Non-current - Amendments to IAS 1 - 1 Jan 2022
- ñ Classification of Liabilities as Current and Non-current - Amendments to IAS 1 - 1 Jan 2022

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NOTES TO THE FINANCIAL STATEMENTS

3.3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company and to the three months' periods presented in the financial report.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized, are recognized in the statement of profit or loss in the period in which they arise.

Non-monetary assets and liabilities in a foreign currency that are measured at historical costs are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences are generally recognized in the profit or loss and presented within finance income and costs.

(ii) Fair value changes

Fair value changes on financial assets and liabilities carried at fair value through profit or loss are presented in the statement of profit or loss while fair value changes on other financial instruments at fair value are presented in the statement of other comprehensive income.

(iii) Income tax expense

The tax expense for the period comprises current and deferred income 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 also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is the aggregate of the charge to the profit and loss account in respect of current income tax and education tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) and assessed at 30% of taxable profit. Education tax is assessed at 2% of the assessable profits. The directors of the Company continually evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Where the Company has tax losses that can be relieved against a tax liability for a previous year, it recognizes those losses as a recoverable, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises.

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NOTES TO THE FINANCIAL STATEMENTS

(iv) Deferred tax

Deferred income tax is recognised, using the liability method (balance sheet method), on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

(v) Tax expense

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- ñ a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- ñ a business combination

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to the items that are credited or charged, in the same or a different period, directly in equity.

(vi) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Non-derivative financial assets

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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NOTES TO THE FINANCIAL STATEMENTS

b) Subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

c) Classification

The Company classifies its financial assets as; amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

1. Amortised cost

A financial asset is measured at amortised cost only if it is held within a business model whose objective is to hold assets to collect contractual cash flows (the held-to-collect business model); and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion).

The Company's amortised cost assets comprise trade and other receivables, loans and advances, receivables due from related parties and cash and cash equivalents, and are included in current and non-current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one year and non-current if they are to be settled after one year.

2. Fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI only if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI criterion. The Company did not have assets measured at FVOCI as at year end.

3. Fair value through profit or loss (FVTPL)

All other financial assets - i.e. financial assets that do not meet the criteria for classification as subsequently measured at either amortised cost or FVOCI - are classified as subsequently measured at fair value, with changes in fair value recognised in profit or loss.

In addition, the Company has the option on initial recognition to irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency - i.e. an 'accounting mismatch' - that would otherwise arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. The Company did not have assets measured at FVTPL as at year end.

d) De-recognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also

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NOTES TO THE FINANCIAL STATEMENTS

transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

e) 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.

The legal enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Bank or the counterparty.

f) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Company of financial assets is impaired. The impairment model in IFRS 9 is an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised. As a result, all financial assets generally carry a loss allowance.

Expected Credit Loss (ECL) is a probability-weighted estimate of credit losses - i.e. the present value of cash shortfalls - over the expected life of the financial instrument. For a financial asset that is credit-impaired, the ECLs are the difference between the asset's gross carrying amount and the present value of estimated future cash flows.

The assessment of ECLs is based on reasonable and supportable information - that is, information reasonably available without undue cost or effort at the reporting date. Impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

To assess whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort, and is relevant for the particular financial instrument being assessed. The information used includes factors that are specific to the borrower and general economic conditions. Possible data sources include internal loss experience and ratings, and external ratings, reports and statistics.

When the Company considers that there are no realistic prospects of recovery of the financial asset, the relative amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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

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NOTES TO THE FINANCIAL STATEMENTS

reversal of the previously recognised impairment loss (in profit or loss) is recognised in the profit or loss.

Financial liabilities

Non-Derivative financial liabilities:

a. Classification

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities at amortised cost

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short-term nature while borrowings are split into current and non-current liabilities.

Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

b. Recognition & measurement

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

(vii) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(viii) Property, plant and equipment

I. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the period in which they were incurred.

Construction work in progress is not depreciated, it is carried at cost less any recognized impairment loss. Costs include professional fees for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policies. On completion of construction, the related amounts are transferred to the appropriate category of property, plant and equipment. Payments in advance for items of property, plant and equipment are included as prepayments in other assets and upon delivery are reclassified as additions in the appropriate category

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of property, plant and equipment. No depreciation is charged until the assets are available for use.

II. Subsequent costs

The cost of replacing a part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

III. Right-of-use-assets

The right-of-use-assets are measured at the present value of the lease liability, adjusted for any prepayment before application and discounted with the incremental borrowing rate at the date of initial application. The company does not recognize right-of-use-asset and record lease liability for the payments of short-term leases, i.e lease term assessed to be 12 months or less from the commencement date and for leases of low value assets, i.e assets which fall below the capitalization threshold for property, plant and equipment. The right-of-use-asset is being depreciated on a straight-line basis and is being recorded in the profit or loss statement.

IV. Depreciation

Depreciation is calculated on items of property, plant and equipment on a straight-line basis over the estimated useful economic lives.

The estimated useful lives for the current periods are as follows:

Asset class	Useful life (years)
Plant & Machinery	15
Generator	5
Computer Equipment	5
Furniture & Fittings	5
Motor Vehicles	5
Office Equipment	5

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Company takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

Property, plant and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

RONCHESS GLOBAL RESOURCES PLC

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NOTES TO THE FINANCIAL STATEMENTS

V. De-recognition

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

VI. Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, and is recognized as an item of other income in the period in which the significant risks and rewards of ownership are transferred to the buyer.

(ix) Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(x) Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

(xi) Statement of cash flows

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

(xii) Related Party

Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(xiii) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method while finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(xiv) Revenue recognition

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount

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allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).

(xv) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Slow moving and obsolete inventory items are written off to profit or loss.

(xv) Provisions and Contingent Liabilities

a. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

b. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(xvi) Employee benefits

a. Defined contribution plan

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

In line with the provisions of the Pension Reform Act 2004, which was updated in July 2014, the Company has a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss. The Company and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowance to the scheme.

b. Termination benefits

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

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c. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(xvii) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily, redeemable preference shares are classified as liabilities.

Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares

Dividends on ordinary shares are recognized as liability in the period in which they are approved by the Company's shareholders. Dividends declared after the balance sheet dates are dealt with in the subsequent period.

(xviii) Earnings per share

Basic earnings per share is calculated by dividing net profit after tax applicable to equity holders of the Company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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	2021 ¥'000	2020 ¥'000
4 Revenue		
Lane Marking	9,471	1,412,958
Road Construction	15,073,019	8,892,063
	15,082,491	10,305,021
5 Cost of Sales		
Civil works	-	90
Cost of Materials	4,758,002	3,684,200
Freight	68,441	36,554
Logistics	39,049	7,431
Site Expenses	1,271,690	155,073
	6,137,183	3,883,348
6 Other Comprehensive Income		
Interest Received	2	323
Investment Income	142,297	-
Forex Gain/ (Loss)	(71,258)	4,955
	71,041	5,278
7 Administrative & Operational Expenses		
Forex Gains/(Losses) - Banks	82,204	95,866
Accounting Fees	2,250	1,000
Advertising	13,838	2,135
Association dues	5,807	-
Audit Fees	3,000	4,300
Bank Charges	52,059	28,256
Branding & Business Development	18,743	-
Cleaning and Sanitation	1,237	3,442
Computer Expenses	75	81
Consultancy	96,787	60,444
CSR	9,604	-
Depreciation	373,739	137,642
Donation	-	2,950
Electricity & Water	6,247	622
Entertainment	1,442	-
Fuel & Diesel	33,628	4,969
Gift	-	1,030
I.T Expenses	3,015	-
Insurance	21,573	29,905
Legal Fees	14,304	14
License Fee	28,771	13,851
Meals and Entertainment	508	1,545
Medical Expenses	15,860	5,841
Motor Vehicle Expenses	7,885	13,842
Office Expenses	61,321	159,027
Miscellaneous Expenses	48,987	-

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Printing & Stationery	3,899	9,797
Renovation Expenses	34,166	-
Rent Paid	11,772	17,899
Repairs & Maintenance	27,420	11,724
Salaries & Wages	1,233,857	344,576
Security	21,490	3,785
Selling & Marketing Expenses	800	106,591
Service charge	5,479	521
Software Subscription	-	5
Staff Welfare	4,890	17,233
Statutory Fee	21,928	6,505
Telephone & Internet	3,024	419
Training	1,523	60
Transport	16,855	18,879
Travel & Accommodation	105,066	46,024
Webhosting	50	-
WHT Expenses	8,352	-
	2,403,455	1,150,778

8 Income Tax Credit/Expense

Bal b/f	110,820	50,624
Current income tax (SOPL)	163,735	60,196
Deferred tax credit	-	-
Tax Payable	274,555	110,820

9 Cash and Cash Equivalents

2,008,844	188,026
2,008,844	188,026

10 Trade and Other Receivables

Trade Receivables	14,683,332	6,295,111
Impairment	(2,125,759)	(786,317)
	12,557,572	5,508,794

Staff Loans	5,326	5,326
	12,562,898	5,514,120

11 Investments

Investments	-	30,000
	-	30,000

11b Prepayments

Prepaid Rent	5,000	-
Prepaid Audit Fees	29,103	-
	34,103	-

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NOTES TO THE FINANCIAL STATEMENTS

12 Trade and Other Payables

Trade Payables	1,859,621	148,665
Other payables	1,416,030	432,234
Audit fee payables	-	1,000
	3,275,651	581,899

13 Borrowings

Soft Loan	240,042	-
Bank Loan	631,188	5,000
	871,230	5,000

14 Share Capital

Issued and fully paid for Ordinary shares at N1.00 each	91,000	1,000
--	--------	-------

Movements during the year:

At 1 January	91,000	1,000
Issued during the year	-	90,000
At 31 December	91,000	91,000

15 Finance Cost

Interest Expense	139,921	1,122
	139,921	1,122

16 Bank Overdraft

Bank Overdraft	65	-
	65	-

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NOTES TO THE FINANCIAL STATEMENTS
17 Property, plant and equipment

2021	Plant & Machinery	Computer Equipment	Furniture & Fittings	Motor Vehicle	Office Equipment	Generator	Total
Cost	¥'000	¥'000	¥'000	¥'000	¥'000	¥'000	¥'000
At 1 January	2,497,817	10,069	48,705	441,337	154,471	65,823	3,218,221
Revaluation Surplus	883,773	7,477	11,044	453,598	51,319	28,158	1,241,752
At 31 December	3,381,589	38,227	56,181	452,381	608,068	117,141	4,653,590
Accumulated Depreciation							
At 1 January	182,318	3,745	11,383	74,389	18,807	8,874	299,516
Charge for the period	224,794	2,343	11,551	84,057	31,271	19,724	373,739
At 31 December	407,112	6,088	22,934	158,445	50,078	28,598	673,255
Net Book Amount at 31 December 2021	2,974,477	32,139	33,247	293,936	557,990	88,543	3,980,335
Net Book Amount at 31 December 2020	2,315,498	6,324	37,321	366,949	135,663	56,948	2,918,705

ñ The company assets were revalued by Messrs Aminu & Partners (FRC/2014/NIESV/000000006763) on the 1st of October 2021, and this gave rise to a Revaluation Reserve of 4.05 billion naira.

