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General Information

Country of incorporation and domicile	Nigeria
Company registration number	RC 1277173
Board of Directors	Mohammed Buhari - Executive Director Aisha Umar - Director Ademola Abideen Lawal - Director Ahmed Galadanci - Director
Company Secretary	Olushola Oguntimehin Suite 27, Hiltop Plaza Wuse Zone 4 Abuja
Registered Head Office	No 8 Justice Lawal Uwais Street Off Frederick Chiluba Close, Behind Lagos State Govt Lodge, Asokoro, Abuja.
Auditors	MHOA & Co (Chartered Accountants) Suite C05, Peace Park Plaza Ajose Adeogun Street, Utako District Abuja, FCT
Bankers	Fidelity Bank Zenith Bank
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

Contents

Director's Report

1. **Accounts**

The Directors have the pleasure to present their reports together with the Company's financial statements for the Six-month ended June 30th, 2022.

2. **Result**

	2022 Jan. – June ₦	2021 Jan. – June ₦
Turnover	45,549,250	150,410,990
Profit/(Loss) Before Taxation	3,226,070	4,683,559
Taxation Provision	-	-
Profit/(Loss) Before Taxation	3,226,070	4,683,559
Other Comprehensive Income	-	-
Profit/(Loss) for the year	3,226,070	4,683,559
Earnings per Share	32.26 k	46.83k

3. **Legal Form**

The company was incorporated as a private limited liability company with registration number **RC: 1277173.**

4. **Principal Activities**

The principal activities of the company during the year are the provision of Telecommunication, Internet service provider and installation service.

5. **Results & Dividend**

The results for the year are set out in the financial statements on pages 7-25. The Directors do not recommend payment of dividend for the year.

6. **Future Prospects**

The directors are confident that the company is appropriately placed to continue its current business and to explore new business opportunities.

7. **Directors**

The names of the Director who served during the year and up to the date of this report are as follows:

Mohammed Buhari - Executive Director
Aisha Umar - Director
Ademola Abideen Lawal - Director
Ahmed Galadanci - Director

During the period, Mr. Saheed Adesegun Okubena and Mr. Sulaiman Ayoade relinquished their shares on the 28th October, 2019 which was accepted and allotted to Ms. Aisha Umar, Mr. Ademola Abiodun Lawal and Mr. Ahmed Galadanci who also became the directors of the company from that date effective.

8. Directors' Interest in Shares

Pursuant to Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the direct and indirect interest of the Directors in the shares of the Company as notified by them and recorded in the Register is as follows:

	30/06/2022 No of Shares of ₦ 1 each
Mr. Mohammed Buhari	5,000,000
Ms. Aisha Umar	1,000,000
Ademola Abideen Lawal	500,000
Ahmed Galadanci	500,000

9. Directors' Interest in Contracts

None of the Company's directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act 2004 as amended of any declarable interest in contracts in which the Company is involved as at 31st March, 2022.

10. Analysis of Shareholding

According to the Register of Members, the following shareholders held more than 5% of the Issued Share Capital of the Company as at the reporting date.

	2022 Number of shares	% Holding
Mr. Mohammed Buhari	5,000,000	50%
Mr. Aisha Umar	1,000,000	10%
Mr. Hilda Khavere Luchinga	1,000,000	10%
Others	3,000,000	30%

11. Donations

There was no donation & charitable gift made during the year.

12. Fraud

The Company did not witness any case of fraud during the period.

13. Post Balance Sheet Events

The Company directors has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the Period ended 30th June, 2022 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

14. Human Resources Policy.

a) Employment of Physically Challenged Persons

It is the policy of the Company that there will be no discrimination in considering applications for employment including those from disabled persons. All employees whether disabled or not are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their career. As at 30th June, 2022, no disabled person was employed by the Company.

b) **Health, Safety and Welfare**

The Company maintains business premises and work environment that guarantee the safety and health of its employee and other stakeholders.

c) **Employment Involvement and Training**

The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress. Views of employees are sought where practicable on matters that particularly affect them as employees. Incentive schemes designed to meet changing circumstances of employees are implemented whenever appropriate and some of these schemes include bonus, promotion and salary review. The Company places a high premium on the training & development of its staff; hence the Company sponsored its employee for various training courses.

