18, RHODES CRESCENT,

P.O. BOX 3327K, APAPA, LAGOS

TEL: 07046461436, 08055951614

E-MAIL: saviourrejoicee@yahoo,com

**TAMUNOIBI & CO.**

**CHARTERED ACCOUNTANTS**

**MEMBER OF PUBLIC PRACTICE SECTION OF ICAN**



**Annual report**

**&**

**account**

**FOR**

**KOLSTRAN ENGINEERING**

**SERVICES NIGERIA LTD**

**RC:437551**

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**TABLE OF CONTENTS**

CONTENTS PAGES

CORPORATE INFORMATION 2

DIRECTORS’ REPORT 3 – 5

AUDITORS REPORT 6

STATUTORY PROFIT&LOSS ACCOUNT 7

BALANCE SHEET 8

DETAILEDTRADING,PROFIT AND LOSS ACOUNT 9

STATEMENTOFACCOUNTING POLICIES/

NOTES TOTHEACCOUNTS 10 – 10b

STATEMENT OFVALUE-ADDED 11

STATEMENTOF SOURCEANDAPPLICATIONOFFUNDS 12

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS** **SHAREHOLDINGS**

KOMOLAFE TIMOTHY OLATUNJI CHAIRMAN/CEO 2,500,000 SHARES

AKIN THOMPSON DIRECTOR 2,000,000 SHARES

KOMOLAFE DEBORAH OLUWASOLA DIRECTOR 400,000 SHARES

KOMOLAFE KOLADE VICTOR DIRECTOR 50,000 SHARES

KOMOLAFE SAMSON OLUMIDE DIRECTOR 50,000 SHARES

5,000,000 SHARES

**OFFICE ADDRESS:** 27 Strachan Street,

Off Igbosere Road,

By Lapal House, Lagos

.

**NATURE OF BUSINESS:** Engineering Services

**AUTHORISED SHARE CAPITAL:** 5,000,000 Ordinary Shares of N1.00 each

**STAFF STRENGTH** : Eight (8)

**MAJORCLIENTS/CUSTOMERS/SUPPLIERS:** Ministries, Corporate & General Public

**INCORPORATION DATA:** RC437551 of 6yh of December,2001

**AUDITORS** MESSRS TAMUNOIBI & CO

CHARATERED ACCOUNTANTS

18, RHODES CRESCENT

BOX 3327, APAPA, LAGOS.

E-MAIL: [saviourrejoicee@yahoo.com](mailto:saviourrejoicee@yahoo.com)

TEL: 07046461436, 08055951614

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**REPORT OF THE DIRECTORSTO THE MEMBERS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2015**

The Directors of **Kolstran Engineering Service (Nig) Limite**d have the pleasure of presenting their Annual Report & Accounts of the Company, together with the Annexed Balance Sheet and Profit and Loss Account for the year ended 31st December, 2010.

1. **PRINCIPAL ACITIVITIES**

The Company was incorporated in Nigeria on 6th December, 2001 with Certificate of Incorporation No. RC-437551. The Company’s Principal activity during the year was **Engineering Services.** The Company recorded a total turnover of N780,158,800

2. **MAJOR CLIENTS**

Ministries, Parastatals, Companies and Individuals

3. **OPERATION RESULT**

Operating Profit for the year before tax was N250,687,900

4. **DIRECTORS AND THEIR INTERESTS**

The following Directors were in office during the year and had their shareholdings as shown below:

Issued and fully Paid-up

Shares of N1.00 each held:

(1) KOMOLAFE TIMOTHY OLATUNJI CHAIRMAN/CEO 2,500,000 SHARES

AKIN THOMPSON DIRECTOR 2,000,000 SHARES

KOMOLAFE DEBORAH OLUWASOLA DIRECTOR 400,000 SHARES

KOMOLAFE KOLADE VICTOR DIRECTOR 50,000 SHARES

KOMOLAFE SAMSON OLUMIDE DIRECTOR 50,000 SHARES

**5,000,000 SHARES**

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

5. **FIXED ASSETS**

The movement of Fixed Assets are as shown in theBalance Sheet. In the opinion Directors, the market value of the Company’s Fixed Assets is not substantially less than the value shown in the accounts.