RONCHESS GLOBAL RESOURCES PLC

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18. Financial Risk Management

18.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks. The company therefore aims to achieve an appropriate balance between risk and returns so as to minimize the potential adverse effects of the risks on the company's financial performance.

The directors are responsible for the determination of the company's risk management objectives and policies. The company's risk management policies are designed to identify and analyse financial risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

(a) Market Risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

Interest Rate Risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's significant interest-bearing financial assets are cash and cash equivalents.

(b) Credit Risk

Credit risk represents the potential loss that the company would incur if counter parties fail to perform pursuant to the terms of their obligations to the company. At the reporting date, the main exposures to credit risk were in relation to receivables and cash and cash equivalents.

(c) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when due. The company's policy is to ensure that it always has sufficient funds to meet its liabilities when they become due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. This is achieved by monitoring rolling forecasts of the company's liquidity reserve on the basis of expected cash flows. The directors do not foresee any major liquidity risk over the next two years.

18.2 Capital Risk Management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for the directors and benefits for other stakeholders.

19 Impact of COVID-19 on the operations of the Company

There was no significant impact on the entity as at year end.

20 Litigations and Claims

There was no outstanding litigation or claim against the entity as at year end.

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21 Capital Commitments

There were no capital commitments as at the end of the year.

22 Subsequent Events Review

There were no events after the reporting period which has material effect on the state of affairs of the company as at 31 December 2021 that have not been adequately provided or disclosed.

RONCHESS GLOBAL RESOURCES PLC

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STATEMENT OF CASH FLOWS

	2021 ¥'000	2020 ¥'000
Operating Activities		
Profit/(Loss) after Tax	4,898,754	4,423,260
Adjustments for non-cash items		
Depreciation & Amortization	373,739	137,642
Revaluation Surplus	1,241,752	
Exchange Gain	71,041	5,278
Tax Provision	163,735	60,196
Finance Cost	139,921	1,122
Prior year Adjustments	-	107,743
Cashflow from operating activities before changes in Working capital	6,888,942	4,735,241
Movement in working capital		
Increase/decrease in current assets	(7,082,881)	(2,258,008)
Increase/decrease in current liabilities	2,693,752	533,576
	2,499,813	3,010,809
Cash generated from operations		
Tax	-	
Cash generated from operating activities	2,499,813	3,010,809
Investing Activities		
Purchase of Property, Plant and Equipment	(1,435,369)	(2,891,005)
Investment	30,000	(30,000)
Net Cash generated from Investing Activities	(1,405,369)	(2,921,005)
Financing Activities		
Share Capital	-	90,000
Finance Cost	(139,921)	(1,122)
Long term borrowing	866,230	5,000
Net cash generated from financing activities	726,310	93,878
Net increase in cash and cash equivalent	1,820,753	183,682
Cash at the beginning of the year	188,026	4,344
Cash at the end of the year	2,008,779	188,026
Represented by:		
Cash Balance	2,008,844	188,026
Bank Overdraft	(65)	-
	2,008,779	188,026

RONCHESS GLOBAL RESOURCES PLC

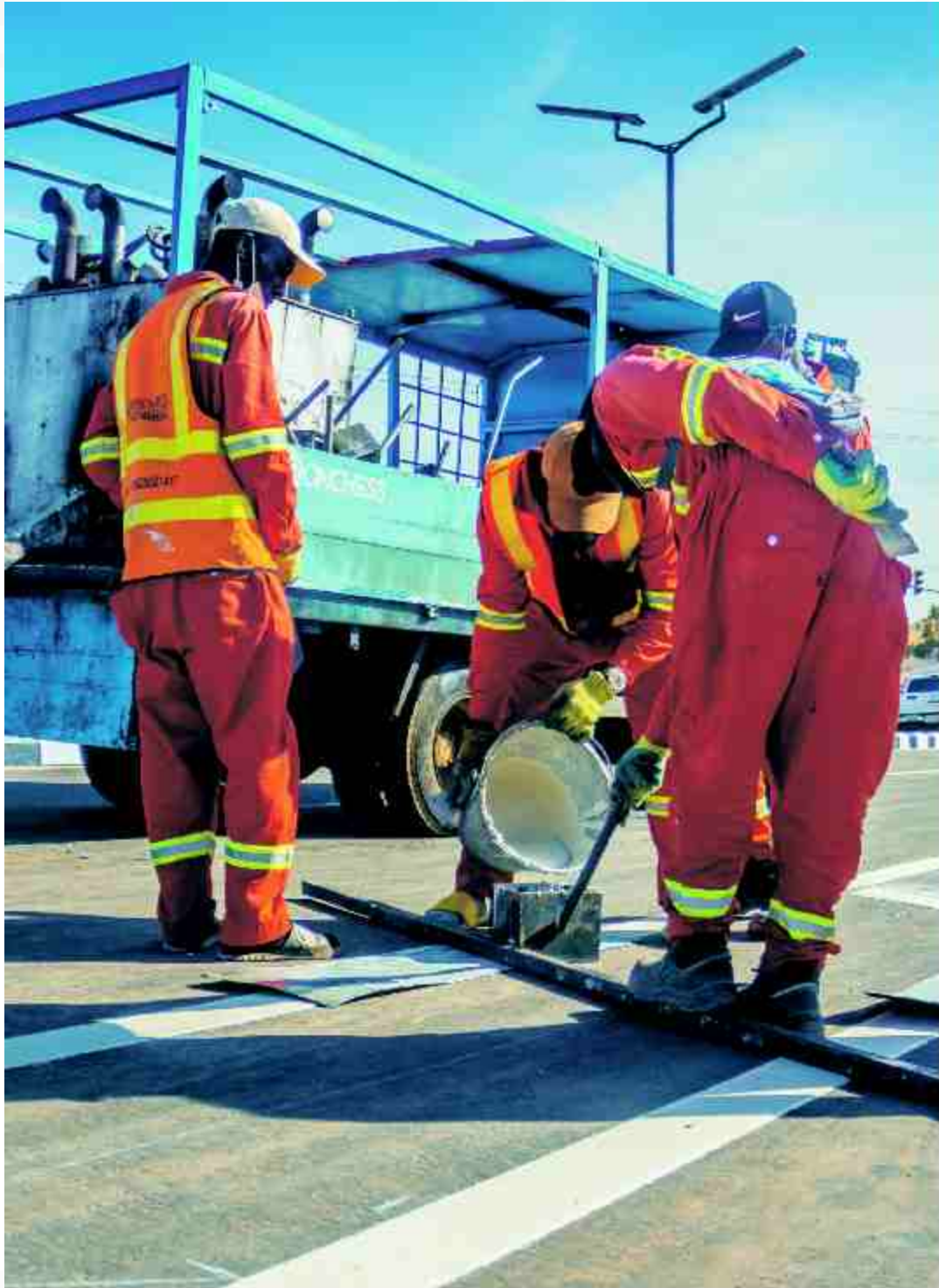
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STATEMENT OF VALUE ADDED

	31-Dec-21		31-Dec-20	
	£'000	%	£'000	%
Gross earnings	15,082,491		10,305,021	
Brought-in-material and services	(8,195,031)		(5,315,653)	
Value added	6,887,459		4,989,368	
Distribution of Value Added:				
To pay employees:				
Wages, salaries and other benefits	1,240,269	18	361,869	7
To pay government:				
Taxes	163,735	2	60,196	1
To provider of finance:				
Finance cost	139,921	2	1,122	0
Retained for future replacement of assets and expansion of business:				
Depreciation	373,739	5	137,642	3
Profit for the period	4,969,796	72	4,428,538	89
	6,887,459	100	4,989,368	100

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.

2022
FINANCIAL
STATEMENTS



COMPANY INFORMATION

Board of Directors	Nationality	Designation
Adeolu Adeboye	Nigerian	Chairman
Niyi Ogunnowo	Nigerian	Vice Chairman
Ukuevo Jackson	Nigerian	Managing Director
Okafor Akalaka	Nigerian	Independent Non-Executive Director
Temitope Adeboye	Nigerian	Independent Non-Executive Director
Tope Adebosin	Nigerian	Non-Executive Director
Lanre Ladipo	American	Non-Executive Director
Leon Kelly	American	Independent Non-Executive Director
Nasir Muhammad	Nigerian	Non-Executive Director

Business Address: 179A Moshood Olugbani Street,
Off Ligali Ayorinde St,
Victoria Island, Lagos

RC NUMBER: 771515

Company Secretary: Chris Oruete

Auditors: Sheize Professional Services
7, Edward Hotonu Street,
Lekki Phase 1, Lekki,
Lagos.

