

**HALDANE McCALL PLC**

**MANAGEMENT ACCOUNT**

**AS AT 30 SEPTEMBER, 2023**

**AYOOLA OLADEJI & CO.  
(CHARTERED ACCOUNTANTS)**

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**STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RELATIONS TO THE FINANCIAL STATEMENT AS AT  
30 SEPTEMBER, 2023**

In accordance with the provisions of the Companies and Allied Matters Act 1990, the Directors of HALDANE McCALL PLC are responsible for the preparation of annual financial statements, which give a true and fair view of the financial position of the company at the end of the year and of the financial performance and cash flows for the year ended. The responsibilities include ensuring that:

- (a) The company keeps proper accounting records that disclose with reasonable accuracy the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;*
- (b) Appropriate and adequate internal controls are established both to safeguard the assets of the company and to prevent and detect fraud and other irregularities;*
- (c) The company prepares its financial statement using suitable accounting policies supported by reasonable and prudent judgements and estimates, and that all applicable standards have been followed and;*
- (d) It is appropriate for the financial statements to be prepared on a going concern basis*

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with:

- *International Financial Reporting Standards;*
- *The requirements of the Companies and Allied Matter Acts; and*
- *The requirements of the Financial Reporting Council of Nigeria Act.*

The Directors are of the opinion that the financial statements give a fair view of the state of the financial position of the company and of its performance and cash flows for the year.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

## **REPORT OF THE DIRECTORS**

### **AS AT 30 SEPTEMBER, 2023**

In accordance with the provision of the Companies and Allied Matter Act 2004, the directors of HALDANE McCALL PLC hereby present to the members of the company, their Report on the affairs of the company as at 30 SEPTEMBER, 2023.

The preparation of Annual Financial Statements is the responsibility of the Board and it should give a true and fair view of the state of affairs of the company. The Directors declare that nothing has come to their attention to indicate that the company will not remain a going concern for at least Twelve months from the date of the report.

#### **Legal Form and Principal Activities:**

HALDANE McCALL PLC, initially incorporated as a Private Limited Liability Company on 27<sup>th</sup> of March, 2012 became a Public Limited Liability Company on the 11<sup>th</sup> of January 2021 by a special resolution and signed by the Registrar General of the Corporate Affairs Commission (CAC) of Nigeria.

The object clause of the company empowers the organization to carry on the business of Real Estate Consultancy, hospitality and Property Management.

The company is also allowed to carry out all businesses stated in its memorandum and Articles of Association, with due care and diligence in order to have positive effect in the Nigeria Financial Market.

#### **Share Capital:**

The Authorised Share Capital of the company is N1,561,000,000 divided into 3,122,000,000 ordinary shares of N0.50k each

#### **Result at a Glance:**

The result AS AT 30 SEPTEMBER, 2023 are summarized as follows:

	2023 ₦	2022 ₦
Revenue	1,375,397,334	2,916,700,670
Gross Profit	784,014,059	894,895,064
Profit from operation	188,137,209	97,947,533



## **REPORT OF THE DIRECTORS (CONT'D)**

### **AS AT 30 SEPTEMBER, 2023**

Pursuant to the Adoption of the **International Financial Reporting Standards (IFRS)** by private companies in Nigeria, the company had adopted the IFRS and consequently prepared its Financial Statements accordingly.

### **Directors' Interest in Contracts**

In accordance with Section 277 of the Companies and Allied Matters Act C20 Laws of the Federation of Nigeria 2004, no director of the company had an interest in a contract in which the company was involved during the year under review.

### **Directors' Responsibilities**

This statement, which should be read in conjunction with the Independent Auditor's report, is made with a view to setting out for shareholders, the responsibilities of the directors of the company with respect to the financial statements.

