

ASSESSMENT OF GOING-CONCERN ASSUPMTIONS AND EVENTS AFTER REPORTING PERIOD

The insurgence of global pandemic “Covid 19” has made it incumbent upon management of company to re-assess the going concern assumptions used in the preparation of 2019 financial statements and to check whether there are material uncertainties that may cast significant doubt on the entity’s ability to operate under the going-concern basis

Going Concern Assessment

We have re-assessed our going concern assumptions and there are no material uncertainties that may cast significant doubt on our ability to continue to operate under the going-concern basis. Hence, the going-concern basis used in the preparation of 2019 financial statement is still effective

Liquidity risk

The following were the basis for reaching a concrete conclusion that the going-concern of our company is not threatened:

- Non- existence of bank loan facility that may pose liquidity threat to the company
- Existence of customers who are solid financially and pay their outstanding as at when due
- Our retained losses are due to high impact of credit losses allowance which are capable of reversing once the outstanding is collected
- There is a positive and favourable cash flow from operating activities of the company.
- Availability of highly funded related party
- We have a good credit terms with our suppliers which helps in our working capital management, hence, less liquidity threat.
- We are kick-starting new high profitable project this year with expected advance payment before commencement which gives assurance for less liquidity risk.

Events after reporting period

There are no events after the reporting date that provide additional evidence of conditions existing at the reporting date.

Few events that occur after the reporting date do not provide evidence of existence before reporting date. These are non-adjusting events and are by note if they are of such importance that non-disclosure would affect the ability of the users of the financial statements to make proper evaluations and decision. The note discloses:

- The nature of the event and,
- An estimate of the financial effect, or a statement that such an estimate cannot be made.

Other risk areas

Operations risk:

- Labour and materials are sourced locally from reliable supplier
- Our operating licence are renewed regularly
- Most project site operates on overtime to meet the required deadline
- Some projects are essential related client and there is free movement of labour and material on sites during and after the lockdown period e.g. Dangote sites.
- The HSE department are very active to provide appropriate PPE kits to safeguard workers working on these sites.

Logistic risk:

This is the risk associated with the movement of construction materials and other equipment's needed at various site:

- Availability of sufficient transportation facilities with approved government security and pass to aid the free movement of workers during and after the lockdown period.
- Availability of resources- particularly construction equipment spare parts, fuel and labour

A handwritten signature in black ink, appearing to read "Eyo Asuquo".

EYO ASUQUO
Director

A handwritten signature in black ink, appearing to read "Afolabi Aiyeola".

AFOLABI AIYEOLA
Director