Bankers: Access Bank Plc.
Guaranty Trust Bank Plc.
Zenith International Bank Pic.
Polaris Bank Limited
United Bank for Africa Plc.
Access Bank Pic.
Ecobank Limited
Providus Bank Pic.
Keystone Bank Limited

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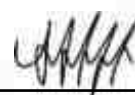
STATEMENT OF FINANCIAL POSITION

		2022 ₦ '000	2021 ₦ '000
Assets	Notes		
Non -current assets			
Property, plant and equipment	18	6,530,544	3,980,335
Total non-current assets		6,530,544	3,980,335
Current assets			
Cash & cash equivalents	9	38,631	2,008,844
Trade and other receivables	10	14,338,257	12,562,898
Prepayments	11	-	34,103
Total current assets		14,376,888	14,605,845
Total assets		20,907,432	18,586,180
Equity and liabilities			
Equity			
Share capital	15	91,000	91,000
Revaluation reserve		5,359,285	1,230,752
Retained earnings		13,898,920	12,831,927
Total equity		19,349,205	14,164,679
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	12	249,007	3,275,651
Bank overdraft	16	190	65
Income tax payable	8	-	274,555
Borrowings	13	1,309,030	871,230
Total current liabilities		1,558,227	4,421,501
Total equity and liabilities		20,907,432	18,586,180

These financial statements were approved by the Directors 27 March 2023 and signed on its behalf by:



Adeolu Adebayo
Chairman



Jackson Ukuevo
Chief Executive Officer
IODN: U05451



Celestine Osimhen
Financial Controller
ICAN MB019763



Christopher Egba Oruete,
Company Secretary
NBA:SC01719

RONCHESS GLOBAL RESOURCES PLC

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DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of RONCHESS GLOBAL RESOURCES PLC (the "Company") for the year ended 31 December, 2022.

LEGAL FORM

RONCHESS GLOBAL RESOURCES PLC was incorporated on the 5th of September, 2008. In 2021, the Company converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange.

PRINCIPAL ACTIVITIES

The company is engaged in the business of Road Marking and Construction.

OPERATING RESULTS

The following is a summary of the Company's operating results:

	2022 ₦ '000	2021 ₦ '000
Revenue	8,835,700	15,082,491
Profit/(Loss) before tax	1,267,885	5,062,489
Taxation	(234,000)	(163,735)
Profit/(Loss) after tax	1,033,885	4,898,754

DIRECTORS AND THEIR INTERESTS

The names of the present Directors are detailed on page 1. None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act 2020 of any interest in contracts with which the Company was involved during the period under review.

SHAREHOLDERS AND SHAREHOLDING

Shareholding Structure/Free Float Status

Description	31-Dec-22		31-Dec-21	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	91,000,000	100%	91,000,000	100%
Substantial Shareholdings (5% and above)				
Jackson Ukuevo	63,791,000	70.10%	63,791,000	70.10%
Josephine Ukuevo	14,378,000	15.80%	14,378,000	15.80%
Others	12,831,000	14.10%	12,831,000	14.10%
Total Substantial Shareholdings	91,000,000	100.00%	91,000,000	100.00%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				

RONCHESS GLOBAL RESOURCES PLC

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For the year ended 31 December 2022*

	--	--	--	--
		0.00%		0.00%
	--	--	--	--
Total Directors' Shareholdings	0	0.00%	0	0.00%
Other Influential Shareholdings				
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
Free Float in Units and Percentage	0	0.00%	0	0.00%
Free Float in Value	B 454		B 454	

Declaration:

(A) Ronchess Global Plc with a free float percentage of 14.1% as at 31 December 2022, is compliant with Exchange's free float requirements for companies listed on the Growth Board.

(B) Ronchess Global Resources Plc with a free float value of N12,831,000. as at 31 December 2022, is compliant with the Exchange's free float requirements for companies listed on the Growth Board.

FIVE YEAR FINANCIAL SUMMARY

	STATEMENT OF FINANCIAL POSITION				
	2022	2021	2020	2019	2018
	£ 'm	£ 'm	£ 'm	£ 'm	£ 'm
ASSETS					
Non-current assets					
Property, plant, and equipment	6,531	4,002	2,919	165	140
	6,531	4,002	2,919	165	140
Current assets					
Receivables	14,338	12,563	5,514	3,256	2,722
Prepayment	-	34	-	-	-
Cash & cash equivalents	39	2,009	188	4	0.2
Total current assets	14,377	14,606	5,702	3,260	2,722
	20,907	18,608	8,621	3,426	2,862
Total Assets					
LIABILITIES					
Current liabilities					
Trade and other payables	249	3,276	586	48	23
Bank Overdraft	0.2	0.1	-	-	-
Tax Payable	-	275	111	51	43
Borrowings	1,309	871	-	-	-
Total current liabilities	1,558	4,422	697	99	66
EQUITY					
Share capital	91	91	91	1	1
Revaluation Reserve	5,359	1,230	-	-	-
Retained earnings	13,899	12,865	7,863	3,326	2,795
Total equity	19,349	14,186	7,954	3,327	2,796
	20,907	18,608	8,651	3,426	2,862
Total Equity and Liabilities					

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022 ₺ 'm	2021 ₺ 'm	2020 ₺ 'm	2019 ₺ 'm	2018 ₺ 'm
Revenue	8,836	15,082	10,305	2,313	2,390
Cost of sales	(4,430)	(6,137)	(3,883)	(1,415)	(867)
Gross profit	4,406	8,945	6,422	898	1,523
Administrative expenses	(2,516)	(2,370)	(1,151)	(359)	(199)
Impairment loss on trade receivables	(380)	(1,339)	(786)	-	-
Other income	33	-	-	-	-
Finance Cost	(276)	(140)	(140)	-	-
Profit before tax	1,268	5,096	4,345	539	1,324
Tax	-	(164)	(60)	(8)	(20)
Profit after tax	1,268	4,932	4,284	531	1,304
Other comprehensive income net of tax	-	71	5	-	0
Gain on revaluation	4,129	-	-	-	-
Total comprehensive income	5,397	5,003	4,289	531	1,304

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2022 ₺ '000	2021 ₺ '000
Revenue	4	8,835,700	15,082,491
Cost of sales	5	(4,429,832)	(6,137,183)
Gross profit		4,405,868	8,945,308
Impairment loss on trade receivables	10a	(379,669)	(1,339,442)
Administrative expenses	7	(2,515,551)	(2,430,455)
Operating profit		1,510,648	5,062,489
Other income	6	33,142	-
Finance cost	15	(275,905)	(139,921)
Profit/(loss) before tax		1,267,885	5,062,489
Income tax expense	8	(234,000)	(163,735)
Profit for the year		1,033,885	4,898,754
Other comprehensive income			
Exchange gains	6	-	71,041
Gain on revaluation		4,129,205	-
Total comprehensive income		5,163,090	4,969,796
Earnings per share	19	11.4	48.6



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ronchess Global Resources Plc Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Ronchess Global Resources Plc** which comprise the statement of financial position as of 31 December 2022, the statement of profit or loss, the statement of changes in equity, the statement of cash flow for the period then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Ronchess Global Resources Plc** as of 31 December 2022 and the financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2020, and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information

The directors are responsible for the other information. The other information comprises the director's report, which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Director for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2020, Financial Reporting Council Act, 2011 and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



7 Edward Motonu Street, Lekki Phase 1,
Lekki, Lagos Nigeria.
T: 01 888 7978, +234 706 730 6304.
E: info@shelze.com.ng | www.shelze.com.ng
shelzenigeria



Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company's audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2020 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



For: Shelze Professional Services
Chartered Accountants
Lagos, Nigeria
27 March 2023



Engagement Partner: David Apaflo, FCA
FRC/2014/ICAN/00000007739



7 Edward Hotonu Street, Lekki Phase 1,
Lekki, Lagos Nigeria.
T: 01 888 7976, +234 706 730 6304.
E: info@shelze.com.ng | www.shelze.com.ng
shelzenigeria

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
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1. General Information

1.1 Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies and Allied Matters Act 2020.

These financial statements were also prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). Historical cost is generally based on the consideration given in exchange for assets.

The company's functional and presentation currency is the Naira.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

2. Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

(a) Statement of Compliance

The financial statements of RONCHESS GLOBAL RESOURCES PLC is a general -purpose financial report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2011.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value;
- Financial instruments measured at amortized value
- Inventory - lower of cost and net realizable value.
- Lease liabilities - measured at present value of future lease payments

Historical cost is generally based on the fair value of the considerations given in exchange for the assets.

(c) Functional and Presentation Currency

These financial statements are presented in Naira which is the Company's functional currency. All amounts have been rounded up to the nearest thousand, unless otherwise indicated.

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*Audited Financial Statements
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2.1 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.1.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described in the notes below:

Note x: Revenue recognition - whether revenue from sales of goods and services is recognised over or at a point in time.

Note x: Trade receivables - in determining the expected credit loss to be recognised

There were no other significant judgements that could have a material impact on the reported amounts in the financial statements.

2.1.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Hence, measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).

Level 3– inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some cases, if the input used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Note xx - Financial Instruments - Financial risk management and fair value.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company in the period presented in the financial report.

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*Audited Financial Statements
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3.1 Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2022 and have not been adopted in preparing these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Company are set out below. Earlier adoption is permitted; however, the Company has not early adopted the new or amended standard in preparing the financial statement.

- Reference to the Conceptual Framework - Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
- Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

3.2 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows;

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Lease liability in a Sale and Leaseback – Amendments to IFRS 16

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3.3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company and to the three months' periods presented in the financial report.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized, are recognized in the statement of profit or loss in the period in which they arise.

Non-monetary assets and liabilities in a foreign currency that are measured at historical costs are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences are generally recognized in the profit or loss and presented within finance income and costs.

(ii) Fair value changes

Fair value changes on financial assets and liabilities carried at fair value through profit or loss are presented in the statement of profit or loss while fair value changes on other financial instruments at fair value are presented in the statement of other comprehensive income.