15. Format of Financial Statements

The financial statements of Bricklinks Africa Plc have been prepared in accordance with the reporting and presentation requirements of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

16 Corporate Governance

The Company maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The business of the Company is conducted with integrity which pays due regard to the legitimate interests of all stakeholders.

16. Directors Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company at the end of each financial period and of the profit or loss for that period in compliance with the provisions of the Companies and Allied Matters Act CAP C20 LFN2004, to ensure that:

- Proper accounting books and records are maintained.
- Applicable accounting standards are followed.
- Suitable accounting policies are adopted and consistently applied.
- The going concern basis is used, unless it is inappropriate to presume that the company will continue in business.
- Internal control procedures are instituted which will reasonably safeguard the assets, prevent and detect fraud and other irregularities

Directors' Responsibilities and Approval

The directors are required in terms of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is his responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the Period to June 30, 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 7.

The financial statements set out on pages 7 to 25 which have been prepared on the going concern basis, were approved by the board of directors on 28th July, 2022 and were signed on their behalf by:

Approval of financial statements

Director
Mr. Mohammed Buhari

Director
Mr. Ahmed Galadanci

FRC No:FRC/2020/003/00000022224

Statement of Financial Position as at June 30, 2022

Figures in Naira	Note(s)	2022	2022	2021
		Jan. - June	Jan. – Mar.	Jan. - Dec.
		N	N	N
Assets				
Property, Plant & Equipment	8	429,411,010	428,606,215	429,264,480
Intangible Assets	9	342,375,000	347,562,500	352,750,000
		771,786,010	**776,168,715**	**782,014,480**
Current Assets				
Cash and cash equivalent	10	1,009,779	357,523	1,315,838
Trade and other receivables	11	306,000	275,000	2,500,000
		1,315,779	**632,523**	**3,815,838**
Total Assets		**773,101,789**	**776,801,238**	**785,830,318**
Equity and Liabilities				
Liabilities				
Trade and other payables	12	16,090,000	20,200,000	27,723,000
Directors Loan	13	735,083,869	735,262,218	738,905,468
Tax liability	14	500,000	500,000	500,000
		751,673,869	**756,462,218**	**767,628,468**
Total Liabilities				
Equity				
Share capital	15	10,000,000	10,000,000	10,000,000
Retained earnings	16	11,427,920	10,339,020	8,201,850
		21,427,920	**20,339,020**	**18,201,850**
Total Equity and Liabilities		**773,101,789**	**776,801,238**	**785,830,318**

The financial statements were approved by the Board of Director's on .... 2022 and signed on its behalf by:

Name: Mohammed Buhari
FRC No: FRC No:FRC/2020/003/00000022224

________________________ Signature: ________________ Date 9-08-2022

Name: Mr. Ahmed Galadanci

________________________ Signature: ________________ Date 9-08-2022

The accompanying notes form an integral part of this Statement of Financial Position

Statement of Profit or Loss and Other Comprehensive Income
For the Six-month period ended 30th June, 2022

		2022 April - June	2021 April - June	2022 Jan. - June	2021 Jan. - June
Revenue	18	15,378,850	23,448,990	45,549,250	150,410,990
Cost of sales	19	(5,296,000)	(14,305,785)	(25,300,500)	(129,465,500)
Gross profit		10,082,850	9,143,205	20,248,750	20,945,490
Operating expenses	22	(8,200,373)	(7,799,612)	(17,022,680)	(16,261,931)
Profit/(Loss) before taxation		1,882,477	1,343,593	3,226,070	4,683,559
Taxation		-	-	-	-
Profit/(Loss) After for the year		1,882,477	1,343,593	3,226,070	4,683,559
Other comprehensive income		-		-	-
Total Comprehensive Profit for the year		1,882,477	1,343,593	3,226,070	4,683,559
Retained Profit/(Loss) brought forward		9,545,443	8,201,850	8,201,850	(6,218,147)
Retained Profit/(Loss) carried forward		11,427,920	9,545,443	11,427,920	(1,534,588)
Earnings per share		18.82k	13.43k	32.26k	46.83k

