RONCHESS GLOBAL RESOURCES PLC

UNAUDITED FINANCIAL STATEMENTS
Q4 2023

Table of contents

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 NUMBER:	771515
NATURE OF BUSINESS:	Construction
REGISTERED OFFICE:	179A Moshood Olugbani Street, Victoria Island, Lagos
INDEPENDENT AUDITORS:	Shelze Professional Services 7, Edward Hotunu Street, Lekki Phase 1, Lagos
BANKERS:	Guaranty Trust Bank Plc, Zenith Bank Plc

Shareholding Structure/Free Float Status

Description	31-Dec-23		31-Dec-22	
	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				
	--	--	--	--
		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		₦ 0.00		₦ 0.00

Declaration:

(A) Ronchess Global Plc with a free float percentage of 14.1% as at 31 December 2023, is compliant with the 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 2023, is compliant with the Exchange's free float requirements for companies listed on the Growth Board.

STATEMENT OF FINANCIAL POSITION

	Note	Q4 2023 ₦'000	Q4 2022 ₦'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	11	6,219,464	7,037,485
Current Assets			
Trade and other Receivables	8	12,648,150	15,464,681
Investments		194,778	2,558
Prepayments		19,000	39,359
Staff Loans		100	-
Cash and Cash Equivalent	7	2,586,772	1,228,756
Total Current Assets		**15,448,800**	**16,735,354**
Total Assets		**21,668,265**	**23,772,839**
LIABILITIES			
Current Liabilities			
Trade and other Payables	9	1,155,500	2,666,681
Deferred Income		-	1,713,480
Sundry Creditors		-	623,335
Borrowings		427,767	681,031
Total Current Liabilities		**1,583,266**	**5,684,527**
Total Liabilities		**1,583,266**	**5,684,527**
EQUITY			
Share capital	10	91,000	91,000
Revaluation Reserves		5,359,285	4,827,768
Retained earnings		14,634,714	13,169,544
Total Equity		**20,084,999**	**18,088,312**
Total Equity and Liabilities		**21,668,265**	**23,772,839**

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

Ukuevo Jackson
Chief Executive Officer

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Q4 2023 ₦'000	Q4 2022 ₦'000
Revenue	4	1,906,977	3,410,427
Cost of sales	5	(958,977)	(2,164,601)
Gross profit		**948,000**	**1,245,826**
Administrative expenses	6	(790,543)	(836,849)
Profit before tax		**157,457**	**408,977**
Tax		-	-
Profit after tax		**157,457**	**408,977**

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Earnings	Revaluation Reserves	Total
	₦	₦		₦
At 1 October 2023	91,000	14,477,257	5,359,285	19,927,542
Profit for the period		157,457	-	157,457
At 31 December 2023	**91,000**	**14,634,714**	**5,359,285**	**20,084,999**
	₦'000	**₦'000**	**₦'000**	**₦'000**
At 1 October 2022	91,000	12,760,567	4,747,964	17,599,531
Additions during the period	-	-	79,804	79,804
Profit for the period	-	408,977	-	408,977
At 31 December 2022	**91,000**	**13,169,544**	**4,827,768**	**18,088,312**

STATEMENT OF CASHFLOWS

	Q4 2023 ₦'000	Q4 2022 ₦'000
Cash flows from operating activities		
Profit/(Loss) before tax	157,457	408,977
Adjustments:		
Depreciation	232,860	79,804
Prior year period	(1,316)	
Changes in operating assets and liabilities:		
(Increase)/decrease in current assets	(100)	1,383,681
Increase/(decrease) in current liabilities	1,076,250	(500,000)
Net Cash From Operations	**1,465,151**	**1,372,462**
Tax Paid		-
Net cash from operating activities	**1,465,151**	**1,372,462**
Cash flows from investing activities		
Purchase of property, plant and equipment	(98,483)	
Investments	(6,100)	2,558
Net cash used in investing activities	**(104,583)**	**2,558**
Cash flows from financing activities		
Issued share capital	-	-
Borrowings	(681,263)	
Revaluation Reserve		
Finance Cost		(148,982)
Net cash (used in)/from financing activities	**(681,263)**	**(148,982)**
Net (decrease)/increase in cash & cash equivalents	679,304	1,218,385
Cash and cash equivalents at the beginning of the quarter	1,907,469	5,277
Cash and cash equivalents at end of the quarter	**2,586,773**	**1,223,662**
Represented by:		
Cash Balance	2,586,772	1,223,662
	2,586,772	**1,223,662**

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 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

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

3.1Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2023 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 IAS 37
<> IFRS 9 Financial Instruments-Fees in the '10 percent' test for derecognition of financial abilities.

3.2New 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 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 Transactions Amendments to IAS 12
<> Lease liability in a Sale and Leaseback-Amendments to IFRS 16

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

a. 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.

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 the 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 related deferred income tax asset is realized or the deferred income tax I lability 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.

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 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)

e) 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.

f) 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.

g) **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 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
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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

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 rightof-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
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.

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.

(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 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 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 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.