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act, CAP C20, LFN 2004, the directors are responsible for the preparation of Annual Financial Statements which give a true and fair view of the state of affairs of the company. These responsibilities include ensuring that:

- i. *Appropriate internal controls are established both to safeguard the assets of the company, to prevent and detect frauds and other irregularities:*
- ii. *The company keeps accounting records which disclose with reasonable accuracy the financial position of the company and ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, cap C20, Laws of the Federation of Nigeria, 2004:*
- iii. *The company has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed;*
- iv. *It is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the company will not continue in business;*
- v. *There is an effective communication and information dissemination policy and effective communication with the shareholders;*
- vi. *Ethical standards are maintained; and the company is in compliance with the laws of Nigeria.*

## REPORT OF THE DIRECTORS (CONT'D)

AS AT 30 SEPTEMBER, 2023

### Corporate Governance Report

#### Introduction

The Board of HALDANE McCALL PLC is committed to high standards of corporate governance, which it considers critical to business integrity and to maintaining investors' trust in the company. The company expects all its directors and employees to act with honesty, integrity and fairness. The company strives to act in accordance with the laws and regulations in Nigeria; adopt proper standards of business practice and procedure and operate with integrity.

#### Governance Structure the

##### Board

By the Articles of Association of the Company ("the Article"), the Board is responsible for controlling and managing the business of the company. It may exercise such powers of the company as are not by statute or the Articles to be exercised by the Company in General Meeting. We conduct our business in full compliance with the laws and regulations of Nigeria and HALDANE McCall PLC Code of Business Conduct.

Under the Company's Board charter "the primary objective of the Board of Directors is to build long term shareholder value with due regard to other stakeholder interests. It does this by setting strategic direction and context, such as the Company's Mission, vision and core values, policies and objectives and focusing on issues critical for its successful execution such as staffing, executive training, succession planning, performance and risk management".

The names of the directors, who held office during the period ended 30 September, 2023 are as follows:

S/N	NAME	DESIGNATION
1	MR. GEORGE OGUNTADE (SAN)	CHAIRMAN
2	MR. EDWARD AKINLADE	GROUP MANAGING DIRECTOR
3	PRINCE OYEWOLE OLURIN	COMPANY SECRETARY
4	SIR. ADEWOLE FARINU	DIRECTOR
5	PRINCE SAMUEL OYEBOLA	DIRECTOR
6	MR. DAVID EMULOH	EXECUTIVE DIRECTOR
7	MRS ABIOLA ELUGBAJU	EXECUTIVE DIRECTOR
8	MISS SHOLA OJUNDE	EXECUTIVE DIRECTOR
9	PRINCESS IFEOLUWASEYI ADESOLA	DIRECTOR
10	MR. BIDWELL ONYEAKOSI	DIRECTOR
11	MR. TOBENNA NNAMANI	DIRECTOR

## **REPORT OF THE DIRECTORS (CONT'D)**

**AS AT 30 SEPTEMBER, 2023**

### **Directors' Interest in Contracts**

In accordance with section 277 of the Companies and Allied Matter Act CAP C20 Laws of the Federation of Nigeria, 2004, no director notified the company of interest in any contract in which the company was involved, during the year under review. The interests of the directors in the issued share capital of the company are as contained in the share capital structure of HALDANE McCALL PLC.

### **Business Conduct**

The company's business is conducted with integrity and due regard to the legitimate interest of all stakeholders.

### **Corporate Social Responsibility**

As an Integral part of the Nigerian society, in its various roles as an employer, partner, tax payer and competitor, the Company does its best at all times to make a positive impact on society.

### **Employment and Employees**

#### **Employment of Disabled Persons**

It is the policy of the company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. All employees, whether or not disabled, are given equal opportunities to develop.

#### **Employees' Involvement and Training**

The company is committed to keeping employees fully involved as much possible, regarding the company's performance and progress and seeking their views, wherever practicable matters which particularly affect them as employees.

In line with the company's policy of continuous development of its human resources, the company ensures the continuous upskilling of its employees on relevant trainings both locally and internationally.