(iii) Income tax expense

The tax expense for the period comprises current and deferred income 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 also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is the aggregate of the charge to the profit and loss account in respect of current income tax and education tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) and assessed at 30% of taxable profit. Education tax is assessed at 2.5% of the assessable profits. The directors of the Company continually evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Where the Company has tax losses that can be relieved against a tax liability for a previous year, it recognizes those losses as a recoverable, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises.

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(iv) **Deferred tax**

Deferred income tax is recognised, using the liability method (balance sheet method), on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

(v) **Tax expense**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination

Current tax and deferred taxes are charged or credited or other comprehensive income if the tax relates to the items that are credited or charged, in the same or a different period, directly in equity.

(vi) **Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets **Non-derivative financial assets**

a) **Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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b) Subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

c) Classification

The Company classifies its financial assets as; amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

1. Amortised cost

A financial asset is measured at amortised cost only if it is held within a business model whose objective is to hold assets to collect contractual cash flows (the held-to-collect business model); and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion).

The Company's amortised cost assets comprise trade and other receivables, loans and advances, receivables due from related parties and cash and cash equivalents, and are included in current and non-current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one year and non-current if they are to be settled after one year.

2. Fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI only if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI criterion. The Company did not have assets measured at FVOCI as at year end.

3. Fair value through profit or loss (FVTPL)

All other financial assets - i.e. financial assets that do not meet the criteria for classification as subsequently measured at either amortised cost or FVOCI - are classified as subsequently measured at fair value, with changes in fair value recognised in profit or loss.

In addition, the Company has the option on initial recognition to irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency - i.e. an 'accounting mismatch' - that would otherwise arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. The Company did not have assets measured at FVTPL as at year end.

d) De-recognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been

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transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

e) 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.

The legal enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Bank or the counterparty.

f) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Company of financial assets is impaired. The impairment model in IFRS 9 is an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised. As a result, all financial assets generally carry a loss allowance.

Expected Credit Loss (ECL) is a probability-weighted estimate of credit losses - i.e. the present value of cash shortfalls - over the expected life of the financial instrument. For a financial asset that is credit-impaired, the ECLs are the difference between the asset's gross carrying amount and the present value of estimated future cash flows.

The assessment of ECLs is based on reasonable and supportable information - that is, information reasonably available without undue cost or effort at the reporting date. Impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

To assess whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort, and is relevant for the particular financial instrument being assessed. The information used includes factors that are specific to the borrower and general economic conditions. Possible data sources include internal loss experience and ratings, and external ratings, reports and statistics.

When the Company considers that there are no realistic prospects of recovery of the financial asset, the relative amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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 (in profit or loss) is recognised in the profit or loss.

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Financial liabilities

Non -Derivative financial liabilities:

a. Classification

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities at amortised cost

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short-term nature while borrowings are spilt into current and non-current liabilities.

Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

b. Recognition & measurement

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

(vii) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(viii) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the period in which they were incurred.

Construction work in progress is not depreciated, it is carried at cost less any recognized impairment loss. Costs include professional fees for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policies. On completion of construction, the related amounts are transferred to the appropriate category of property, plant and equipment. Payments in advance for items of property, plant and equipment are included as prepayments in other assets and upon delivery are reclassified as additions in the appropriate category of property, plant and equipment. No depreciation is charged until the assets are available for use.

RONCHESS GLOBAL RESOURCES PLC

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II. Subsequent costs

The cost of replacing a part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

III. Right -of-use -assets

The right -of-use-assets are measured at the present value of the lease liability, adjusted for any prepayment before application and discounted with the incremental borrowing rate at the date of initial application. The company does not recognize right -of-use-asset and record lease liability for the payments of short-term leases. i.e lease term assessed to be 12 months or less from the commencement date and for leases of low value assets. i.e assets which fall below the capitalization threshold for property, plant and equipment. The right -of-use-asset is being depreciated on a straight -line basis and is being recorded in the profit or loss statement.

IV. Depreciation

Depreciation is calculated on items of property, plant and equipment on a straight -line basis over the estimated useful economic lives.

The estimated useful lives for the current periods are as follows:

Asset class	Useful life (years)
Plant & Machinery	15
Generator	5
Computer Equipment	5
Furniture & Fittings	5
Motor Vehicles	5
Office Equipment	5

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Company takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

Property, plant and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

V. De -recognition

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

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
For the year ended 31 December 2022*

VI. Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal and is recognized as an item of other income in the period in which the significant risks and rewards of ownership are transferred to the buyer.

(ix) Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(x) Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

(xi) Statement of cash flows

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

(xii) Related Party

Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(xiii) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method while finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(xiv) Revenue recognition

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).

RONCHESS GLOBAL RESOURCES PLC

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(xv) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Slow moving and obsolete inventory items are written off to profit or loss.

(xv) Provisions and Contingent Liabilities

a. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

b. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(xvi) Employee benefits

a. Defined contribution plan

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

In line with the provisions of the Pension Reform Act 2004, which was updated in July 2014, the Company has a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss. The Company and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowance to the scheme.

b. Termination benefits

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

c. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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(xvii) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily, redeemable preference shares are classified as liabilities.

Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares

Dividends on ordinary shares are recognized as liability in the period in which they are approved by the Company's shareholders. Dividends declared after the balance sheet dates are dealt with in the subsequent period.

(xviii) Earnings per share

Basic earnings per share is calculated by dividing net profit after tax applicable to equity holders of the Company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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	2022 ₺ '000	2021 ₺ '000
4 Revenue		
Lane Marking	16,514	9,471
Road construction contracts	<u>8,819,186</u>	<u>15,073,019</u>
	8,835,700	15,082,491
5 Cost of Sales		
Civil works	50,900	-
Cost of Materials	3,365,016	4,758,002
Freight	192	68,441
Logistics	3,022	39,049
Site Expenses	189,061	1,271,690
Diesel	485,572	-
Subcontract Costs	95,426	-
Hiring costs	189,981	-
Other Direct Cost	50,368	-
Labour wages	<u>294</u>	<u>-</u>
	4,429,832	6,137,183
6 Other income		
Other income	33,142	-
Interest Received	-	2
Investment Income	<u>-</u>	<u>142,297</u>
	33,142	142,300
7 Administrative expenses		
Forex Gains/Losses	-	153,462
Accounting fees	-	2,250
Advertising	-	13,838
Association dues	-	5,807
Audit fees	3,225	3,000
Bank charges	71,172	52,059
Back duty tax expense	25,000	-
Branding & Business development	7,520	18,743
Cleaning and sanitation	999	1,237
Computer expenses	-	75
Consultancy fees	144,958	96,787
Corporate social responsibility	16,900	9,604
Depreciation	698,806	340,631
Donation	-	-
Directors fees	47,059	-
Electricity & water	3,916	6,247
Entertainment	49,570	1,950
Fuel	8,981	33,628
ICT expenses	8,946	3,015
Insurance	7,898	21,573
Legal Fees	15,915	14,304
License Fee	-	28,771

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Medical expenses	2,414	15,860
Motor vehicle expenses	5,381	7,885
Office expenses	23,268	61,321
Miscellaneous expenses	-	48,987
Printing & stationery	7,708	3,899
Renovation expenses	2,383	34,166
Rent Paid	22,067	11,772
Repairs & maintenance	292,163	27,420
Safety expenses	12,492	-
Salaries & wages	913,802	1,233,857
Security	31,947	21,490
Selling & marketing expenses	-	800
Service charge	887	5,479
Software subscription	2,872	-
Staff welfare	2,654	4,890
Statutory fee	2,005	21,928
Telephone & internet	-	3,024
Training	9,285	1,523
Transport	15,745	16,855
Travel & accommodation	57,614	105,066
Webhosting	-	50
WHT expenses	-	8,352
	2,515,551	2,441,606

8 Income Tax Credit/Expense

Opening balance	274,555	110,820
Current income tax (SOPL)	234,000	163,735
Tax paid	(274,555)	-
Withholding tax receivable	(234,000)	-
Closing balance	-	274,555

9 Cash and Cash Equivalents

Bank balances	38,631	2,008,844
	38,631	2,008,844

10 Trade and Other Receivables

Trade receivables	16,702,855	14,683,332
Less: impairment provision	(2,505,428)	(2,125,759)
	14,197,427	12,557,572
Staff loans	-	5,326
Investment in subsidiaries	5,004	-
Withholding tax receivable	135,826	-
	14,338,257	12,562,898

RONCHESS GLOBAL RESOURCES PLC

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10a Allowance for impairment loss on trade receivables		
Opening balance	2,125,759	786,317
For the year	379,669	1,339,442
Reversed	-	-
Closing balance	2,505,428	2,125,759
11 Prepayments		
Prepaid Rent	-	5,000
Prepaid Audit Fees	-	29,103
	-	34,103
12 Trade and Other Payables		
Trade and Other Payables	-	1,856,621
Salaries payable	245,782	1,416,030
Audit fee payables	3,225	3,000
	249,007	3,275,651
13 Loans & borrowings		
Bank Loan	681,030	871,230
Borrowings	628,000	-
	1,309,030	871,230
Analyzed as follows:		
Current portion	1,309,030	871,230
Non-current portion	-	-
	1,309,030	871,230
14 Share Capital		
Issued and fully paid for Ordinary shares at N1.00 each	91,000	1,000
Movements during the year:		
At 1 January	91,000	1,000
Issued during the year	-	90,000
At 31 December	91,000	91,000
15 Finance Cost		
Interest on loan	275,905	139,921
	275,905	139,921
16 Bank Overdraft		
Bank Overdraft	190	65
	190	65

RONCHESS GLOBAL RESOURCES PLC

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17 Earnings per share		
Profit for the year	<u>1,033,885</u>	<u>4,860,604</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>91,000</u>	<u>91,000</u>
Basic earnings per share (Naira)	<u>11.4</u>	<u>53.4</u>

RONCHESS GLOBAL RESOURCES PLC

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18 Property, plant and equipment

Cost	Plant & Machinery ¥ '000	Computer Equipment ¥ '000	Furniture & Fittings ¥ '000	Motor Vehicle ¥ '000	Office Equipment ¥ '000	Generator ¥ '000	Total ¥ '000
At 1 January 2022	2,601,225	17,546	68,593	458,478	159,787	106,210	3,411,838
Revaluation Adjustment	3,794,952	52,355	323,968	219,078	603,666	152,515	5,146,534
Additions	-	954	-	49,460	98,338	-	148,752
At 31 December 2022	6,396,177	70,854	392,560	727,016	861,791	258,725	8,707,124
Accumulated Depreciation							
At 1 January 2022	352,589	6,088	22,934	158	50,078	28,598	460,445
Revaluation Adjustment	597,199	19,440	126,506	12,152	211,525	50,507	1,017,329
Charge for the period	341,032	10,229	56,192	124,953	125,329	41,071	698,806
At 31 December 2022	1,290,819	35,756	205,632	137,264	386,932	120,177	2,176,580
Net Book Amount at 31 December 2022	5,105,358	35,098	186,929	589,752	474,859	138,548	6,530,544

19. Financial Risk Management

19.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks. The company therefore aims to achieve an appropriate balance between risk and returns so as to minimize the potential adverse effects of the risks on the company's financial performance.

