

ADI ENGINEERING & GENERAL SERVICES LIMITED

AUDITED ACCOUNTS  
FOR THE SIX MONTHS ENDED  
31ST JULY, 2007



**SULEIMAN MOHAMMED & CO.**

**(Certified National Accountants)**

1A Airport Road, Opposite Ahmadiya Line Junction,  
(1st Floor) P. O. Box 10653, Kano. Tel: 080 - 36142221, 080 - 44135047

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REPORT OF THE DIRECTORS TO THE MEMBERS OF  
ADI ENGINEERING & GENERAL SERVICES LIMITED

1:0 THE COMPANY:

The Company was incorporated as a Limited Liability Company in February 2007 with an Authorised Share Capital of ₦1,000,000 divided into 1,000,000 Ordinary Share of ₦1.00 each.

The main object of the Company is Construction.

The Company commenced business operation immediately. The operational address of the Company is situated at Plot No. 7/8 Zoo Road, Kano.

2:0 ACCOUNTING POLICIES

2:1 BASIS OF ACCOUNTING

The Account have been prepared under the Historical Cost Convention. No adjustment were made in the Accounts in respect of the effect of inflation and rising price.

2:2 DEPRECIATION

Fixed Assets are depreciated over their estimated useful lives on straight line basis and charged against the result of the operations of the year at the following rates:-

|                      |     |
|----------------------|-----|
| Plant & Equipments   | 5%  |
| Office Equipments    | 10% |
| Furniture & Fittings | 10% |
| Motor Vehicle        | 20% |

2:3 STOCK

Stock is stated at the lower of cost and net realisable value, cost being determined on the basis of First-In-First-Out(FIFO) stock figure stated in the Accounts was made of materials at the end of the year.

ADI ENGINEERING & GENERAL SERVICES LIMITED

DIRECTORS

The following Directors served during the six months ended 31st July, 2007.

|                         |          |
|-------------------------|----------|
| ENGR. BALARABE MOHAMMED | DIRECTOR |
| NABIL BALA MOHAMMED     | DIRECTOR |
| FAISAL BALA MOHAMMED    | DIRECTOR |
| FADIL BALA MOHAMMED     | DIRECTOR |
| FATIMA BALA MOHAMMED    | DIRECTOR |

OPERATING RESULTS

The operating results of the Company for the six month ended 31st July, 2007 are set out on page 5 of the Accounts.

AUDITORS

The Auditors Messrs Suleiman Mohammed & Co, have indicated their willingness to continue in office in accordance with the provision of the Company and Allied Matters Decree.

BY ORDER OF THE BOARD

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# SULEIMAN MOHAMMED & CO.

(Certified National Accountants)

**OFFICE ADDRESS:**

1A Airport Road,  
Opposite Ahmadiya Line Junction,  
(1st Floor) P. O. Box 10653, Kano.

☎: 080 - 36142221  
080 - 44135047

REPORT OF THE AUDITORS TO THE MEMBERS

OF

ADI ENGINEERING & GENERAL SERVICES LIMITED

We have examined the Accounts on pages 4 to 5 and the accompanying Notes on page 6 to 8 and have obtained all the necessary information and explanation which we deemed necessary for the purpose of our Audit.

In our opinion, proper books normally kept by Companies of similar size have been kept and the Accounts which are in agreement with them comply with the requirement of the Companies and Allied Matters Decree 1990.

Based on our examination of the books and record no contravention of the productivity, prices and income policy guidelines came to our notice in respect of the period covered by these Accounts.

In our opinion and according to the information and explanation given to us, the Balance Sheet and Profit and Loss Accounts read in conjunction with the Notes there on give respectively a true and fair view of the state of the Company's Affairs as at 31st July, 2007.

*Suleiman Mohammed & Co.*

SULEIMAN MOHAMMED & CO.