6. **GOING – CONCERN**

The Directors continue to adopt the Going-Concern basis in preparing the accounts, with a reasonable expectation that the company has adequate resources to continue in operation for the foreable future.

7. **INTERNAL CONTROL**

The Company maintains as appropriate internal audit control environment which is well documented and regularly reviewed. The directors have also established a clear organizational structure with well-defined delegation of appropriate authorities.

8. **GIFTS AND DONATIONS**

The Company made donations, gifts and so many contributions to Communities & Mosques during the year.

9. **STAFF HEALTH, SAFETY AND WELFARE**

The Company maintains a Policy of re-imbursement of Staff Medical expenses

10. **STAFF TRAINING**

The Company attached great importance to training and staffs are continuously encouraged to participate in courses and Seminars as considered necessary by the Management.

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

***DIRECTORS’ REPORT CONTD***.

11. **EMPLOYMENT OF DISABLE PERSONS**

The Company did not receive application for employment from any diable person during the year, as a result, no disabled person is presently on the Company’s Payroll.

12. **AUDITORS**

**MESSRS TAMUNOIBI & CO. CHARTERED ACCOUNTANTS**, have indicated their willingness to continue in office as Auditors of the Company, in accordance with Section 357(2) of the Companies and Allied Matters At, 1990.

***BY ORDER OF THE BOARD***

***SECRETARIES***

***Lagos, Nigeria.***

***Date:***

18, RHODES CRESCENT,

P.O. BOX 3327K, APAPA, LAGOS

TEL: 07046461436, 08055951614

E-MAIL: saviourrejoicee@yahoo,com

**CHARTERED ACCOUNTANTS**

**TAMUNOIBI & CO.**

**MEMBER OF PUBLIC PRACTICE SECTION OF ICAN**

**AUDITORS’ REPORT TO MEMBERS OF**

**KOLSTRAN ENGINEERING SERVICES NIGERIA LIMITED RC:437551**

We have examined the Financial Report of **Kolstran Engineering Service Nigeria Limited** for the year ended 31st December, 2015 which have been prepared in accordance with the Company’s accounting policies.

**Respective responsibilities of Directors and Auditors**

In accordance with the provisions of the Companies and Allied Matters Act, 1990, the Directors are responsible for the preparation of the financial statements, which give a true and fair view of the financial position of the Company and of the Profit for the financial year.

These Directors’ responsibilities also include ensuring that:

1. Appropriate internal controls are established both to safeguard assets of the Company and to prevent and detect fraud and other irregularities.
2. The Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statement comply with the requirements of the Companies and Allied Matters Act 1990.
3. The Company has used suitable accounting policies, consistently applied and supported by reasons and prudent judgments, estimates, and that all applicable accounting standards have been followed. It is also the responsibility of the Directors to be satisfied that it is appropriate for the financial statement to be prepared on a going concern basis unless it is presumed that the Company will not continue in business. It is our responsibility as Auditors to express an independent opinion, based on our audit, on those financial statements prepared by the Directors.

**Basis of Opinion**

We conducted our audit in accordance with International Standard on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement. An audit includes examination, on a test basis, of evidence supporting the amount and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used, significant estimates and judgements made by the Directors, and n evaluation of the overall adequacy of the presentation of the financial Statements.

We planned and performed such audit procedures and obtained all information and explanations, which we considered necessary for the purpose of our audit. We believe that our audit provides us with a reasonable basis for our opinion.

**Opinion**

In our opinion, the Company has kept proper books, and the financial statements which are in agreement with them, give in prescribed the information required by the Companies and Allied Matters Act 1990, and give a true and fair view of the state of affairs of the Company for the year ended 31st December,2015 and of the profit and cash flows of the Company for the year ended, in conformity with generally accepted accounting principles in Nigeria.