#### **Health, Safety and Welfare**


The company accords high priority to the health, safety and welfare of its employees both in and outside the work place. In furtherance of this, the company has a Life Assurance Policy and a personal accident Policy to adequately insure and protect its employees.



HALDANE MCCALL PLC

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	Notes	30-Sep-23 = N=	31-Dec-22 = N=
<b><u>NON-CURRENT ASSETS</u></b>			
Property, Plant and Equipment	2	14,442,186,320	14,935,433,792
Long Term Investments	3	-	-
<b>Total Non-Curent Assets</b>		<b>14,442,186,320</b>	<b>14,935,433,792</b>
<b><u>CURRENT ASSETS</u></b>			
Stocks and Work in Progress	4	1,988,018,432	1,681,957,980
Trade Receivables	5	642,454,660	896,030,198
Cash at Bank	6	136,290,331	142,098,181
<b>Total Current Assets</b>		<b>2,766,763,423</b>	<b>2,720,086,359</b>
<b>TOTAL ASSETS</b>		<b>17,208,949,743</b>	<b>17,655,520,151</b>
<b><u>EQUITY</u></b>			
Authorised Share Capital	7	3,122,000,000	3,122,000,000
Share Capital	8	1,561,000,000	1,561,000,000
Share Premium		1,002,732,158	1,002,732,158
Revaluation Reserve		2,349,109,578	2,337,890,113
Revenue Reserve	9	3,966,170,285	3,778,034,076
Deposit for Shares		5,000,000,000	5,000,000,000
		<b>13,879,012,021</b>	<b>13,679,656,347</b>
<b><u>LIABILITIES</u></b>			
<b><u>Non-Current Liabilities</u></b>			
Bank Loan	10		
Directors Current Account		393,219,870	587,309,701
Other Long Term liability		2,514,476,396	2,514,476,396
<b>Total Non-Current Liability</b>		<b>2,907,696,266</b>	<b>3,101,786,097</b>
<b><u>Current Liabilities</u></b>			
Account Payables	11	308,705,393	556,309,660
Bank Overdraft		-	-
Current Tax Payable	12	113,536,063	317,768,047
		<b>422,241,456</b>	<b>874,077,707</b>
<b>Total Equity and Liabilities</b>		<b>17,208,949,743</b>	<b>17,655,520,151</b>

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The Notes on pages 15 to 23 form an integral of these financial statements



HALDANE MCCALL PLC

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER, 2022**

	Notes	30-Sep-23 = N=	31-Dec-22 = N=
Revenue	13	1,320,926,334	2,838,713,516
Cost of Sales	14	(591,383,275)	(2,021,805,606)
Gross Profit		<u>729,543,059</u>	<u>816,907,910</u>
Other Income	15	<u>54,471,000</u>	<u>77,987,154</u>
		<b>784,014,059</b>	<b>894,895,064</b>
<b>Less Operating Expenses:</b>			
Distribution Cost	16	57,491,464	90,080,339
Administrative Expenses	17	224,992,174	208,130,411
Other Expenses	18	222,734,244	450,526,009
Finance Cost		2,122,906	2,117,816
Interest Expenses		-	-
<b>Total Expenses</b>		<u><b>507,340,788</b></u>	<u><b>750,854,575</b></u>
<b>Profit(loss) before Tax</b>		276,673,271	144,040,489
Current Tax Provision		<u>(88,536,063)</u>	<u>(46,092,957)</u>
<b>Profit(loss) after Tax</b>		<b>188,137,208</b>	<b>97,947,532</b>
Other Comprehensive Income		-	-
<b>Profit for the Period</b>		<u><u><b>188,137,208</b></u></u>	<u><u><b>97,947,532</b></u></u>