The directors are responsible for the determination of the company's risk management objectives and policies. The company's risk management policies are designed to identify and analyse financial risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

(a) Market Risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

Interest Rate Risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's significant interest-bearing financial assets are cash and cash equivalents.

(b) Credit Risk

Credit risk represents the potential loss that the company would incur if counter parties fail to perform pursuant to the terms of their obligations to the company. At the reporting date, the main exposures to credit risk were in relation to receivables and cash and cash equivalents.

(c) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when due. The company's policy is to ensure that it always has sufficient funds to meet its liabilities when they become due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. This is achieved by monitoring rolling forecasts of the company's liquidity reserve on the basis of expected cash flows. The directors do not foresee any major liquidity risk over the next two years.

19.2 Capital Risk Management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for the directors and benefits for other stakeholders.

20 Impact of COVID -19 on the operations of the Company

There was no significant impact on the entity as at year end

21 Litigations and Claims

There was no outstanding litigation or claim against the entity as at year end.

22 Capital Commitments

There were no capital commitments as at the end of the year.

23 Subsequent Events Review

There were no events after the reporting period which has material effect on the state of affairs of the company as at 31 December 2022 that have not been adequately provided or disclosed.

RONCHESS GLOBAL RESOURCES PLC

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STATEMENT OF CASH FLOWS

	2022	2021
	₹ '000	₹ '000
Operating Activities		
Profit/(Loss) after tax	1,033,885	4,931,862
Adjustments for non-cash items		
Depreciation of property, plant and equipment	698,806	373,739
Exchange gain	-	71,041
Finance cost	275,905	139,921
Tax provision	234,000	216,619
Impairment loss on trade receivables	379,669	1,339,442
Cashflow from operating activities before changes in working capital	2,622,265	7,072,624
Movement in working capital		
Increase/decrease in current assets	(1,579,102)	(7,052,881)
Increase/decrease in current liabilities	(3,026,644)	2,693,752
	(1,983,481)	2,713,495
Cash generated from operations		
Tax paid	-	-
Cash generated from operating activities	(1,983,481)	2,713,495
Investing Activities		
Purchase of property, plant and equipment	(148,752)	(1,435,369)
Net Cash generated from Investing Activities	(148,752)	(1,435,369)
Financing Activities		
Proceeds of ordinary share capital	-	-
Interest paid	(275,905)	(139,921)
Proceeds from borrowings	437,800	866,230
Net cash generated from financing activities	161,895	726,309
Net increase in cash and cash equivalent	(1,970,338)	2,004,435
Cash at the beginning of the year	2,008,779	4,344
Cash at the end of the year	38,441	2,008,779
Represented by:		
Cash Balance	38,631	2,008,844
Bank Overdraft	(190)	(65)
	38,441	2,008,779

STATEMENT OF VALUE ADDED

	31 -Dec -22		31 -Dec -21	
	₤ '000	%	₤ '000	%
Gross earnings	8,835,700		15,082,491	
Brought -in-material and services	(1,538,158)		(8,775,809)	
Value added	7,297,542		6,306,682	
Distribution of Value Added:				
To pay employees:				
Wages, salaries and other benefits	925,741	13	1,233,857	20
To pay government:				
Taxes	234,000	3	163,735	3
To provider of finance:				
Finance cost	275,905	4	139,921	2
Retained for future replacement of assets and expansion of business:				
Depreciation	698,806	10	340,631	5
Profit for the period	5,163,090	71	4,428,538	70
	7,297,542	100	6,306,682	100

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.

2023
FINANCIAL
STATEMENTS



RONCHESS GLOBAL RESOURCES PLC.

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CORPORATE INFORMATION

Board of Directors	Nationality	Designation
Adeolu Adeboye	Nigerian	Chairman
Niyi Ogunnowo	Nigerian	Vice Chairman
Ukuevo Jackson	Nigerian	Managing Director
Okafor Akalaka	Nigerian	Independent Non-Executive Director
Temitope Adeboye	Nigerian	Independent Non-Executive Director
Tope Adebosin	Nigerian	Non-Executive Director
Leon Kelly	American	Independent Non-Executive Director
Josephine Ukuevo	Nigerian	Non-Executive Director

RC NU4BER: 771515

NATURE OF BUSINESS: Construction

REGISTERED OFFICE: 179, Moshood Olugbemi Street,
Victoria Island,
Lagos.

INDEPENDENT AUDITORS: Shelze Professional Services
7, Edward Hotunu Street,
Lekki Phase 1,
Lagos.

BANKERS: Access Bank
Ecobank
FCMB
Fidelity Bank
Guaranty Trust Bank Plc.
Keystone Bank
Sterling Bank
Parallex Bank
Polaris Bank
Providus Bank
UBA
Union Bank
Zenith Bank Plc.

RONCHESS GLOBAL RESOURCES PLC

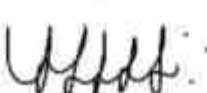
*Audited Financial Statements
For the year ended 31 December 2023*

STATEMENT OF FINANCIAL POSITION

Assets	Notes	2023 N'000	2022 N'000
Non-current assets			
Property, plant and equipment	18	5,756,435	6,530,544
Investments	19	795,277	-
Total non-current assets		6,551,712	6,530,544
Current assets			
Cash & cash equivalents	9	25,519	38,631
Trade and other receivables	10	2,668,881	14,338,257
Prepayments	11	-	-
Total current assets		2,694,400	14,376,888
Total assets		9,246,112	20,907,432
Equity and liabilities			
Equity			
Share capital	14	91,000	91,000
Revaluation reserve		4,449,363	5,359,285
Retained earnings		2,608,450	13,898,920
Total equity		7,148,813	19,349,205
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	12	412,042	249,007
Bank overdraft	16	1,041,583	190
Income tax payable	8	-	-
Borrowings	13	643,674	1,309,030
Total current liabilities		2,097,299	1,558,227
Total equity and liabilities		9,246,111	20,907,432

These financial statements were approved by the Directors and signed on its behalf by:


Oluwakemi Akinloye
 Chief Financial Officer
 FRC/2019/ICAN/0000001993


Ukuevo Jackson
 Chief Executive Officer
 FRC/2024/PRO/D1R/003/503251


Adeolu Adeboye
 Chairman

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
For the year ended 31 December 2023*

DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of RONCHESS GLOBAL RESOURCES PLC (the "Company") for the year ended 31 December, 2023.

LEGAL FORM

RONCHESS GLOBAL RESOURCES PLC was incorporated on the 5th of September, 2008. In 2021, the Company converted to a public limited liability company and its shares became listed on the Nigerian Stock Exchange.

PRINCIPAL ACTIVITIES

The company is engaged in the business of Road Marking and Construction.

OPERATING RESULTS

The following is a summary of the Company's operating results:

	2023 N'000	2022 N'000
Revenue	3,623,161	8,835,700
Cost of sales	(7,282,072)	(4,429,832)
Gross profit	(3,658,911)	4,405,868
Impairment loss on trade receivables	(122,098)	(379,669)
Administrative expenses	(2,128,159)	(2,515,551)
Operating Profit/(Loss)	(5,909,168)	1,510,648

DIRECTORS AND THEIR INTERESTS

The names of the present Directors are detailed on page 1. None of the Directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act 2020 of any interest in contracts with which the Company was involved during the period under review.

SHAREHOLDERS AND SHAREHOLDING

The names of the shareholders and their allotted shareholdings are as follows:

Share Range	Number of Ordinary Shares of ₦1 each	
	% Holding	2023
1 - 50,000,000	29.90%	20,200,000
50,000,001-100,000,000	70.10%	70,800,000
	100%	91,000,000

PROPOSED DIVIDEND

The directors did not recommend the payment of any dividend to shareholders for the year ended 31 December 2023.

AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company as at 31 December 2023 is N91,000,000 divided into 91,000,000 ordinary shares of ₦1 each.