Statement of Changes in Equity

FOR THE SIX-MONTH PERIOD ENDED 30th June, 2022

	Share Capital ₦	Retained Earnings ₦	Total Equity ₦
Balance as at 1 January 2021	10,000,000	8,201,850	18,201,850
Changes in equity for 2022			
Loss for the period	-	3,226,070	3,226,070
Additions during the year	-	-	-
Re-measurement loss on available for sales assets	-	-	-
Foreign currency translation differences	-	-	-
Total transactions with business owner	10,000,000	11,427,920	21,427,920
As at 30 June 2022	**10,000,000**	**11,427,920**	**21,527,920**

Statement of Cash Flows

FOR THE SIX-MONTH PERIOD ENDED 30 June , 2022

Figures in Naira	Note(s)	2022	2022	2021
		Jan. - June	Jan. – Mar.	Jan. - Dec.
		N	N	N
Cash flows from operating activities				
Profit/(Loss) before taxation and other operating gains		3,226,070	2,137,170	14,919,997
Adjustments for:				
Depreciation and amortization		12,276,530	1,008,265	24,748,060
Changes in working capital:				
(Increase)/Decrease Trade and other receivables		2,194,000	2,225,000	-1,950,000
Increase/(Decrease) Trade and other payables		-14,181,060	-2,335,500	2,434,000
Cash generated from operations		**3,515,540**	**3,034,935**	**40,152,057**
Tax received (paid)		0	-	-
Net cash from operating activities		**3,515,540**	**3,034,935**	**40,152,057**
Cash flows from investing activities				
Purchase of Investment		-	-	-
Purchase of non-current asset		-	-350,000	-1,950,000
Purchase of Intangible Assets		-	-	-
Proceeds from Sale of asset		-	-	-
Net cash from investing activities		**0**	**-350,000**	**-1,950,000**
Cash flows from financing activities				
Share Capital		-	-	-
Directors current account		-3,821,599	-3,643,250	-37,905,691
Net cash from financing activities		**-3,821,599**	**-3,643,250**	**-37,905,691**
Total cash movement for the year		**-306,059**	**-958,315**	**296,366**
Cash at the beginning of the year		1,315,838	1,315,838	1,019,472
Total cash at end of the year		**1,009,779**	**357,523**	**1,315,838**

Notes to the Financial Statements

1. **General Information**

1.1 **Reporting Entity**

These financial statements are for Bricklinks Africa Plc ("Bricklinks" or "the Company").

BRICLINKS AFRICA Plc was incorporated as a public limited liability company in Nigeria on 30th July, 2015 under the Companies and Allied Matters Act of Nigeria. It was licensed by the Nigeria Communication Commission to operate as an Internet Service Provider Nigeria on the 1st of July, 2018 and commenced business operation on 1st January, 2019.

The principal activities of the Company are providing internet service and installation services to subscribers.

2. **Summary of Significant accounting policies**

2.1 **Introduction**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.2 **Basis of Accounting**

Statement of compliance

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria to the extent that they do not conflict with the requirements of IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies

This is the first financial statements where IFRS 1 was adopted in the preparation of the company's financial statements.

2.3 **Functional and Presentation Currency**

The financial statements are presented in Naira, which is the Company's functional currency. The figures shown in the financial statements are actual amounts.