The Notes on pages 15 to 23 form an integral of these financial statements

HALDANE MCCALL PLC

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER, 2023

	SHARE CAPITAL	SHARE CAPITAL AMOUNT	STATUTORY RESERVE	RETAINED EARNING	TOTAL EQUITY
		= N=	= N=	= N=	= N=
Balance at 1 January, 2023	3,122,000,000	1,561,000,000	1,002,732,158	3,680,086,543	7,804,818,701
Net income after dividend	-	-	-	97,947,533	97,947,533
Issuance from common stock for cash at N0.50 each	-	-	-	-	-
<b>Balance at 30 September 2023</b>	<b><u>3,122,000,000</u></b>	<b><u>1,561,000,000</u></b>	<b><u>1,002,732,158</u></b>	<b><u>3,778,034,076</u></b>	<b><u>7,902,766,234</u></b>
Balance at 1 January, 2022	250,000,000	250,000,000	124,412,743	3,626,363,788	4,000,776,531
Net income after dividend				53,722,755	53,722,755
Issuance from common stock for cash at N0.50 each	2,872,000,000	1,311,000,000	878,319,415	-	3,750,319,415
<b>Balance at 31 December 2022</b>	<b><u>3,122,000,000</u></b>	<b><u>1,561,000,000</u></b>	<b><u>1,002,732,158</u></b>	<b><u>3,680,086,543</u></b>	<b><u>7,804,818,701</u></b>

The notes on pages 15 to 23 from an integral part of these Statements

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER, 2023

### 1.1 General Information:

**HALDANE MCCALL PLC** was registered under the relevant provision of **Companies and Allied Matters Act, 1990** (As Amended) to operate in Nigeria.

The object clause of the company empowers the organization to carry on the business of real estate consultant, home ownership, schools, house marketing, property development, in all its ramifications, estate manager, property manager, to deal in real estate, turnup properties, interior decoration and property investment.

The company is also allowed to carry out all businesses stated in its Memorandum and Articles of Association, with due care and diligence in order to have positive effect in the Nigerian Financial Market.

**HALDANE MCCALL PLC** registered address is 2, Sonny Way, Shonibare Estate, Maryland, Ikeja, Lagos State.

### 1.2 Basis of Preparation:

#### (a) Statement of compliance

These Statement of Affairs have been prepared in accordance with International Financial Reporting Standards (IFRS).

#### (b) Basis of Accounting

The general-purpose financial statements ("the financial statements") have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in Naira in order to assist **HALDANE MCCALL PLC** to provide financial information to members of the Company. As a result, the Financial Statements may not be suitable for another purpose.

#### (c) Basis of Measurement:

The Financial Statements have been prepared on the historical cost basis.

#### (d) Functional and Presentation Currency:

This Financial Statements are presented in Naira, which is the Company's functional currency. Unless stated otherwise, all financial information presented in Naira.

#### (e) 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.



## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER, 2023

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

In particular, information about assumptions, estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements relate to recoverability of qualifying assets, decommissioning costs estimation and recovery of deferred tax assets. Further information on each of these areas and how they impact the various accounting policies are described below:

**(i) Recoverability of Qualifying Assets**

The Company assesses each asset at each reporting year to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use.

Fair value for qualifying assets is generally determined as the present value of estimated future cash flows arising from the continued use of the assets, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(ii) Contingencies:**

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

**(iii) Provisions for Employee Benefits:**

The actuarial techniques used to assess the value of the defined benefit plans involve financial assumptions (discount rate, rate of return on assets, medical costs trend rate) and demographic assumptions (salary increase rate, employee turnover rate, etc.).

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30 SEPTEMBER, 2023**

**1.3 Significant Accounting Policies:**

The accounting policies set out below have been applied consistently to all years presented in these Financial Statements.

**(a) Foreign Currency Transactions:**

Transactions denominated in foreign currencies are translated and recorded in Nigerian Naira at the actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates of exchange prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**(b) Financial Instruments:**

The Company classifies non-derivative financial assets into loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category:

**(i) *Non-Derivative Financial Assets and Financial Liabilities – Recognition and Derecognition***

The Company initially recognizes loans and receivables issued on the date when they are originated. Financial liabilities are initially recognized on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Joint Venture derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.