**Charted Accountants**



**Lagos, Nigeria**

**Dated this**

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**STATUTORY PROFIT AND LOSS ACCOUNT**

**AS AT 31ST DECEMBER, 2015**

**2015 2014**

**N N N N**

Earnings/Turnover 780,158,800 615,441,200

Net Profit before tax 250,687,900 150,917,599

***After charging the followings:***

Directors’ Remuneration 12,000,000 10,200,000

Audit fees 250,000 250,000

Staff Welfare 425,000 395,000

Preliminary Expenses 10,000 10,000

Depreciation 4,365,500 4,365,500

Financed Charges 328,694 228,596

Less Tax Provision (22,268,757) (11,268,782)

Balance after tax 228,419,143 139,648,817

Balance brought forward 41,995,335 22,346,518

Balance per balance sheet 270,414,478 161,995,335

The accompanying notes/schedules form an integral part of this financial statements.

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**BALANCE SHEET**

**AS AT 31ST DECEMBER, 2015**

**2015 2014**

**N N N N**

Net Fixed Assets 227,943,500 231,939,000

Preliminary Expenses 30,000 40,000

227,973,500 231,979,000

**CURRENT ASSETS**

Inventories 26,179,871 20,411,077

Receivable & Prepayment 11,726,642 6,607,542

Cash/Bank Balance 200,968,520 111,866,106

238,875,033 138,884,725

**LESS CURRENT LIABILITIES**

Payables & Accruals 2,981,776 4,869,982

Audit Fee 250,000 250,000

3,231,776 5,119,982

Net Current Assets 235,637,257 133,764,743

463,610,757 365,743,743

**REPRESENTED & FINANCED BY**

**AUTHORISED SHARE CAPITAL**

5,000,000 Ordinary Shares of N1.00 each 5,000,000 5,000,000

**ISSUED & FULLY PAID-UP SHARE CAPITAL**

5,000,000 ordinary shares of N1.00 each 5,000,000 5,000,000

Profit & Loss Accounts 270,414,478 161,995,408

Directors’ Current Account 188,196,279 198,748,408

463,610,757 365,743,743

Approved by the Board of Directors on…………………

And signed on its behalf by:

………………………………………………….

KOMOLAFE TIMOTHY OLATUNJI

…………………………………………………..

AKIN THOMSON

………………………………………………….. ***DIRECTORS***

KOMOLAFE DEBORAH OLUWASOLA

………………………………………………….

KOMOLAFE KOLADE VICTOR

……………………………………………………

KOMOLAFE SAMSON OLUMIDE

The accompanying notes/schedules form an integral part of its financial statement

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**DETAILEDTRADING, PROFIT & LOSS ACCOUNT**

**AS AT 31ST DECEMBER, 2015**

**2015 2014**

**N N N N**

Earnings/Turnover 780,158,800 615,441,200

Less: Direct Costs (495,275,197) 434,735,436

Gross profit 284,883,603 180,705,764

**Less Admin. Overheads**

Director’s Remunerations 12,000,000 10,200,000

Wages/Salaries 6,816,366 6,176,305

Rent & Rates 800,000 800,000

Motor Vehicles Expenses 521,780 495,275

Entertainment/P.R 726,870 516,160

Staff Development 425,000 395,000

Repairs &Maintenance 768,170 680,305

Printing &Stationery 572,400 614,800

Telephone/Postages 1,108,744 992,244

Bank Charges 328,694 228,596

Medical Expenses 466,200 318,600

Transport/Travelling 2,380,460 1,850,680

Advert/Promotion 780,250 580,000

Electricity &Diesel 1,200,269 802,700

Generator Repairs & Fueling 675,000 512,000

Audit fees 250,000 250,000

Preliminary expenses 10,000 10,000

Depreciation 4,365,500 4,365,500

Net profit for the year 34,195,703 29,788,165

250,687,900 150,917,599

Less Provision for tax (22,268,757) (11,268,782)

Profit after tax 228,419,143 139,648,817

Balance brought forward 241,995,335 102,346,518

470,414,478 241,995,335

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**NOTES ON THE ACCOUNTS**

**AS AT 31ST DECEMBER, 2015**

1. **THE COMPANY**

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD** was incorporate in Nigeria on 6th December, 2001 with Certificate of Incorporation No. RC-437551. The Company’s Principal activity during the year was **Engineering Services**.