RONCHESS GLOBAL RESOURCES PLC

*Financial Statements
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FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	2023 N'm	2022 N'm	2021 N'm	2020 N'm	2019 N'm
ASSETS					
Non-current assets					
Property, plant and equipment	5,756	6,531	4,002	2,919	165
Investments	795	-	-	-	-
	6,552	6,531	4,002	2,919	165
Current assets					
Receivables	2,669	14,338	12,563	5,514	3,256
Prepayment	-	-	34	-	-
Cash & cash equivalents	26	39	2,009	188	4
Total current assets	2,694	14,377	14,606	5,702	3,260
Total Assets	9,246	20,907	18,608	8,621	3,426
LIABILITIES					
Current liabilities					
Trade and other payables	412	249	3,276	586	48
Bank Overdraft	1,042	0	0	-	-
Tax Payable	-	-	275	111	51
Borrowings	644	1,309	871	-	-
Total current liabilities	2,097	1,558	4,422	697	99
EQUITY					
Share capital	91	91	91	91	1
Revaluation Reserve	4,449	5,359	1,230	-	-
Retained earnings	2,608	13,899	12,865	7,863	3,326
Total equity	7,149	19,349	14,186	7,954	3,327
Total Equity and Liabilities	9,246	20,907	18,608	8,651	3,426

RONCHESS GLOBAL RESOURCES PLC

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023	2022	2021	2020	2019
	N'm	N'm	N'm	N'm	N'm
Revenue	3,623	8,836	15,082	10,305	2,313
Cost of sales	(7,282)	(4,430)	(6,137)	(3,883)	(1,415)
Gross profit	(3,659)	4,406	8,945	6,422	898
Administrative expenses	(2,128)	(2,516)	(2,442)	(1,151)	(359)
Impairment loss on trade receivables	(122)	(380)	(1,339)	(786)	-
Other income	-	33	-	-	-
Finance Cost	(596)	(276)	(140)	(140)	-
Profit before tax	(6,505)	1,268	5,024	4,345	539
Tax	-	(234)	(164)	(60)	(8)
Profit after tax	(6,505)	1,034	4,861	4,284	531
Other comprehensive income net of tax	-	-	142	5	-
Gain on revaluation	-	4,129	-	-	-
Total comprehensive income	(6,505)	5,397	5,003	4,290	531

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
For the year ended 31 December 2023*

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2023 N'000	2022 N'000
Revenue	4	3,623,161	8,835,700
Cost of sales	5	(7,282,072)	(4,429,832)
Gross profit		(3,658,911)	4,405,868
Impairment loss on trade receivables	10a	(122,098)	(379,669)
Administrative expenses	7	(2,128,159)	(2,515,551)
Operating profit		(5,909,168)	1,510,648
Other income	6	481	33,142
Finance cost	15	(595,948)	(275,905)
Profit/(loss) before tax		(6,504,635)	1,267,885
Income tax expense	8		(234,000)
Profit for the year		(6,504,635)	1,033,885
Other comprehensive income			
Exchange gains	6	-	-
Gain on revaluation		-	4,129,205
Total comprehensive income		(6,504,635)	5,163,090
Earnings per share	17	(71.5)	11.4



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Ronchess Global Resources Plc
Report of the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Ronchess Global Resources Plc** which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, statement of changes in equity, statement of cash flow for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Ronchess Global Resources Plc** at 31 December, 2023 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information

The directors are responsible for the other information. The other information comprises the director's report, which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Financial Reporting Council Act, 2023 and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



7 Edward Hobonli Street,
Lekki Phase 1, Lagos Nigeria.
T: 01 888 7978, +234 708 730 6304.
E: info@shelze.com.ng | www.shelze.com.ng
shelzenigeria

**Auditor's Responsibilities for the Audit of Financial Statements**

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

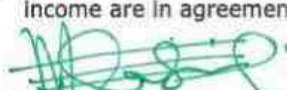
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act 2020 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



For: Shelze Professional Services
Chartered Accountants
Lagos, Nigeria
29 April 2024



Engagement Partner: David Apafio, FCA
FRC/2014/PRO/00000007739



7 Edward Hotonu Street,
Lekki Phase 1, Lagos Nigeria.
T: 01 888 7978, +234 708 730 6304.
E: info@shelze.com.ng | www.shelze.com.ng
Twitter, Facebook, LinkedIn: shelzenigeria

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NOTES TO THE FINANCIAL STATEMENTS

1. General Information

1.1 Presentation of Financial Statement

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies and Allied Matters Act 2020.

These financial statements were also prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). Historical cost is generally based on the consideration given in exchange for assets.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the Half year ahead.

2.0 Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

a) Statement of Compliance The financial statements of RONCHESS GLOBAL RESOURCES PLC is a general-purpose financial report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the requirements of the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act 2023.

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- <> Financial instruments at fair value through profit or loss are measured at fair value;
- <> Financial instruments measured at amortized value.
- <> Inventory-lower of cost and net realizable value.
- <> Lease liabilities-measured at present value of future lease payments.

Historical cost is generally based on the fair value of the considerations given in exchange for the assets;

c) Functional and Presentation Currency These financial statements are presented in Naira which is the Company's functional currency. All amounts have been rounded up to the nearest thousand, unless otherwise indicated

2.0.0 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to

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accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.0.1 Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described in the notes below:

Note 4: Revenue recognition-whether revenue from sales of goods and services is recognised over or at a point in time.

Note 10: Trade receivable-in determining the expected credit loss to be recognised.

There were no other significant judgements that could have a material impact on the reported amounts in the financial statements

2.1.2 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Hence, measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

In some cases, if the input used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Notes - Financial Instruments Financial risk management and fair value.

3.1 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard	Content	Effective Date
Amendment to IFRS 16	Leases	1-Jan-24
Amendment to IAS 1	Presentation of Financial Statement	1-Jan-24
Amendment to IAS 7	Statement of Cash flow	1-Jan-24
Amendment to IFRS 7	Financial Instruments Disclosures	1-Jan-24

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Amendments to IFRS 16, Leases - Lease Liability in a Sale-and-Leaseback

IFRS 16 specifies how an IFRS reporter will recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The amendments to IFRS 16 requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows:

- On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognized.

Seller-lessees are required to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

Effective date of this standard is 1 January 2024.

Amendments to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

IAS 1 provides clarification on the classification of liabilities as current or noncurrent based solely on an entity's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance.

Only covenants with which a entity must comply on or before the reporting date may affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or noncurrent at the reporting date. However, disclosure about covenants is now required to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments also clarify that the transfer of an entity's own equity instruments is regarded as a settlement of a liability. If a liability has any conversion options, they generally affect its classification as current or noncurrent, unless these conversion options are recognized as equity under IAS 32, Financial Instruments: Presentation.

Effective date of this standard is 1 January 2024.

3.2 Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Company and to the three months periods presented in the financial report

a. Foreign Currency Transactions:

Foreign Currency Transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized, are recognized in the statement of profit or loss in the period in which they arise. Non-monetary assets and liabilities in a foreign currency that are measured at historical costs are translated using the exchange rates at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences are generally recognized in the profit or loss and presented within finance income and costs.

b. Fair Value Change

Fair Value Change on financial assets and liabilities carried at fair value through profit or loss are presented in the statement of profit or loss while fair value changes on other financial instruments at fair value are presented in the statement of other comprehensive income.

c. Income Tax Expense

The Tax Expense for other period comprises current and deferred income 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 also recognized in other comprehensive income or directly in equity respectively. The current income tax charge is the aggregate of the charge to the profit and loss account in respect of current income tax and education tax. Current income tax is the amount of income tax payable on the taxable profit for the Half year determined in accordance with the Companies Income Tax Act (CITA) and assessed at 30% of taxable profit. Education tax is assessed at 2.5% of the assessable profits. The directors of the Company continually evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Where the Company has tax losses that can be relieved against a tax liability for a previous Half year, it recognizes those losses as a recoverable, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises.

d. Deferred tax

Deferred income tax is recognised, using the liability method (balance sheet method), on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the

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related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis

e. Tax expense

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arise from:

- A transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- A business combination Current tax and deferred taxes are charged or credited or other comprehensive income if the tax relates to the items that are credited or charged, in the same or a different period, directly in equity.

f. Financial instruments

Initial recognition and subsequent measurement A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets non-derivative financial assets

a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

c) Classification

The Company classifies its financial assets as; amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

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1. Amortised cost

A financial asset is measured at amortised cost only if it is held within a business model whose objective is to hold assets to collect contractual cash flows (the held-to-collect business model); and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPP1 criterion).

The Company's amortised cost assets comprise trade and other receivables, loans and advances, receivables due from related parties and cash and cash equivalents, and are included in current and non-current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one Half year and non-current if they are to be settled after one Half year.

2. Fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI only if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI criterion. The Company did not have assets measured at FVOCI as at Half year end.

3. Fair value through profit or loss (FVTPL) All other financial assets - i.e., financial assets that do not meet the criteria for classification as subsequently measured at either amortised cost or FVOCI - are classified as subsequently measured at fair value, with changes in fair value recognised in profit or loss.

In addition, the Company has the option on initial recognition to irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency - i.e., an 'accounting mismatch' - that would otherwise arise from measuring assets liabilities, or recognising the gains and losses on them, on different bases. The Company did not have assets measured at FVTPL as at Half year end

d) De-recognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition).

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

e) 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.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Bank or the counterparty.

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f) **Impairment of financial assets**

The Company assesses at the end of each reporting period whether there is **objective** evidence that a financial asset or a Company of financial assets is impaired. The impairment model in IFRS 9 is an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised. As a result, all financial assets generally carry a loss allowance.

Expected Credit Loss (ECL) is a probability-weighted estimate of credit losses - i.e. the present value of cash shortfalls - over the expected life of the financial instrument. For a financial asset that is credit-impaired, the ECLs are the difference between the asset's gross carrying amount and the present value of estimated future cash flows.

The assessment of ECLs is based on reasonable and supportable information - that is, information reasonably available without undue cost or effort at the reporting date. Impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

To assess whether there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort, and is relevant for the particular financial instrument being assessed

The information used includes factors that are specific to the borrower and general economic conditions. Possible data sources include internal loss experience and ratings, and external ratings, reports and statistics. When the Company considers that there are no realistic prospects of recovery of the financial asset, the relative amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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 (in profit or loss) is recognised in the profit or loss.