**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30 SEPTEMBER, 2023**

**(c) 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. Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognized includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

**(ii) Subsequent Costs:**

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

**(iii) Depreciation:**

Items of property, plant and equipment are depreciated from the date that they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives or using the unit of production basis. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset.



NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30 SEPTEMBER, 2023

Type of asset	Basis
- Freehold Land	%
- Building	2%
- Motor Vehicle	20%
- Plant & Machinery	20%
- Furniture and fittings	20%
- Office Equipment	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

**(d) Impairment:**

**(i) Non-Derivative Financial Assets:**

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired includes:

- *default or delinquency by a debtor;*
- *restructuring of an amount due to the Company on terms that the Company would not consider otherwise;*
- *indications that a debtor or issuer will enter bankruptcy.*

Financial assets measured at Amortized Cost

The Company considers evidence of impairment for these assets at both an individual asset and collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on timing of recoveries and the amount of loss incurred, and makes adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER, 2023

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there is no realistic prospect of recovery of the asset, the relevant 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 recognized, then the previously recognized impairment loss is reversed through profit or loss.

**(ii) *Non-financial Assets:***

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are group together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash flows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**(e) *Intangible Assets:***

**(i) *Recognition and Measurement:***

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

The Company's intangible assets with finite useful lives comprise acquired accounting and Engineering software.



## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER, 2023

(ii) *Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) *Amortization of Intangible Assets:*

Amortization is calculated to write off the cost of the intangible asset less its estimated residual value using the straight-line basis over the estimated useful lives or using the units of production basis from the date that they are available for use.

The estimated useful life and methods of amortization of intangible assets for current and comparative years are as follows:

Type of Asset	Basis
Accounting and Engineering Software	10 years using straight line basis

(iv) *Derecognition of intangible assets*

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

(f) **Leases:**

*Leased Assets:*

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Company's statement of financial position.

*Lease Payments:*

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
AS AT 30 SEPTEMBER, 2023

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant yearly rate of interest on the remaining balance of the liability.

***Determining whether an arrangement contains a Lease:***

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- *the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and*
- *the arrangement contains a right to use the asset(s).*

At inception or on reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

**(g) Inventories:**

Inventories of Consumable Materials:

Inventories are stated at the lower of cost and net realizable value, with appropriate allowance for old and slow-moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

***Consumables***

Consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks, and includes expenditures incurred in acquiring the stocks, and other costs incurred in bringing them to their existing location and condition.

**(h) Employee Benefits:**

***(i) Defined Contribution Plan:***

A defined contribution plan is a post-employment benefit plan 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 years.

NOTES TO THE FINANCIAL STATEMENTS(Cont'd)  
AS AT 30 SEPTEMBER, 2023

In line with the provisions of the Pension Reform Act 2004, the Company has instituted a defined contribution pension scheme for its permanent staff. Employees contribute 8% each of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Company's contribution is 10% of each employee's Basic salary, Transport and Housing Allowances. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognized in profit or loss as employee benefit expense in the years during which services are rendered by employees.

(ii) ***Defined Benefit Plans:***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value.

In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover.

(iii) ***Other Long-Term Employee Benefits:***

The Company's other long-term employee benefits represents a Long Service Award scheme instituted for all permanent employees. The Company's obligations in respect of this scheme is the amount of future benefits that employees have earned in return for their service in the current and prior years. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognized in profit or loss.

(iv) ***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 recognized for the amount expected to be paid under short-term cash bonuses 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.

(v) ***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 recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting year, then they are discounted.