2.4 **Basis of Measurement and Classification**

The financial statements have been prepared under the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value.
- available-for-sale financial assets are measured at fair value.
- loans and receivables and held to maturity financial assets and financial liabilities are measured at amortized cost

2.5 **Use of Estimates and Judgment**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Useful life of assets.
- Allowance for receivables
- Impairment of financial and non-financial instruments.

3. New standards, amendments and interpretations issued and effective on January 1, 2019

Standards issued and effective as at the date of issuance of the financial statements are stated below which have been adopted in the preparation of these financial statement.

IAS 12 (Income Taxes): Recognition of Deferred Tax Assets for Unrealized Losses

This standard was amended to clarify the following aspects of income taxes:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes will give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The Company has adopted this amendment in the year ending 31 December

IAS 7 (Statement of Cash flow): Disclosure Initiative

IAS 7 (Statement of Cash Flows) was amended to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The IASB requires that the following changes in liabilities arising from financing activities are disclosed:

- Changes from financing cash flows
- Changes arising from obtaining or losing control of subsidiaries or other businesses
- The effect of changes in foreign exchange rates
- Changes in fair values and
- Other changes.

New standards and interpretations not yet adopted by the Company

A number of standards, interpretations and amendments are effective for annual period beginning after 1 January 2019 and earlier application permitted; however, the company has not early applied the following new or amended standards in preparing these financial statements.

IFRS 15 - Revenue from contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. IFRS 15 supersedes the current revenue recognition guidance including IAS 18 Revenue and IAS 11Construction Contracts and the related interpretations when it becomes effective.

Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue to depict the transfer of goods and services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step model introduced by the standard is as follows:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligation in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2021 with early adoption permitted. The company shall assess the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 9, 'Financial instruments'

A finalized version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments Recognition and Measurement. The completed standard comprises guidance to classification and measurement, impairment, hedge accounting and derecognizing.

I. IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the assets is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorized as "fair value through other comprehensive income" in certain circumstances. The requirement for financial liabilities remains unchanged from IAS 39.
II. The new model introduces a single impairment model applicable to all financial instruments, as well as an "expected credit loss" model for the measurements of financial assets.
III. IFRS 9 contains a new model for the hedge accounting that align the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.

IFRS 9 requirements on derecognition of financial assets and liabilities remains unchanged from IAS 39.

The Company is yet to assess the full impact of IFRS 9 and it intends to adopt IFRS 9 in the future years not later than the accounting period beginning on or after 1 January, 2021.

IFRS 16: LEASES

New or amended standards	*Summary of the requirements*	*Possible impact on financial statements*
IFRS 16 Leases	IFRS 16 was issued in January 2016 effective for annual periods beginning on or after 1 January 2019, the standard replaces IAS 17 and its interpretations. The biggest change introduced is that all leases are classified as finance lease implying that leases will be brought onto lessees' balance sheets under a single model (except leases of less than 12 months and leases of low value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained.	The company shall assess the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

IAS 19: Employee Benefits (Plan Amendment, Curtailment or Settlement)

On 7 February 2018, the IASB published Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) to harmonise accounting practices and to provide more relevant information for decision-making. An entity applies the amendments to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019.

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

IFRIC 23: Uncertainty Over Income Tax Treatments

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

Annual Improvements to IFRS Standards 2015-2017 Cycle

The IASB has issued 'Annual Improvements to IFRS Standards 2015–2017 Cycle'. The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project.

These amendments made during the 2015-2017 cycle effective for annual periods beginning on or after 1 January 2019 are as follows:

- *IFRS 3 Business Combinations*
  A company remeasures its previously held interest in a joint operation when it obtains control of the business.
- *IFRS 11 Joint Arrangements*

A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- *IAS 12 Income Taxes*
  A company accounts for all income tax consequences of dividend payments in the same way.

- *IAS 23 Borrowing Costs*
  A company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

3.1 Revenue

Revenue from sale of bandwidths (data) and voice (telephone) is recognized net of discount and taxes at a point in time when control of services has been transferred to the customers.

Revenue is measured based on the considerations specified in a contract with a customer and excluded the amount collected on behalf of third parties. The company recognizes revenue when it transfers control over a product or service.

For bundled packages, the company accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundled package if a customer can benefit from it. The stand-alone selling prices are determined based on the list proceed at which the company sells networks services separately.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of thegoods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by.

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
  - to the extent that it is probable that they will result in revenue; and
  - they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

3.2 **Management expenses**

Management expenses include depreciation expenses and other expenses. They are accounted for on an accrual basis.

3.3 **Financial assets and liabilities**

(i) Classification

The classification of financial assets depends on the purpose for which the investments were acquired (management's intention) or originated. The Company classifies its financial assets into the following categories in line with IAS 39:

- loans and receivables, and
- available-for-sale financial assets
- Fair value through profit or loss

The Company's financial assets include cash and short term deposits, trade and other receivables, commercial loans, quoted and unquoted equity instruments, bonds and debt notes.

The Company's, financial liabilities are classified as other financial liabilities. They include: creditors and accruals.

(ii) **Recognition**

The company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

(iii) **Measurement**

(i) Initial measurement

Loans and receivables and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(ii) **Subsequent measurement**

Subsequent measurement of financial instruments depends on their classification. Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification:

3.4 **Loans and receivables**

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Company as at fair value through profit or loss or available-for-sale.

Loans and advances consist primarily of staff loans, other debtors. These are managed in accordance with a documented policy.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts as the case may be.

3.5 Available-for-sale

Available for sale financial investments include equity and debt securities. The Company classifies as available-for-sale those financial assets that are generally not designated as another category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are carried at fair value, with the exception of investments in equity instruments where fair value cannot be reliably determined, which are carried at cost. Fair values are determined in the same manner as for investments at fair value through profit or loss. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income while the investment is held, and are subsequently transferred to the income statement upon sale or de-recognition of the investment.

Dividends received on available-for-sale instruments are recognised in income statement when the Company's right to receive payment has been established.

3.6 Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current

fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. Any Asset written-off is made against the relevant allowance account.
Subsequent recoveries of amounts previously written off are credited against operating expenses.

(i) Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. BRICLINKS AFRICA PLC did not set off any financial asset or liability as at the reporting date.

(i) De-recognition of financial instruments

A financial asset is derecognized when the contractual rights of the Company to the cash flows from the asset expire, or its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or when it assumes an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.
Cash and cash equivalents are carried at amortised cost in the statement of financial position.

3.8 Property, Plant and Equipment

(i) Recognition & Measurement
Property, plant and equipment comprise land and buildings and other properties owned by the Company. Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

(ii) Subsequent expenditure
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss account during the financial period in which they are incurred.
Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

(iii) Depreciation
Depreciation is calculated on property, plant and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. No depreciation is charged on non-current assets until they are brought into use.

Depreciation reduces an asset's carrying value to its residual value at the end of its useful life, and is allocated on a straight line basis over the estimated useful lives, as follows:

Plant & machinery	- 20%
Office equipment	- 10%
Furniture and Fittings	- 10%
Motor vehicles	- 10%
Building	- 2%
Tower	- 10%
Intangible Asset	- 5%

(iv) De-recognition

Upon disposal of any item of property, plant and equipment or when no future economic benefits are expected to flow from its use, such items are derecognized from the books. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the income statement in the year of de-recognition.

3.9 Intangible Assets

Licenses

Licences have a finite useful life and are carried out at cost less accumulated amortisation and impairment losses. Amortisation is calculated using straight-line method to allocate the cost of licenses over their useful lives.

4. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are considered to be impaired when there is any indication that the asset's recoverable amount is less than the carrying amount. Impairment losses are recognised in profit or loss. The carrying amount of non-financial assets is tested for evidence of impairment at each reporting date.

The recoverable amount of an asset or cash generating unit is the greater of its fair value less cost to sell or value in use. For assets that can't be tested for impairment individually, they are grouped together to the smallest group of assets that generate cash inflows largely independent of the cash inflows of the other assets (cash generating unit).

