RONCHESS GLOBAL RESOURCES PLC

UNAUDITED FINANCIAL STATEMENTS
30 JUNE 2024

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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

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:	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

DIRECTORS' REPORT

The Directors submit herewith their report together with the Unaudited financial statements of RONCHESS GLOBAL RESOURCES PLC (the "Company") for the Quarter ended 30 June, 2024.

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:

	2024 ₦'000	2023 ₦'000
Revenue	2,374,866	3,950,150
Cost of sales	(2,222,237)	(1,544,019)
Gross profit	**152,629**	**2,406,131**
Impairment loss on trade receivables	-	-
Administrative expenses	(628,856)	(1,708,187)
Operating profit/ (Loss)	**(476,227)**	**697,944**

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:

	Number of Ordinary Shares of ₦1 each		
Share Range	**% Holding**	**2024**	**2023**
1 - 50,000,000	29.90%	20,200,000	20,200,000
50,000,001-100,000,000	70.10%	70,800,000	70,800,000
	100%	**91,000,000**	**91,000,000**

AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company as at 30 June 2024 is ₦91,000,000 dividends into 91,000,000 ordinary shares of ₦1 each.

EMPLOYMENT AND EMPLOYEES (a) Employment of physically challenged persons
The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from persons with disability. In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him or her to any disadvantage in his or her career development. As at 30 June 2024, the Company has no disabled persons in its employment.

(b) Health, safety and welfare at work
Arrangements are made for adequate security and protection of staff in the Company's premises while necessary safety regulations are complied with in order to facilitate the safety of employees of the Company at all times.

(c) Employee involvement and training
The Company provides facilities for regular on the job training for staff. Regular consultative meetings are held by management to keep members of staff abreast with developments within the company as well as its plans and achievements.

EVENTS AFTER REPORTING PERIOD
There is no event after the reporting date that could have a material effect on the state of affairs of the Company as at 30 June 2024.

Whistle Blowing
The Company is committed to conducting its affairs ethically and responsibly. Unethical behaviours cost the Company money, time, human resources and can negatively affect the Company's reputation before its stakeholders.

AUDITORS
Shelze Professional Services having satisfied the relevant corporate governance rules on their tenure in office has indicated their willingness to continue in office as Auditors to the Company. In accordance with Section 401 of the Companies and Allied Matters Act 2020 therefore, the auditors will be reappointed at the next annual general meeting of the Company without any resolution being passed.

A resolution will be proposed authorizing the Directors to determine their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

Christopher Egba Oruete
Company Secretary
NBA: SC01719
Ronchess Global Resources Plc
Lagos, Nigeria
29 July 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors of **RONCHESS GLOBAL RESOURCES PLC** are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the company as at 30 June 2024, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS"), the Companies and Allied Matters Act 2020 and in the manner required by the Financial Reporting Council of Nigeria Act, 2023.

In preparing the financial statements, the directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the company;
- maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company, and which enable them to ensure that the financial statements of the company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the company;
- preventing and detecting fraud and other irregularities;
- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance; and
- making an assessment of the entity's ability to continue as a going concern.

Going Concern:
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 quarter ahead.

Signed on behalf of
RONCHESS GLOBAL RESOURCES PLC

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Ukuevo Jackson	**Oluwakemi Akinloye**
Chief Executive Officer	Chief Financial Officer
FRC/2024/PRO/DIR/003/503251	FRC/2019/ICAN/0000001993

Shareholding Structure/Free Float Status

Description	30-Jun-24		30-Jun-23	
	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 Resources Plc with a free float percentage of 14.1% as at 30 June 2024, 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 30 June 2024, is compliant with the Exchange's free float requirements for companies listed on the Growth Board.

STATEMENT OF FINANCIAL POSITION

		2024	2023
Assets	**Notes**	**₦'000**	**₦'000**
Non-current assets			
Property, plant and equipment	**19**	5,907,782	6,513,028
Investments	**18**	795,277	5,404
Total non-current assets		**6,703,059**	**6,518,432**
Current assets			
Cash & cash equivalents	**9**	8,759	2,543,018
Trade and other receivables	**10**	2,321,532	12,648,522
Prepayments	**11**	9,292	39,359
Total current assets		**2,339,583**	**15,230,899**
Total assets		**9,042,642**	**21,749,331**
Equity and liabilities			
Equity			
Share capital	**14**	91,000	91,000
Revaluation reserve		4,355,631	5,359,285
Retained earnings		1,226,502	15,090,407
Total equity		**5,673,133**	**20,540,692**
Total non-current liabilities		**-**	**-**
Current liabilities			
Trade and other payables	**12**	585,096	60,250
Bank overdraft	**16**	1,041,582	-
Income tax payable	**8**	-	
Borrowings	**13**	1,742,831	1,109,030
Total current liabilities		**3,369,509**	**1,169,280**
Total equity and liabilities		**9,042,642**	**21,709,972**