**NOTES TO THE FINANCIAL STATEMENTS(Cont'd)**  
**AS AT 30 SEPTEMBER, 2023**

**(i) Provisions and contingent liabilities**

***Provisions:***

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

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of Continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

***Provision for Asset Retirement Obligations:***

Provision is made for asset retirement obligations on oil and gas facilities, production platforms, pipelines and other facilities based on estimates established by current legislation and industry practices. Provision for decommissioning costs is initially measured at fair value and capitalized to property, plant and equipment as an asset retirement cost. The liability is estimated by discounting expected future cash flows required to settle the liability using a riskfree rate. The estimated future asset retirement costs may be adjusted for risks such as project, physical, regulatory and timing. The estimates are reviewed annually. Changes in the provision as a result of changes in the estimated future costs or discount rates are added to or deducted from the cost of the related item of property, plant and equipment in the year of change. The liability accretes for the effect of time value of money until it is expected to settle.

The asset retirement cost is amortized through depreciation, depletion and amortization over the life of the related asset. Actual asset retirement expenditures are recorded against the obligation when incurred. Any difference between the accrued liability and the actual expenditures incurred is recorded in profit or loss in the settlement year.

***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 recognized 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.



## NOTES TO THE FINANCIAL STATEMENTS(Cont'd)

AS AT 30 SEPTEMBER, 2023

Contingent liabilities are only disclosed and not recognized 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.

(j) Revenue:

Revenue from rent are reported net of applicable value added tax. Rent received are charged to the income statement within the applicable periods rather than when the rent is received.

(k) Finance Income and Finance Costs:

The Company's finance income and finance costs include:

- (i) *interest income*
- (ii) *interest expense on borrowings*
- (iii) *the foreign currency gain or loss on financial assets and financial liabilities*
- (iv) *unwinding of the discount on provisions*

Interest income or expense is recognized using the effective interest method. Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

### 1.4 Determination of Fair Values:

Some of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. The Company has an established framework with respect to the measurement of fair values. This includes valuation team that has the overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and report directly to the Chief Financial Officer (CFO).

When 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 used in the valuation technique as follows

- **Level 1:**  
**Quoted prices (unadjusted) in active markets for identical assets or liabilities.**
- **Level 2:**  
**Input other than quoted prices included in level 1 that are observable for the**

assets 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).**

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 must be 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 year during which the change has occurred.

HALDANE MCCALL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Freehold Land & Building = N=	Plant & Machineries = N=	Motor Vehicles = N=	Computer Accessories = N=	Furniture & Fittings = N=	Office Equipment = N=	TOTAL = N=
<b>COST</b>							
Balance as at 01/01/2023	14,013,676,000	98,252,652	190,277,038	-	21,305,954	19,362,895	14,342,874,539
Revaluation							-
Addition During the year	925,390,211	-	-	-	-	-	925,390,211
Disposal during the year	-	-	-	-	-	-	-
Balance as at 31/12/2023	<u>14,939,066,211</u>	<u>98,252,652</u>	<u>190,277,038</u>	<u>-</u>	<u>21,305,954</u>	<u>19,362,895</u>	<u>15,268,264,750</u>
Balance as at 01/01/2022	18,216,286,000	98,252,652	190,277,038	-	21,305,954	19,362,895	18,545,484,539
Revaluation	-	-	-	-	-	-	-
Addition During the year	1,475,000,000	-	1,552,553	1,360,000	180,700	14,646,400	1,492,739,653
Revaluation Reserve	(4,240,000,000)	-	-	-	-	-	(4,240,000,000)
Balance as at 31/12/2022	<u>15,451,286,000</u>	<u>98,252,652</u>	<u>191,829,591</u>	<u>1,360,000</u>	<u>21,486,654</u>	<u>34,009,295</u>	<u>15,798,224,192</u>
<b>DEPRECIATION</b>							
Balance as at 01/01/2023	280,273,520	92,135,882	166,355,443	-	14,562,458	13,638,523	566,965,826
Charge for the year	209,732,824	14,737,898	28,541,556	-	3,195,893	2,904,434	259,112,604
Revaluation Reserve	-	-	-	-	-	-	-
Balance as at 31/12/2023	<u>490,006,344</u>	<u>106,873,780</u>	<u>194,896,999</u>	<u>-</u>	<u>17,758,351</u>	<u>16,542,957</u>	<u>826,078,430</u>
Balance as at 01/01/2022	364,325,720	92,135,882	166,355,443	-	14,562,458	13,638,523	651,018,027
Charge for the year	309,025,720	10,650,429	13,174,107	272,000	4,297,331	6,801,859	296,572,374
Revaluation Reserve	(84,800,000)	-	-	-	-	-	(84,800,000)
Balance as at 31/12/2022	<u>588,551,440</u>	<u>81,485,453</u>	<u>153,181,336</u>	<u>272,000</u>	<u>18,859,789</u>	<u>20,440,382</u>	<u>862,790,400</u>
<b>NET BOOK VALUE</b>							
Balance as at 31/12/2023	<u>14,449,059,868</u>	<u>8,621,128</u>	<u>4,619,961</u>	<u>-</u>	<u>3,547,603</u>	<u>2,819,938</u>	<u>14,442,186,320</u>
Balance as at 31/12/2022	<u>13,733,402,480</u>	<u>6,116,770</u>	<u>23,921,595</u>	<u>-</u>	<u>6,743,496</u>	<u>5,724,372</u>	<u>14,935,433,792</u>



HALDANE MCCALL PLC

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	30-Sep-23 = N=	31-Dec-22 = N=
<b>3 Long Term Investment</b>		
Long term investment	-	-
<b>4 Stock and Work in Progress</b>		
Ketu Land	354,757,727	354,500,000
Abeokuta Isihun	54,987,448	62,200,000
Ladipo Oluwole	124,165,205	212,100,000
Port Novo	1,386,226,054	791,625,770
Oke Sari	3,547,577	-
Ipaye	64,334,421	36,269,497
Owode Elede		24,000,000
Adeyemi Lawson	-	-
Newco		200,000,000
Suru Express Closing Stock		1,262,713
	<b>1,988,018,432</b>	<b>1,681,957,980</b>
<b>5 Trade Receivable</b>		
Homes buyers Receivables	894,966,952	732,466,834
Homes Rental Receivables	542,031,666	101,795,003
Hotel Rental Receivables	-	61,107,361
Staff Receivables		661,000
	<b>895,508,984</b>	<b>896,030,198</b>
<b>6 Cash and Cash Equivalent</b>		
Bank Balance	135,809,438	141,584,007
Cash Balance	480,893	514,174
	<b>136,290,331</b>	<b>142,098,181</b>
<b>7 Authorised Share Capital</b>		
Authorized Share Capital of 3,122,000,000 issued at N0.50k each	<b>3,122,000,000</b>	<b>3,122,000,000</b>
<b>8 Issues and Fully Paid-Up Share Capital:</b>		
Ordinary shares of 3,122,000,000 at N0.50 each	<b>1,561,000,000</b>	<b>1,561,000,000</b>
<b>9 Revaluation Reserve</b>		
Cost of Revalued Assets	2,337,890,113	3,827,890,113
Accumulated Depreciation on Revalued Assets	-	-
Net Book Of Revalued Assets	2,337,890,113	3,827,890,113
Revalued Amount	-	6,165,780,226
Revaluation Surplus /Deficit	<b>- 2,337,890,113</b>	<b>2,337,890,113</b>
<b>9 Revenue Reserve</b>		
Bal b/f	3,778,034,076	3,680,086,543
Transfer for the year	188,136,209	97,947,533
	<b>3,966,170,285</b>	<b>3,778,034,076</b>
<b>10 Bank Loan</b>		
Fidelity Bank Loan	-	-
<b>11 Account Payable</b>		
Trade Creditors	308,705,393	3,459,648
Other creditors	393,219,870	552,850,012
	<b>701,925,263</b>	<b>556,309,660</b>
<b>12 Taxation</b>		
Balance brought forward	317,768,047	271,675,090
Provision for the year	88,536,063	46,092,957
	406,304,110	317,768,047
Payment during the year	-	-
Balance carried Forward	<b>406,304,110</b>	<b>317,768,047</b>