		Q4 2023 ₦'000	Q4 2022 ₦'000
4	**Revenue**		
	Construction Income	1,906,977	3,410,427
		1,906,977	**3,410,427**
5	**Cost of Sales**		
	Cost of material	640,574	2,164,601
	Diesel	165,721	-
	Hiring cost	11,230	-
	Labour	505	-
	Logistics	37,689	-
	Lubricant	5,999	-
	Site expenses	97,260	-
		958,977	**2,164,601**
6	**Administrative Expenses**		
	Advertising	1,850	-
	Allowance	14,215	-
	Association dues	560	-
	Bank Charges	686	-
	Branding and business development	23,010	-
	Cleaning and sanitation	430	-
	Computer Expenses	880	-
	CSR	500	-
	Depreciation	232,860	79,804
	Electricity & Water	424	-
	Entertainment	1,617	-
	Fines	20	-
	Fuel	9,589	-
	General Expenses	8,714	-
	Insurance	18,817	-
	Interest Expenses	0	148,982
	Legal fees	15,541	-
	License Fee	100	-
	Medical expense	988	-
	Miscellaneous	230	-
	Motor Vehicle Expenses	12,317	-
	Office supplies	481	-
	Printing & Stationery	1,589	-
	Rent Paid	7,129	-
	Repairs & Maintenance	7,395	-
	Safety expense	76	-
	Salaries & Wages	195,114	608,063

	Security	18,297	-
	Service Charge	1,000	-
	Software Subscription	132	-
	Staff Welfare	21,351	-
	Statutory Fees	158,203	-
	Telephone & Internet	103	-
	Transport	6,828	-
	Travel & Accommodation	29,435	-
	Vehicle documents fees	62	-
		790,543	**836,849**
7	**Cash & Cash Equivalents**		
	Cash at Bank	14,466	1,228,756
	Ronchess Group	2,572,306	
		2,586,772	**1,228,756**
8	**Trade & Other Receivables**		
	Receivables	12,648,150	15,464,681
	Other Receivables	-	-
		12,648,150	**15,464,681**
9	**Trade & Other Payables**		
	Trade Payables	1,076,228	
	Payables	79,272	2,666,681
		1,155,500	**2,666,681**
10	**Share Capital**		
	Issued-		
	91m Ordinary Shares at N1 each	91,000	91,000
		91,000	**91,000**

NOTES TO THE FINANCIAL STATEMENTS

11 PPE Schedule

	Plant & Machinery ₦ 7%	Computer Equipment ₦ 20%	Furniture & Fittings ₦ 20%	Motor Vehicle ₦ 20%	Office Equipment ₦ 20%	Generator ₦ 20%	Total ₦
Cost							
As at 1st October 2023	6,396,177	70,854	392,560	776,476	982,435	258,725	8,877,227
Additions	97,814	669					98,483
As at 31st December 2023	**6,493,991**	**71,523**	**392,560**	**776,476**	**982,435**	**258,725**	**8,975,710**
Depreciation							
As at 1st October 2023	1,450,723	40,749	233,112	203,392	454,536	140,875	2,523,387
Charge for the period	108,774	3,576	19,628	38,824	49,122	12,936	232,860
Disposal							
As at 31st December 2023	**1,559,497**	**44,325**	**252,740**	**242,216**	**503,658**	**153,811**	**2,756,247**
Netbook Value							
As at 30th September, 2023	**4,945,454**	**30,105**	**159,448**	**573,084**	**527,899**	**117,850**	**6,353,840**
As at 31st December 2023	**4,934,494**	**27,198**	**139,820**	**534,260**	**478,777**	**104,914**	**6,219,463**

NOTES TO THE FINANCIAL STATEMENTS

	Plant & Machinery ₦'000 7%	Computer Equipment ₦'000 20%	Furniture & Fittings ₦'000 20%	Motor Vehicle ₦'000 20%	Office Equipment ₦'000 20%	Generator ₦'000 20%	Total ₦'000
Cost							
As at 1st October 2022	5,699,654	50,047	259,317	824,119	546,576	196,701	7,576,414
Revaluations	-						
Additions	-						-
As at 31st December 2022	**5,699,654**	**50,047**	**259,317**	**824,119**	**546,576**	**196,701**	**7,576,414**
Depreciation							
As at 1st October 2022	267,453	4,916	17,159	116,417	34,443	18,736	459,124
Charge for the period	42,568	586	2,888	21,014	7,818	4,931	79,805
Disposal	-						
As at 31st December 2022	**310,021**	**5,502**	**20,047**	**137,431**	**42,261**	**23,667**	**538,929**
Netbook Value							
As at 30th September, 2022	**5,432,201**	**45,131**	**242,158**	**707,702**	**512,133**	**177,965**	**7,117,290**
As at 31st December 2022	**5,389,633**	**44,545**	**239,270**	**686,688**	**504,315**	**173,034**	**7,037,485**

NOTES TO THE FINANCIAL STATEMENTS

12. Financial Risk Management

12.1 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.

12.2 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.

12.3 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

NOTES TO THE FINANCIAL STATEMENTS

estimates and assumptions that have a significant risk of causing material adjustment 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.

13 Related Party Transactions

The company did not engage in any related party transactions during the year.

14 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.

15 Litigations and Claims

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

16 Capital Commitments

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

17 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.