Impairments or losses of non-financial assets, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 amortisation, if no impairment loss had been recognised. Reversals of impairment

Losses are recognised in profit or loss.

5.1 Income tax

(i) Current tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

There was no provision for tax during the period

(ii) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
Deferred tax is the difference between the closing net deferred tax liability (net of deferred tax asset) and opening net deferred tax liability (net of deferred tax asset).
Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. IAS 12.56 IAS 12.37 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. IAS 12.47 Current tax and deferred tax relating to items recognised directly in equity are also recognised in equity and not in the income statement.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

No provision has been made for deferred taxation.

5.2 Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Company has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates.
A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

(i) Defined contribution pension plan

The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Company pays fixed contributions of 7.5% to a separate entity – Pension Fund Administrators; employees also pay the same fixed percentage to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Company does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognized in the profit or loss account.

(ii) Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after reporting date are discounted to present value.

5.3 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows a rate that reflects current market assessments of the time value of money and the risks specific to the obligation, where the effect of time value of money is material.

5.4 Dividend paid

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

5.5 Share Capital & Reserves

I. 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 recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

II. Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

III. Earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

5.6 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less, if not they are presented as non-current liabilities

NOTES TO THE FINACIAL STATEMENTS

6 The Company

The company was incorporated on 30th July, 2015 and commenced business in January 2019. It engages in are providing Internet service and installation services to subscribers.

7. Accounting Year end

The company's accounting year end is 31st, December. This account covers from January 1 to June 30, 2022.

8. Property, Plants & Machinery:

	Land N	Building N	Tower N	Motor Vehicle N	Office Equipment N	Furniture & Fittings N	Total N
Cost:							
As at 1st Jan 2022	400,000,000	1,000,000	28,000,000	1,200,000	1,375,600	7,255,000	438,830,600
Additions during the year	-	-	-	-	-	-	-
As at 30/06/2022	400,000,000	1,000,000	28,000,000	1,200,000	1,375,600	7,255,000	438,830,600
Depreciation:							
As at 1st Jan, 2022	-	40,000	5,600,000	240,000	212,560	1,425,500	7,518,060
Charge for the year	-	10,000	1,400,000	60,000	68,780	362,750	1,901,530
Accumulated 30/06/2022	-	50,000	7,000,000	300,000	281,340	1,788,250	9,419,590
Net Book Value:							
As at 30/06/2022	**400,000,000**	**950,000**	**21,000,000**	**900,000**	**1,094,260**	**5,466,750**	**429,411,010**
As at 31/12/2021	**400,000,000**	**960,000**	**22,400,000**	**960,000**	**1,163,040**	**5,829,500**	**431,312,540**
Depreciation rate		2%	10%	10%	10%	10%	

NOTES TO THE FINANCIAL STATEMENTS

		2022 Jan. – June	2022 Jan. – Mar.	2021 Jan. – Dec.
		₦	₦	₦
9.	**Intangible Asset**			
	Cost	415,000,000	415,000,000	415,000,000
	Less:			
	Accumulated Amortization	(62,250,000)	(62,250,000)	(41,500,000)
	Amortization charge for the year	(10,375,000)	(5,187,500)	(20,750,000)
	Carrying Amount	**342,375,000**	**347,562,500**	**352,750,000**
10.	**Cash and cash equivalents:**			
	Cash in hand	520,000	356,900	456,350
	Bank	489,779	623	563,116
		1,009,779	**357,523**	**1,019,472**
11.	**Trade Receivables:**			
	Trade Debtors	**306,000**	**275,000**	**550,000**
12.	**Trade Payables**			
	Arishmolink Shelter Nigeria Limited	5,000,000	6,000,000	8,000,000
	Bandwidth	11,000,000	14,000,000	15,120,000
	Accrued expenses	90,000	200,000	2,169,000
		16,090,000	**20,200,000**	**25,289,000**

13. Directors Loan

This represents the company's indebtedness to the directors as at the financial year end.

	2022 Jan. – June	2022 Jan. – Mar.	2021 Jan. – Dec.
	735,083,869	735,262,218	738,905,468

14. Income Tax

Movement in the taxation account during the year was as follows:

	2022 Jan. – June	2022 Jan. – Mar.	2021 Jan. – Dec.
Charge for the year (Provision)	-	-	500,000
Payment during the year	-	-	-
Balance as at December 31st	-		**500,000**
(ii)Current taxation expenses comprise:			
Company Income Tax	-	-	450,000
Education Tax	-	-	50,000
	-	-	**500,000**

Share Capital

		2022 Jan. – June	2022 Jan. – Mar.	2021 Jan. – Dec.
15a.	Authorized Share Capital 10,000,000 Ordinary Shares of ₦ 1.00 each	**10,000,000**	**10,000,000**	**10,000,000**
	Issued and Paid Up Share Capital:			
15b.	Ordinary Share of ₦1.00 each	**10,000,000**	**10,000,000**	**10,000,000**

16. Retained Earnings

Retained earnings are the amount of retained profit not apportioned to any specified reserve and which is available for distribution to shareholders. Retained earnings are carried at book value. This account accumulates net profits or losses from operation

	2022 Jan. – June	2021 Jan. – June
Retain Profit/(Loss) brought forward	8,201,850	(6,218,559)
Profit/(Loss) for the period	3,226,070	4,683,559

17. Basic/ diluted (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary share into ordinary shares.

The following reflects the income and share data used in the basic/ diluted (loss)/profit per share computations:

	2022 Jan. – June	2021 Jan. – June
Net Profit/(loss) attributable to ordinary equity holders	3,226,070	4,683,559
Weighted average number of ordinary shares for Basic Profit per share	10,000,000	10,000,000
Basic (loss)/earnings per share (kobo)	32.26k	46.83k

There were no other transactions affecting the shareholdings that may lead to the dilution of equity. There are no dilutive instruments in issue.

		2022 April-June	2021 April-June	2022 Jan.-June	2021 Jan.-June
18	**Revenue**				
	Sale of Bandwidths	15,378,850	23,448,990	45,549,250	150,410,990
19	**Cost of sales**				
	Marketing expenses	50,000	200,000	450,000	565,000
	Interconnect charge	150,000	1,350,000	1,500,000	5,550,000
	Bandwidth charge	4,596,000	10,254,500	20,850,500	120,850,500
	License and permit	1,500,000	1,000,000	2,500,000	2,500,000
		6,296,000	12,804,500	25,300,500	129,465,500

20. **Capital Commitments and Contingent Liabilities**

There are no known capital commitments and contingent liabilities as at June 30, 2022.

21. **Post balance sheet event**

Despite the pandemic situation of the country, the Company directors has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the Six-month period ended 30th June 2022 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

22. **Operating Expenses:**

	2022 April–June ₦	2021 April–June ₦	2022 Jan–June ₦	2021 Jan –June ₦
Salaries & Wages	120,000	90,000	480,000	185,000
Rent	1,250,000	1,250,000	2,500,000	2,500,000
Repairs/Maintenances	120,000	87,050	226,450	236,500
Transportation	19,000	17,000	84,000	77,000
Telecommunication	83,000	79,900	465,450	550,500
Stationery	7,000	10,000	39,000	41,000
Electricity & Power	28,600	26,850	115,830	124,760
Legal fees	150,000	100,000	250,000	200,000
Audit & Accountancy fees	200,000	75,000	400,000	150,000
Depreciation	1,008,265	850,765	1,901,530	1,701,530
Amortization charge	5,187,500	5,187,500	10,375,000	10,375,000
Bank charges	5,508	6,897	89,873	52,691
Fuel & diesel	22,000	18,650	95,550	67,950
	8,200,373	**7,799,612**	**17,022,683**	**16,261,931**