(Certified National Accountants)

KANO, NIGERIA

*31st August, 2007*

**ADI ENGINEERING & GENERAL SERVICES LIMITED**

**BALANCE SHEET AS AT 31ST JULY, 2007**

|  | <u>NOTES</u> | <u>2007</u><br>₹        |
|--|--------------|-------------------------|
| <b>FIXED ASSETS</b>                    | 1            | <u>3,207,163</u>        |
| <b><u>CURRENT ASSETS</u></b>           |              |                         |
| Stock                                  | 2            | 3,545,635               |
| Debtors And Prepayments                | 3            | 3,275,780               |
| Cash And Bank Balances                 | 4            | <u>452,342</u>          |
|  |              | 7,273,757               |
| <b><u>LESS CURRENT LIABILITIES</u></b> |              |                         |
| Creditors And Accruals                 | 5            | 897,145                 |
| Provision for Taxation                 | 6            | <u>808,132</u>          |
|  |              | <u>1,705,277</u>        |
| <b>NET CURRENT ASSETS</b>              |              | 5,568,480               |
|  |              | <u><u>8,775,643</u></u> |
| <br><b><u>FINANCED BY:</u></b>         |              |                         |
| Share Capital                          | 7            | 1,000,000               |
| Directors Current Account              | 8            | 5,890,000               |
| Profit And Loss Account                |              | <u>1,885,643</u>        |
|  |              | <u><u>8,775,643</u></u> |



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}] DIRECTORS  
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Notes on pages 6 to 7 form an integral part of these Accounts.

ADI ENGINEERING & GENERAL SERVICES LIMITED

TRADING, PROFIT AND LOSS ACCOUNTS FOR THE SIX MONTHS

ENDED 31ST JULY, 2007

|                                 | <u>NOTES</u> | <u>JULY</u><br><u>N</u> |
|---------------------------------|--------------|-------------------------|
| TURNOVER                        | 9            | 53,875,468              |
| COST OF SALES                   | 10           | <u>45,233,161</u>       |
| GROSS PROFIT/(LOSS) OF THE YEAR |              | 8,642,307               |
| LESS ADMIN. & GEN. EXP.         | 11           | <u>5,948,532</u>        |
| NET PROFIT/(LOSS) FOR THE YEAR  |              | 2,693,775               |
| PROVISION FOR TAXATION          |              | <u>( 808,132)</u>       |
|                                 |              | 1,885,643               |
| PROFIT/(LOSS) BROUGHT FORWARD   |              | <u>-</u>                |
| PROFIT/(LOSS) CARRIED FORWARD   |              | <u><u>1,885,643</u></u> |

Notes on pages 6 to 7 form an integral part of these Accounts.

ADI ENGINEERING & GENERAL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE SIX MONTHS

31ST JULY, 2007

| 1. | <u>FIXED ASSETS</u>  | <u>AT</u><br><u>INCEPTION</u><br>₦ | <u>ADDITIONS/</u><br><u>DISPOSALS</u><br>₦ | <u>BALANCE AT</u><br><u>31/07/07</u><br>₦ |
|----|--|------------------------------------|--|---|
|    | Plant & Equipments   | 2,750,000                          | -  | 2,750,000                                 |
|    | Motor Vehicle  | 350,000                            | -  | 350,000                                   |
|    | Furniture & Fittings                                       | 32,500                             | 123,525                                    | 156,025                                   |
|    | Office Equipments  | <u>30,000</u>                      | <u>163,600</u>                             | <u>193,600</u>                            |
|    |  | <u>3,162,500</u>                   | <u>287,125</u>                             | <u>3,449,625</u>                          |
|    | <u>LESS ACCUM. DEPR.</u>                                   |                                    |  |   |
|    | Plant & Equipments   | -                                  | 137,500                                    | 137,500                                   |
|    | Motor Vehilce  | -                                  | 70,000                                     | 70,000                                    |
|    | Furniture & Fittings                                       | -                                  | 15,602                                     | 15,602                                    |
|    | Office Equipments  | <u>-</u>                           | <u>19,360</u>                              | <u>19,360</u>                             |
|    |  | <u>-</u>                           | <u>242,462</u>                             | <u>242,462</u>                            |
|    | NET BOOK VALUE   | <u><u>3,162,500</u></u>            |  | <u><u>3,207,163</u></u>                   |
|    |  |                                    |  | <u>JULY</u>                               |
|    |  |                                    |  | ₦   |
| 2. | <u>STOCK</u>   |                                    |  | <u>3,545,635</u>                          |
|    | This represents stock of materials at the end of the year. |                                    |  | <u>=====</u>                              |
| 3. | <u>DEBTORS AND PREPAYMENTS</u>                             |                                    |  |   |
|    | Trade Debtors  |                                    |  | 2,949,930                                 |
|    | Staff Debtors  |                                    |  | <u>325,850</u>                            |
|    |  |                                    |  | <u>3,275,780</u>                          |
|    |  |                                    |  | <u>=====</u>                              |
| 4. | <u>CASH AND BANK BALANCES</u>                              |                                    |  |   |
|    | Cash at Hand   |                                    |  | 452,342                                   |
|    |  |                                    |  | <u>=====</u>                              |
| 5. | <u>CREDITORS AND ACCRUALS</u>                              |                                    |  |   |
|    | Trade Creditors  |                                    |  | 624,793                                   |
|    | Other Accruals   |                                    |  | <u>272,352</u>                            |
|    |  |                                    |  | 897,145                                   |
|    |  |                                    |  | <u>=====</u>                              |
| 6. | <u>PROVISION FOR TAXATION</u>                              |                                    |  |   |
|    | Income Tax   |                                    |  | 673,444                                   |
|    | Education Tax  |                                    |  | <u>134,688</u>                            |
|    |  |                                    |  | 808,132                                   |
|    |  |                                    |  | <u>=====</u>                              |

ADI ENGINEERING & GENERAL SERVICES LIMITED  
NOTES TO THE ACCOUNTS FOR THE SIX MONTHS  
ENDED 31ST JULY, 2007

|   | <u>JULY</u><br>₦  |
|---|-------------------|
| 7. <u>SHARE CAPITAL</u>   |                   |
| Authorised: ₦1,000,000 divided into 1,000,000 Ordinary<br>Share of ₦1.00 each | <u>1,000,000</u>  |
| Issued & Fully Paid: 1,000,000 Ordinary share of<br>₦1.00 each                | <u>1,000,000</u>  |
| 8. <u>DIRECTORS CURRENT ACCOUNT</u>   | <u>5,890,000</u>  |
| This represents amount due to the Directors.                                  |                   |
| 9. <u>INCOME</u>  | <u>53,875,468</u> |
| This represents earnings from Construction                                    |                   |
| 10. <u>COST OF SALES</u>  |                   |
| Opening Stock   | -                 |
| Add Purchases   | <u>48,778,796</u> |
|   | 48,778,796        |
| Less Closing Stock  | <u>3,545,635</u>  |
|   | <u>45,233,161</u> |
| 11. <u>ADMINISTRATION AND GENERAL EXPENSES</u>                                |                   |
| Directors Emolument   | 600,000           |
| Staff Salaries  | 893,105           |
| Fuel & Lubricants   | 335,205           |
| Travelling & Transport  | 460,820           |
| Telephone, Telex & Postages   | 340,750           |
| Printing & Stationary   | 129,340           |
| Motor Vehicle Repairs & Maint.  | 122,275           |
| Staff Welfare   | 137,500           |
| General Office Repairs & Maint.   | 334,728           |
| Depreciation  | 242,462           |
| Audit Fee   | 25,000            |
| Bank Charges & Commission   | 122,347           |
| Hiring Equipmetns   | <u>2,205,000</u>  |
|   | <u>5,948,532</u>  |

This Notes form an integral part of these Accounts.