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

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

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2024 ₦'000	2023 ₦'000
Revenue	**4**	2,374,866	3,950,150
Cost of sales	**5**	(2,222,237)	(1,544,019)
Gross profit		**152,629**	**2,406,131**
Impairment loss on trade receivables	**10a**	-	-
Administrative expenses	**7**	(628,856)	(1,708,187)
Operating profit/ (Loss)		**(476,227)**	**697,944**
Other income	**6**		-
Finance cost	**15**	(94,319)	-
Profit/(loss) before tax		**(570,545)**	**697,944**
Income tax expense	**8**		
Profit for the year		**(570,545)**	**697,944**
Other comprehensive income			
Exchange gains	**6**	-	-
Gain on revaluation		-	-
Total comprehensive income		**(570,545)**	**697,944**
Earnings per share	**19**	**(6.3)**	**7.7**

RONCHESS GLOBAL RESOURCES PLC

Unaudited Financial Statements For the quarter ended 30 June 2024

STATEMENT OF CASHFLOW

	2024 ₦'000	2023 ₦'000
Operating Activities		
Profit/(Loss) after tax	(570,545)	1,193,568
Adjustments for non-cash items		
Depreciation of property, plant and equipment	139,765	348,123
Exchange gain		-
Finance cost	-	-
Tax provision	-	-
Prior year adjustments	-	-
Impairment loss on trade receivables	-	-
Cashflow from operating activities before changes in working capital	**(430,781)**	**1,541,691**
Movement in working capital		
(Increase)/decrease in current assets	10,357,057	426,039
Increase/(decrease) in current liabilities	524,846	755,277
Net Cash generated from operations	**10,451,123**	**2,723,007**
Tax paid	-	(8,685)
Net Cash generated from operating activities	**10,451,123**	**2,714,322**
Investing Activities		
Property, plant and equipment	(523,107)	(7,154)
Investment	(789,873)	
Net Cash generated from Investing Activities	**(1,312,980)**	**(7,154)**
Financing Activities		
Proceeds of ordinary share capital		-
Interest paid		-
Proceeds from borrowings	633,801	(200,000)
Net cash generated (used in) from financing activities	**633,801**	**(200,000)**
Net (decrease)/increase in cash and cash equivalent	9,771,945	2,507,168
Cash and cash equivalents at the beginning of the Quarter	65,735	35,850
Cash and cash equivalents at the end of the Quarter	**9,837,680**	**2,543,018**
Represented by:		
Cash Balance	8,759	2,543,018
Bank Overdraft	(1,041,582)	
	10,870,502	
	9,837,680	**2,543,018**

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Earnings	Revaluation Reserves	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
At 1 April 2024	91,000	1,797,047	4,449,363	6,337,410
Additions				-
Q2 adjustments			(93,732)	(93,732)
Prior year adjustments				
Profit/(loss) for Q2		(570,545)		(570,545)
Balance at 30 June 2024	**91,000**	**1,226,502**	**4,355,631**	**5,673,133**
At 1 January 2024	91,000	2,608,450	4,449,363	7,148,813
Additions				-
Prior year adjustments				-
Profit/(loss) for Q1		(811,403)		(811,403)
Balance at 31 March 2024	**91,000**	**1,797,047**	**4,449,363**	**6,337,410**

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.

The company's functional and presentation currency is in 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 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.

NOTES TO THE FINANCIAL STATEMENTS

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 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

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 an 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

(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 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.

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 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities non-Derivative financial liabilities:

1. 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.

2. 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

NOTES TO THE FINANCIAL STATEMENTS

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
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 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.

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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

IX. 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.

X. 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.

XI. 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.

XII. 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).

XIII. 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.

XIV. 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 pretax 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.

XV. 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 obligation 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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XVI. 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.

XVII. 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.

4	**Revenue**		
	Road Marking	-	-
	Road Construction Contracts	2,374,866	3,950,150
		2,374,866	**3,950,150**
5	**Cost of Sales**		
	Civil Works	-	3,590
	Cost of Materials	1,712,831	1,216,250
	Freight & Logistics	17,144	80,014
	Wages	-	-
	Logistics	-	4,230
	Site Expenses	56,805	101,527
	Diesel	269,947	138,408
	Subcontract Costs	-	-
	Hiring costs	148,756	-
	Other Direct Cost	16,754	-
		2,222,237	**1,544,019**
6	**Other Income**		
	Interest Received	-	-
	Investment Income	-	-
		-	**-**
7	**Administrative & Operational Expenses**		
	Advertising, Branding & Business Development	27,433	28,151
	AGM Expenses		
	Association dues		1,899
	Audit fees	5,643	
	Bank charges	4,192	933
	Back duty tax expense		
	Building Renovation	2,730	1,039
	Cleaning and sanitation		
	Computer expenses		257
	Consultancy fees		3,923
	Corporate Social Responsibility		7,750
	Depreciation	139,765	348,123
	Directors fees	24,424	59,600
	Electricity & water	2,304	2,642
	Fines		
	Fuel	8,225	3,390
	General Expenses		3,800
	ICT Expenses	3,368	1,174
	Insurance		1,500
	Legal Fees	71,953	24,098
	Motor vehicle expenses	6,020	5,209
	Office expenses	6,423	956
	Courier	256	
	Printing & Stationery	1,108	1,858
	Rent Paid	13,500	26,250

	Repairs & maintenance	3,447	55,085
	Safety expenses	988	1,161
	Staff Cost (Note 7a)	130,478	495,624
	Security	7,242	15,096
	Service charge		760
	Subscription		
	Statutory Fees	5,642	42,335
	Immigration Expenses	8,642	
	Professional Fees	738	
	Transport	143	684
	Travel & accommodation	23,715	79,266
		498,378	**1,212,563**
7a	**Staff Cost**		
	Salaries & Wages	121,591	438,748
	Allowance	-	-
	Staff Lodges Rent	-	-
	Utility Allowance	-	-
	Medical expenses	779	2,390
	Staff welfare	5,359	20,328
	Other Payroll Cost	2,225	-
	Training	524	34,158
		130,478	**495,624**
8	**Income Tax Credit/Expense**		
	Opening balance	-	-
	Current income tax (SOPL)	-	-
	Tax paid	-	-
	Withholding tax receivable	-	-
	Closing balance	**-**	**-**
9	**Cash and Cash Equivalents**		
	Bank balances	8,759	2,543,018
	Ronchess Group		
		8,759	**2,543,018**
10	**Trade and Other Receivables**		
	Trade receivables	2,441,950	13,382,955
	Less: adjustments		
	Less: impairment provision	(122,098)	(734,433)
		2,319,852	12,648,522
	Sundry Debtors	-	
	Staff Pensions	-	
	Staff loans	1,680	-
	Due from related parties		
	Withholding tax receivable	-	-
		2,321,532	**12,648,522**

10a Allowance for impairment loss on trade receivables

Opening balance	122,098	
For the quarter		-
Charged to bad debts	-	-
Closing balance	**122,098**	**-**

11 Prepayments

Prepaid Rent	9,292	39,359
Prepaid Audit Fees	-	
	9,292	**39,359**

12 Trade and Other Payables

Trade Payables	479,928	60,250
Salaries payable	-	-
PAYE Liabilities	546	-
Pension Liabilities	2,590	
WHT Payables	7,033	-
Audit Fee Payables	-	
Legal Fee Payables	95,000	-
	585,096	**60,250**

13 Loans & Borrowings

Bank Loan	594,366	1,109,030
Other Borrowings	1,148,465	
	1,742,831	**1,109,030**
Analyzed as follows:		
Current portion	1,742,831	1,109,030
Non-current portion	-	-
	1,742,831	**1,109,030**

14 Share Capital

Issued and fully paid for		
Ordinary shares at ₦1.00 each	91,000	91,000
Movements during the year:		
At 1 January	91,000	91,000
Issued during the year	-	-
At 30 June	**91,000**	**91,000**

15 Finance Cost

Interest on loan	94,319	-
	94,319	**-**

16 Bank Overdraft

Bank Overdraft	1,041,582	-
	1,041,582	-

17 Earnings per share

Profit/(Loss) for the quarter	**(570,545)**	**697,944**
Weighted average number of ordinary shares for the purpose of basic earnings per share	91,000	91,000
Basic earnings per share (Naira)	**(6.3)**	**7.7**

18 Investment

Investment in unquoted companies	795,277	2,558
	795,277	**2,558**

19 Property, plant and equipment

Cost	**Plant & Machinery**	**Computer Equipment**	**Furniture & Fittings**	**Motor Vehicle**	**Office Equipment**	**Generator**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
At 1 April 2024	6,493,991	71,523	392,560	728,521	884,226	290,172	8,860,995
Revaluation Adjustment							
Additions	522,632	475	-	-	-	-	523,107
At 30 June 2024	**7,016,623**	**71,998**	**392,560**	**728,521**	**884,226**	**290,172**	**9,384,102**
Accumulated Depreciation							
At 1 April 2024	1,859,043	53,637	303,772	319,394	607,989	192,720	3,336,555
Revaluation Adjustment	-	-	-	-	-	-	-
Charge for the period	85,867	746	1,998	37,888	8,183	5,082	139,765
At 30 June 2024	**1,944,911**	**54,383**	**305,770**	**357,282**	**616,171**	**197,802**	**3,476,320**
							-
Net Book Amount at 30 June 2024	**5,071,713**	**17,615**	**86,790**	**371,239**	**268,055**	**92,370**	**5,907,782**

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.

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 failed 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 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.

Related Entities	Nature of Relationship	30-Jun-24 ₦'000
Due from Ronchess Group Limited	Common control	NIL
Due from Ronchess Infrastructure 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.

24 Capital Commitments

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

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 30 June 2024 that have not been adequately provided or disclosed.