Financial liabilities non-Derivative financial liabilities:

a. Classification:

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities at amortised cost

These includes trade and other payables, loan payables and borrowings. Trade payables are classified as current liabilities due to their short-term nature while borrowings are split into current and non-current liabilities. Borrowings included in

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non-current liabilities are those with maturities greater than 12 months after the reporting date

b. Recognition & measurement

Financial liabilities are recognised initially at fair value, net of any transaction costs. Loan payables and borrowings are recognised on the date when they are originated. All other financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument. Subsequently, they are measured at amortised cost using the effective interest method.

g. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

h. Property, plant and equipment

I. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are capitalized only to the extent that they enhance the future economic benefits expected to be derived from the assets and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the period in which they were incurred.

Construction work in progress is not depreciated, it is carried at cost less any recognized impairment loss. Costs include professional fees for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policies. On completion of construction, the related amounts are transferred to the appropriate category of property, plant and equipment. Payments in advance for items of property, plant and equipment are included as prepayments in other assets and upon delivery are reclassified as additions in the appropriate category of property, plant and equipment. No depreciation is charged until the assets are available for use.

II. Subsequent costs

The cost of replacing a part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

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III. Right-of-use-assets

The right-of-use-assets are measured at the present value of the lease liability, adjusted for any prepayment before application and discounted with the incremental borrowing rate at the date of initial application. The company does not recognize right of-use-asset and record lease liability for the payments of short-term leases, i.e., lease term assessed to be 12 months or less from the commencement date and for leases of low value assets, i.e. assets which fall below the capitalization threshold for property, plant and equipment. The right-of-use-asset is being depreciated on a straight-line basis and is being recorded in the profit or loss statement.

IV. Depreciation

Depreciation is calculated on items of property, plant and equipment on a straight-line basis over the estimated useful economic lives.

The estimated useful lives for the current periods are as follows:

<u>Asset class</u>	<u>Useful Life</u>
Plant & Machinery	7
Generator	20
Computer Equipment	20
Furniture & Fittings	20
Motor Vehicles	20
Office Equipment	20

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Company takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

Property, plant and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

V. De-recognition

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

VI. Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and

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the proceeds of disposal and is recognized as an item of other income in the period in which the significant risks and rewards of ownership are transferred to the buyer.

(VII) Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

(VIII) Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes

(X) Statement of cash flows

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

(XI) Related Party

Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(XII) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method while finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(XIII) Revenue recognition

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time (typically for promises

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to transfer goods to a customer) or over time (typically for promises to transfer services to a customer or for construction related activities).

(XIV) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Slow moving and obsolete inventory items are written off to profit or loss.

(XV) Provisions and Contingent Liabilities

a. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of value of money and, where appropriate, the risks specific to the liability.

b. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(XVI) Employee benefits

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

In line with the provisions of the Pension Reform Act 2004, which was updated in July 2014, the Company has a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to profit or loss. The Company and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowance to the scheme.

b. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs

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for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.

c. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(XVII) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity. Mandatorily, redeemable preference shares are classified as liabilities.

Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends on ordinary shares are recognized as liability in the period in which they are approved by the Company's shareholders. Dividends declared after the balance sheet dates are dealt with in the subsequent period.

(xviii) Earnings per share

Basic earnings per share is calculated by dividing net profit after tax applicable to equity holders of the Company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial Half year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

RONCHESS GLOBAL RESOURCES PLC

Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

	2023 N'000	2022 N'000
4 Revenue		
Lane Marking	-	16,514
Road construction contracts	3,623,161	8,819,186
	3,623,161	8,835,700
5 Cost of Sales		
Civil works	-	50,900
Cost of Materials	6,333,303	3,365,016
Freight	12,310	192
Logistics	40,310	3,022
Site Expenses	353,372	189,061
Diesel	419,878	485,572
Subcontract Costs	-	95,426
Hiring costs	106,987	189,981
Other Direct Cost	4,075	50,368
Labour wages	11,838	294
	7,282,072	4,429,832
6 Other income		
Other income	481	33,142
Interest Received	-	-
Investment Income	-	-
	481	33,142
7 Administrative expenses		
Advertising, Branding & Business development	69,140	7,520
AGM Expenses	3,418	-
Association dues	560	-
Audit fees	7,000	3,225
Bank charges	6,369	71,172
Back duty tax expense	8,815	25,000
Building Renovation	9,761	2,383
Cleaning and sanitation	1,223	999
Computer expenses	880	-
Consultancy fees	17,988	144,958
Corporate social responsibility	8,250	16,900
Depreciation	18,058	698,806
Directors fees	63,500	47,059
Electricity & water	1,909	3,916
Entertainment	-	49,570
Fines	20	-
Fuel	25,051	8,981
General Expenses	8,714	-
ICT expenses	1,639	8,946
Insurance	4,416	7,898
Legal Fees	55,875	15,915
Marketing Expenses	372,345	-

RONCHESS GLOBAL RESOURCES PLC

Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

	2023 N'000	2022 N'000
Motor vehicle expenses	26,839	5,381
Office expenses	9,357	23,268
Postage & Courier Expenses	2,896	-
Printing & stationery	4,966	7,708
Rent Paid	35,379	22,067
Repairs & maintenance	192,112	292,163
Safety expenses	5,762	12,492
Staff Cost (Note 7a)	778,728	928,155
Security	56,106	31,947
Service charge	1,760	887
Software subscription	2,031	2,872
Statutory fee	192,699	2,005
Transport	8,019	15,745
Travel & accommodation	126,574	57,614
	2,128,159	2,515,551
7a Staff Cost		
Salaries & wages	634,794	913,802
Allowance	14,215	-
Staff Lodges Rent	25,909	-
Utility Allowance	240	-
Medical expenses	988	2,414
Staff Medical	2,945	-
Staff welfare	26,637	2,654
Other Payroll Cost	38,311	-
Training	34,690	9,285
	778,728	928,155
8 Income Tax Credit/Expense		
Opening balance	-	274,555
Current income tax (SOPL)	-	234,000
Tax paid	-	(274,555)
Withholding tax receivable	-	(234,000)
Closing balance	-	-
9 Cash and Cash Equivalents		
Bank balances	25,519	38,631
	25,519	38,631
10 Trade and Other Receivables		
Trade receivables	7,227,786	16,702,855
Less: Prior year adjustments	(4,785,835)	-
Less: impairment provision	(122,098)	(2,505,428)
	2,319,853	14,197,427

RONCHESS GLOBAL RESOURCES PLC

*Financial Statements
For the year ended 31 December 2023*

NOTES TO THE FINANCIAL STATEMENTS

	2023 N'000	2022 N'000
Sundry Debtors	19,100	-
Staff Pensions	716	-
Staff loans	100	-
Due from related parties	-	5,004
Withholding tax receivable	329,112	135,826
	2,668,881	14,338,257
10a Allowance for impairment loss on trade receivables		
Opening balance	2,505,428	2,125,759
For the year	122,098	379,669
Prior year adjustment	(2,505,428)	-
Closing balance	122,098	2,505,428
11 Prepayments		
Prepaid expenses	-	-
	-	-
12 Trade and Other Payables		
Trade Payables	350,000	-
Salaries payable	-	245,782
PAYE Liabilities	3,046	-
WHT Payables	51,996	-
Audit fee payables	7,000	3,225
	412,042	249,007
13 Loans & borrowings		
Bank Loan	643,674	681,030
Other Borrowings	-	628,000
	643,674	1,309,030
Analyzed as follows:		
Current portion	643,674	1,309,030
Non-current portion	-	-
	643,674	1,309,030
14 Share Capital		
Issued and fully paid for Ordinary shares at N1.00 each	91,000	91,000
Movements during the year:		
At 1 January	91,000	91,000
Issued during the year	-	-
At 31 December	91,000	91,000

RONCHESS GLOBAL RESOURCES PLC

*Financial Statements
For the year ended 31 December 2023*

NOTES TO THE FINANCIAL STATEMENTS

	2023 N'000	2022 N'000
15 Finance Cost		
Interest on loan	595,948	275,905
	595,948	275,905
16 Bank Overdraft		
Bank Overdraft	1,041,583	190
	1,041,583	190
17 Earnings per share		
Profit for the year	(6,504,635)	1,033,885
Weighted average number of ordinary shares for the purpose of basic earnings per share	91,000	91,000
Basic earnings per share (Naira)	(71.5)	11.4
18 Investment		
Investment in unquoted companies	795,277	0
	795,277	-

RONCHESS GLOBAL RESOURCES PLC

Financial Statements For the year ended 31 December 2023

19 Property, Plant and Equipment

As At 31 December 2023

	Plant & Machinery N'000	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicle N'000	Office Equipment N'000	Generator N'000	Total N'000
At 1 January 2023	6,396,177	70,854	392,560	727,016	861,791	258,725	8,707,124
Revaluation Adjustment							
Additions	97,814	669		1,505	22,435	31,448	153,871
At 31 December 2023	6,493,991	71,523	392,560	728,521	884,226	290,172	8,860,995

Accumulated Depreciation

	Plant & Machinery N'000	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicle N'000	Office Equipment N'000	Generator N'000	Total N'000
At 1 January 2023	1,290,819	35,756	205,632	137,264	386,932	120,177	2,176,580
Revaluation Adjustment							
Charge for the period	454,579	14,305	78,512	145,704	176,845	58,034	927,980
At 31 December 2023	1,745,399	50,061	284,144	282,968	563,777	178,211	3,104,560

Net Book Amount at 31 December 2023	4,748,593	21,462	108,416	445,553	320,449	111,961	5,756,435
Net Book Amount at 31 December 2022	5,105,358	35,098	186,929	589,752	474,859	138,548	6,530,544

Depreciation for PPE was split between operating expenses and revaluation reserves in accordance with IAS 16. The portion of depreciation attributable to the cost of PPE was recognized under operating expenses, while the portion resulting from PPE revaluation was offset against the revaluation reserves.