2. **ACCOUNTING POLICIES**

The following is a summary of the most significant accounting policies of the Company during the year.

3. **BASIS OF ACCOUNTING**

The Accounts have been prepared under the historical cost convention.

4. **TURNOVER**

Turnover represents the value of services invoiced to third parties during the year. The Company recorded a total turnover of 780,158,800

5. **FIXED ASSETS AND PROVISION FOR DEPRECIATION**

Fixed Assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to written – off the cost of Fixed Assets over their estimated useful and operational lives at the following annual rates.

Land & Building Nil

Motor Vehicles 20%

Equipment 15%

Furniture & Fittings 10%

6. **SCHEDULEOF FIXED ASSETS**

**Assets Cost / Agg. Dep. Charge Agg, NBV**

**Value 31/12/14 for year Dep. 31/12/15**

**N N N N N**

Land & Building 215,000,000 --- --- --- 215,000,000

Motor Vehicles 12,800,000 5,120,000 2,560,000 7,680,000 5,120,000

Equipment/Plant 10,370,000 3,111,000 1,555,500 4,666,500 5,703,000  
furniture & Fittings 2,500,000 500,000 250,000 750,000 1,750,000

As at 31/12/14 240,670,000 8,731,000 4,365,500 13,096,500 227,943,500

7. **PRELIMINARY EXPENSES 2015**

This is written off over 10 years. N

Cost 100,000

Amount written-off (50,000)

Balance 30,000

**KOLSTRAN ENGINEERING SERVICES (NIG) LTD.**

**RC- 437551**

**NOTES TO THE ACCOUNTS (CONT’D)**

8. **CASH/BANKBALANCE SCHEDULE 2015 2014**

Bank Balance 200.968,520 111,866,106

Cash Balance --- ---

200.968,520 111,866,106

The huge cash balance represents sales not lodgment before the end of the year.

9. **STAFF STRENGTH 2015 2014**

Management Staff 2 1

Senior Staff 5 3

Junior 10 4

17 8

10. **DIRECT COSTS**

These include cost of importation, purchases, transportation, wages, Hire Charges Haulage &Warehousing etc.

11. **FOREIGN CURRENCIES**

Transportations in foreign currencies are translated to the Naira at the rate of exchange ruling at the date of the transaction. Foreign currency balanced converted to the Naira at the rates of exchange ruling at the Balance Sheet date. All differences arising in the conversion of foreign currencies to the Naira are taken to the Profit and Loss Account.

12. **PROFIT AND LOSS ACCOUNTS**

**2015 2014**

The Net Profit for the year **N N**

Hand been stated after charging

Depreciation 4,365,500 4,365.500

Staff costs 10,666,042 7,806,805

Auditors fees 250,000 250,000

13. **TAXATION 22,268,757 11,268,782**

The charge for income tax in these accounts has been based on the provisions of the Companies Income Tax Act. 1979 as amended to date while the charge for education tax has been based on the provisions of Education Tax Decree, 1993. See attached tax computation.

14. **PROFIT AND LOSS ACCOUNTS**

**2015 2014**

**N N**

Net Profit for the year 250,687,900 150,917,599

Less Tax Provision (22,268,757) (11,268,782)

Balance After Tax 228,419,143 139,648,817

Balance Brought Forward 41,995,335 161,995,335

270,414,478 161,995,335

**KOLSTRAN ENGINEERING SERVICES (NIG)LTD.**

**RC- 437551**

**NOTE TO THE ACCOUNTS (CONT’D)**

15. **DIRECTORS’ CURRENT ACCOUNT 2015 2014**

**N N**

Komolafe Timothy Olatunji 60,023,123 67,271,152

Akin Thomson 48,069,369 40,955,054

Komolafe Deborah Oluwasola 26,701,262 30,174,067

Komolafe Kolade Victor 26,701,262 30,174,067

komolafeSamson Olumide 26,701,262 30,174,067

188,196,279 198,748,408

16. **DIRECTORS’ SHAREHOLDINGS**

KOMOLAFE TIMOTHY OLATUNJI CHAIRMAN/CEO 2,500,000 SHARES

AKIN THOMPSON DIRECTOR 2,000,000 SHARES

KOMOLAFE DEBORAH OLUWASOLA DIRECTOR 400,000 SHARES

KOMOLAFE KOLADE VICTOR DIRECTOR 50,000 SHARES

KOMOLAFE SAMSON OLUMIDE DIRECTOR 50,000 SHARES

5,000,000 SHARES

17. **AUDITORS’ FEES**

The Auditors’ Fees was not based on the institute of Chartered Accountants of Nigeria(ICAN) fee scale but the negotiation ability of the company management.

18. **DIRECTORS’ REMUNERATION**

Executive Chairman 5,200,000

Executive Managing Director 4,000,000

Other Directors 2,800,000

12,000,000

19. **AUTHORISED SHARE CAPITAL**

5,000,000 Ordinary Shares of N1.00 each

20. **ISSUED & PAIDL-UP SHARES**

5,000,000 Ordinary Shares of N1.00 each issued & fully paid up.

21. **RECEIVABLE & PREPAYMENTS**  **2015 2014**

**N N**

Debtors 10,740,707 5,786,626

Prepayments 985,935 820,916

22. **PAYABLES & ACCRUALS** **2015 2014**

**N N**

Creditors 2,509,160 4,622,622

Accruals 472,616 247,360

2,981,716 4,869,982

23. **INVENTORIES**

Stock is valued at the lower of cost or net realization value.

**KOLSTRAN ENGINEERING SERVICES (NIG)LTD.**

**RC- 437551**

**STATEMENT OF VALUE-ADDED**

**AS AT 31ST DECEMBER, 2015**

**2015 % 2014 %**

**N N**

Turnover/Earnings 780,158,800 615,441,200

Less: Bought-in-materials (512,110,664) (451,122,700)

Value added 268,048,136 100 164,318,500 100

**APPLIED AS FOLLOWS**

Payment of Employees

Salaries and benefits etc. 12,666,042 8,.806,805

Maintenance of fixed assets 4,365,500 4,365,500

Finance charges 328,694 228,596

Provision for tax 22,268,757 11,268,782

Retained earnings 228,419,143 139,648,817

268,048,136 100 164,318,500 100

The value-added is wealth created through the use of Company’s asset by the employees.

The above shows the allocation of such wealth.

**KOLSTRAN ENGINEERING SERVICES (NIG)LTD.**

**RC- 437551**

**STATEMENT OF SOURCE & APPLICATION OF FUNDS**

**AS AT 31ST DECEMBER, 2015**

**2014 2015**

**N N N N**

**SOURCE OF FUNDS**

Net profit before tax 150,917,599 250,687,900

**Adjustment for items not**

**Involving movement of funds**

Depreciation 4,365,000 4,365,000

Preliminary expenses 10,000 10,000

4,375,500 4.375,500

155,293,099 255,063,400

**FUNDS FROM OTHER SOURCES**

Share capital --- ---

Directors current account --- ---

155,293,099 255,063,400

**APPLICATION OF FUNDS**

Preliminary expenses --- 184,687,695 ---

Directors’ current account 105,917,369 --- --- ---

Purchases of fixed assets --- --- --- ---

Tax provision 11,268,782 (117,186,151) 22,268,757 (206,956,452)

38,106,948 48,106,948

**ANALYSIS OF CAUSES OF INCREASE IN WORKING CAPITAL**

Increase in current assets 35,218,742 46,218.742  
increase in current liabilities 2,882,206 1,882,206

38,106,948 48,106,948