HALDANE McCALL PLC

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	30-Sep-23 = N=	31-Dec-22 = N=
<b>13 Revenue</b>		
Sale of land and Building	908,384,940	2,359,837,209
Rental Income	46,933,140	117,953,488
Hotel	365,608,255	360,922,819
	<u>1,320,926,334</u>	<u>2,838,713,516</u>
<b>14 Cost of Sales</b>		
Opening stock	1,681,957,980	1,120,775,267
Add Purchases	814,928,043	2,582,988,319
	2,496,886,023	3,703,763,586
Less; Returns	(561,182,713)	-
	1,935,703,310	3,703,763,586
Closing stock	(1,344,320,035)	(1,681,957,980)
	<u>591,383,275</u>	<u>2,021,805,606</u>
<b>15 Other Income</b>		
Profit on sales of Long term Investment (15b)		
Others	54,471,000	77,987,154
	<u>54,471,000</u>	<u>77,987,154</u>
<b>15b Sales of Long term Investment</b>		
Sales proceeds	-	-
Cost of Long term	-	-
Profit on long term Investment	-	-
<b>16 Distribution Cost</b>		
Transport and Travelling	9,084,953	7,097,201
Marketing		257,000
Sales Commission	48,406,511	82,726,138
	<u>57,491,464</u>	<u>90,080,339</u>
<b>17 Administrative Expenses</b>		
Staff Welfare	2,720,100	5,560,549
Salaries & Wages	99,637,532	130,548,255
Final entitlement	1,845,788	4,768,963
Subscription	3,524,542	4,985,146
Office Expenses	15,234,644	2,258,201
Stationery & Printing	2,337,075	3,559,200
Diesel & Fuel	15,174,849	3,847,001
Utilities	395,100	1,983,050
Industrial Training Fund	2,630,063	1,305,483
Repairs & Maintenance	18,820,150	17,430,938
Pension: Employer's contribution		10,126,338
Telephone, Postages & Internet expenses	8,928,219	5,166,437
Rent	-	4,500,000
Gifts & Donation	6,318,800	12,090,850
Professional Fees	36,925,440	-
General Expenses	10,499,873	-
	<u>224,992,174</u>	<u>208,130,411</u>

HALDANE McCALL PLC

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	30-Sep-23 = N=	31-Dec-22 = N=
<b>18 <u>Other Expenses</u></b>		
Motor Running Expenses	3,848,257	10,302,310
Labour & Gardening	-	2,485,000
Advertisement	1,874,750	8,803,147
Public Relations Expenses	120,000	120,000
Security Expenses	298,650	1,480,000
Medical Expenses	3,182,639	561,925
Insurance	1,873,490	3,914,242
Service Charge	-	7,857,192
Newspaper and Periodicals	-	9,000
Legal and Professional services	1,000,000	339,500
Audit fee	-	2,000,000
Professional fee & others	6,150,000	91,744,995
Survey & consultancy fee	-	350,000
Depreciation	195,645,369	296,572,374
Entertainment	-	2,989,615
Electricity	8,245,944	1,855,000
Fire Extinguisher	177,550	303,900
Land use Charge	-	2,488,632
Cleaning & Fumigation	24,500	1,869,200
General Expenses	-	7,804,728
Generator Maintenance	-	2,111,100
Computer Expenses	-	2,886,233
Electrical Materials	-	19,800
Training and Seminars	-	1,658,116
General Expenses	293,095	-
	<u>222,734,244</u>	<u>450,526,009</u>

**19 Contigent Liabilities**

The Company has no contigent liabilites in respect of any pending litigation.

**20 Events after Reporting Date**

There were no events after the reporting date which could have had a material effect on the financial position of the company as at 30th September, 2023 and loss for the year ended on that date which have not been adequately provided for.