RONCHESS GLOBAL RESOURCES PLC

*Financial Statements
For the year ended 31 December 2023*

20. Financial Risk Management

20.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks. The company therefore aims to achieve an appropriate balance between risk and returns to minimize the potential adverse effects of the risks on the company's financial performance.

The directors are responsible for the determination of the company's risk management objectives and policies. The company's risk management policies are designed to identify and analyse financial risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

(a) Market Risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

(b) Interest Rate Risk

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's significant interest-bearing financial assets are cash and cash equivalents.

(c) Credit Risk

Credit risk represents the potential loss that the company would incur if counter parties fail to perform pursuant to the terms of their obligations to the company. At the reporting date, the main exposures to credit risk were in relation to receivables and cash and cash equivalents.

(d) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when due. The company's policy is to ensure that it always has sufficient funds to meet its liabilities when they become due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. This is achieved by monitoring rolling forecasts of the company's liquidity reserve on the basis of expected cash flows. The directors do not foresee any major liquidity risk over the next two years.

20.2 Capital Risk Management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for the directors and benefits for other stakeholders.

20.3 Critical Accounting Estimates and Judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment

RONCHESS GLOBAL RESOURCES PLC

Financial Statements
For the year ended 31 December 2023

to the carrying amounts of assets and liabilities within the next financial year are as shown below:

Impairment of Assets

The company follows the guidance of IAS 36 and IAS 39 in determining when an asset is other-than-temporarily impaired. This determination requires significant judgement.

In making this judgement, the company evaluates, among other factors, the duration and extent to which the fair value of an asset is less than its costs, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Useful Lives of Depreciable Assets

Management reviews the useful lives of depreciable assets including property, plant and equipment and intangible assets at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence. Details of the Property, Plant and Equipment and Intangibles useful lives are provided.

Components

In applying IAS 16 the recognition of property, plant and equipment, management applies judgement to determine aggregation of assets. The standard does not prescribe the unit measure for recognition or what constitutes an item of property, plant and equipment. Thus, judgement is required in applying the recognition criteria to the company's specific circumstances. The company aggregates individually insignificant items, such as small office equipment. Management has determined that there are no significant components to property, plant and equipment that should be segregated.

21 Related Party Transactions

During the year, the company entered into a cash management agreement with Ronchess Group Plc and Ronchess Infrastructure Management Limited to receive funds on its behalf. The cash balances held by these entities at year end are as shown below:

Related Entities	Nature of Relationship	31-Dec-23 N'000
Due from Ronchess Group Limited Due from Ronchess Infrastructure	Common control	NIL
Management Limited	Common control	NIL

22 Segment Reporting

The primary geographical segment of RONCHESS GLOBAL RESOURCES PLC is Nigeria as the Company's income is derived in Nigeria. Therefore, no further business or geographical segments information is reported.

23 Contingent Liabilities

The Company is engaged in lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation and other claims amounted to 450 million. The company has assessed these claims and believes that no material loss is expected to arise from them.

RONCHESS GLOBAL RESOURCES PLC

*Financial Statements
For the year ended 31 December 2023*

24 Capital Commitments

There were no capital commitments as at the end of the year.

25 Subsequent Events Review

There were no events after the reporting period which has material effect on the state of affairs of the company as at 31 December 2023 that have not been adequately provided or disclosed.

RONCHESS GLOBAL RESOURCES PLC

*Audited Financial Statements
For the year ended 31 December 2023*

STATEMENT OF CASHFLOWS

	2023 N'000	2022 N'000
Operating Activities		
Profit/(Loss) after tax	(6,504,635)	1,033,885
Adjustments for non-cash items		
Depreciation of property, plant and equipment	18,058	698,806
Exchange gain	-	-
Finance cost	-	275,905
Tax provision	-	234,000
Prior year adjustment	(4,785,835)	-
Impairment loss on trade receivables	-	379,669
Cashflow from operating activities before changes in working capital	(11,272,412)	2,622,265
Movement in working capital		
Increase/decrease in current assets	11,669,376	(1,579,102)
Increase/decrease in current liabilities	163,035	(3,026,644)
	(559,999)	(1,983,481)
Cash generated from operations		
Tax paid	-	-
Cash generated from operating activities	(559,999)	(1,983,481)
Investing Activities		
Property, plant and equipment	(153,871)	(148,752)
Investment	(795,277)	-
Net Cash generated from Investing Activities	(949,148)	(148,752)
Financing Activities		
Proceeds of ordinary share capital	-	-
Interest paid	-	(275,905)
Proceeds from borrowings	(665,356)	437,800
Net cash generated from financing activities	(665,356)	161,895
Net increase in cash and cash equivalent	(1,054,505)	(1,970,338)
Cash at the beginning of the year	38,441	2,008,779
Cash at the end of the year	(1,016,064)	38,441
Represented by:		
Cash Balance	25,519	38,631
Bank Overdraft	(1,041,583)	(190)
	(1,016,064)	38,441

RONCHESS GLOBAL RESOURCES PLC

*Financial Statements
For the year ended 31 December 2023*

SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF VALUE ADDED

	31-Dec-23 N'000	%	31-Dec-22 N'000	%
Gross earnings	3,623,161		8,835,700	
Brought-in-material and services	(7,825,140)		(1,538,158)	
Value added	(4,201,979)	100	7,297,542	100
Distribution of Value Added:				
To pay employees:				
Wages, salaries and other benefits	778,728	19%	925,741	13%
To pay government:				
Taxes	-	0%	234,000	3%
To provider of finance:				
Finance cost	595,948	14%	275,905	4%
Retained for future replacement of assets and expansion of business:				
Depreciation	927,980	22%	698,806	10%
Profit/ (Loss) for the period	(6,504,635)	-155%	5,163,090	71%
	(4,201,979)	100	7,297,542	100

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.

NOTICE OF CONSOLIDATED ANNUAL GENERAL MEETINGS

FOR THE YEARS ENDED 31st DECEMBER 2021, 31st DECEMBER 2022, 31st DECEMBER AND 2023

NOTICE IS HEREBY GIVEN that the 1st, 2nd and 3rd Annual General Meetings of members of **RONCHESS GLOBAL RESOURCES PLC ("the Company")** will be held at **NORDIC HOTEL, 258 KOFO ABAYOMI STREET, VICTORIA ISLAND LAGOS**, on the **24th of April, 2025 at 12 noon** to transact the following business: -

ORDINARY BUSINESS

1. To lay before the members, the 2021, 2022 and 2023 Audited Financial Statements, the Reports of the Directors and Report of Auditors thereon;
2. To authorize the Directors to fix the remuneration of the External Auditors for the 2021, 2022 and 2023 financial years;
3. To elect or re-elect Director;
4. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as ordinary resolutions of the Company:

1. To appoint Shelze as the external auditor of the Company for the years 2021, 2022 and 2023;

NOTES:

A. PROXY: -

A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the company. A blank form is attached to this Annual report. For the appointment of a proxy to be valid for the AGM, a duly completed Proxy Form must be received in the office of the Company's Registrars, Coronation Registrars Limited, at 009, Amodu Ojikutu Street, off Saka Tinubu Street, Victoria Island, Lagos or sent to info@coronationregistrars.com not later than 48 hours before the time for holding the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

B. CLOSURE OF REGISTER: -

Notice is hereby given that the Register of Members and Transfer books will be closed from [...] to [...] (both days inclusive) to enable preparation and circulation of Notices to Members by the Registrars.

C. NOMINATION FOR THE AUDIT COMMITTEE: -

The Audit Committee consists of three shareholders and two Directors. In accordance with section 404(6) of the Companies and Allied Matters Act, 2020, any Shareholder may nominate another Shareholder as a member of the Audit Committee by giving in writing, notice of such nomination to the Company Secretary at least 21 days before the date of the Annual General Meeting (such nomination should include a short bio-data of the

nominee).

The National Code of Corporate Governance, 2018 (NCCG, 2018) stipulates that members of the Audit Committee should have basic financial literacy and should be able to read the Financial Statements.

D. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS: -

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions must be submitted to the Company on or before [], 2025.

E. ELECTRONIC ANNUAL REPORT: -

The soft copy of the Consolidated 2021, 2022 and 2023 Annual Reports are on our website and also sent to our shareholders who have provided their email addresses to the Registrars. Shareholders who are interested in receiving the soft copy of the consolidated Annual Report should request via email to: info@coronationregistrars.com

F. STREAMING: -

The Annual General Meetings will be streamed live via the Company's website: <https://www.ronchessglobal.com>. This will enable shareholders who will not be attending the meeting physically to be part of the proceedings. The link for live streaming can be found on the Company's website.

Dated this March, 2025

BY THE ORDER OF THE BOARD.

.....
COMPANY SECRETARY
Nwabuaku Ebeleju LLB BL PNM MNIM ISOs

REGISTERED OFFICE:
179A Moshood Olugbani Street,
Off Ligali Ayorinde Street,
Victoria Island,
Lagos.
www.ronchessglobal.com

ANNUAL GENERAL MEETING OF (the Meeting) to be held at the Balmoral Convention Centre, Federal Palace Hotel, Annamadu Bello Way, Victoria Island, Lagos on Friday, April 19, 2024 at 10.00 a.m.

Dated this _____ day of _____, 2024.

Shareholder's Signature _____

100%	100%	100%
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A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy also need not be a member. A proxy form is attached to the Notice, and it is valid for the purpose of the Meeting. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the office of the Registrars, Corporation Registrars Limited, Plot 09, Amudu Ojokutu Street, Off Saka Tinubu Street, Victoria Island, Lagos, not later than 48 hours prior to the time of the Meeting. In the case of Joint Shareholders, the signature of any one of them will suffice, but the names of all the Joint Shareholders must be stated.

If the shareholder is a corporation, the proxy form must be under the Common Seal or under the hand of the same officer or attorney duly authorized by the Corporation to act on its behalf.

Signature _____
of the Person Attending

Please indicate with an "X" in the appropriate box how you may wish your sales to be cast in the net:

