NEBULA EAST AFRICA PRIVATE LIMITED

FINANCIAL STATEMENTS

For the year ended

31ST MARCH 2017

Kreston KM & Co.
Certified Public Accountants (K)
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Opinion

We have audited the accompanying financial statements of Nebula East Africa Private Limited, set out on pages 5 to 12 which comprise the statement of financial position as at 31st March 2017, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the state of financial affairs of the Company as at 31 March 2017 and of its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Kenyan Companies Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibilities for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, and for such internal control as the management determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (contd...)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughtout the audit. We also:

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosurers made by management.

* Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

As required by the Companies Act we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our

ii) in our opinion proper books of account have been kept by the company, so far as appears

iii) the company's balance sheet and profit and loss account are in agreement with the books

The engagement partner responsible for the audit resulting in this independent auditor's report is

Kreston KM

Certified Public Accountants
Nairobi

08 May-17

KRESTON KM

Statement of Comprehensive Income

	2017	2016
	Kshs	Kshs
Sales	1,002,398	-
Less: cost of sales	(959,278)	
Gross profit	43,120	-
Other income	93,099	-
	136,219	
Administration overheads	267,077	-
Finance costs	40,765	-
Total Expenses	307,842	-
Net loss before tax	(171,623)	-
Taxation for the year	-	-
Net profit after tax	(171,623)	-

Statement of financial postion		As at the year ended 31 March	
		2017	2016
ASSETS	Note	Kshs	Kshs
Fixed Assets			
Office Equipment		23,200	-
Current Assets.			
Cash & Cash equivalent	4	4,921,531	-
Trade Receivables	5	515,729	
VAT recoverable	5	31,982	
		5,469,242	
		5,492,442	-
EQUITY			
Capital and reserves			
Ordinary shares	6	5,000,000	-
Accumulated losses		(171,623)	-
		4,828,377	-
LIABILITIES			
Current Liabilities			
Trade payables	8	504,942	-
Other payables		159,123	-
		664,065	
		5,492,442	

The financial statements were approved by the Board of Directors on 6 May 2017
and signed on its behalf by;

Director.................. Director..................

Statement of changes in equity.

	Share Capital	Retained Earnings	Total
	Kshs.	Kshs.	Kshs.
Shares issued	5,000,000	-	5,000,000
Loss for the period		(171,623)	(171,623)
Balance at 31 March 2017	5,000,000	(171,623)	4,828,377

Statement of Cashflows

	Notes	2017 Ksh	2016 Ksh
Profit for the period		(171,623)	-
Adjustment for non cash items:			
Add: Depreciation		-	
		(171,623)	-
Operating activities			
(Increase) in receivables		(547,711)	-
Increase in payables		664,065	-
Net cash generated from/(used in) operating activities		(55,269)	-
Cashflow from Investing activities			
Purchase of fixed assets		(23,200)	-
Net cash used in investing activities		(23,200)	-
Cashflow from financing activities			
Infusions from related companies		(0)	-
Issue of share capital		5,000,000	-
Net cash flow from financing activities		5,000,000	-
Decrease in cash and cash equivalents		4,921,531	-
Movement in cash and cash equivalents			
At 1 January 2016		-	-
(Decrease)/Increase		4,921,531	-
At 31 March	3	4,921,531	-

Notes

1. General information

The Nebula E.A Private Limited is incorporated in Kenya under the companies act as a private limited liability company and is domiciled in Kenya. The address of its registered office is:
Plot No 1/548, Paresia Centre,
1st Floor, N Gong Road,
Opposite Uchumi Hyper,
P.O.Box 6574 00100,
Nairobi, Kenya.
The principal activity of the business is production and sale of Adhesive and chemical products.

2. Basis of Preparation and Significant Accounting Policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Kenya Shillings (Kshs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and related taxes collected on behalf of the government of Kenya.

(b) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable services and acceptance of the rendered services by the client for the year, determined in accordance with the Kenyan Income Tax Act.

Notes 2 (condt.)

(c) Income tax (condt.)

Deferred income tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

(d) Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenya Shillings, using the spot rate at the date of the transaction.

Foreign currency monetary items at the balance sheet date are translated

using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

(e) Share capital, share premium, and dividends

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

(f) Financial assets

Trade and other receivables are initially recognised at the transaction price. Where credit is extended, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Notes 2 (condt.)

(g) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any other accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight line . The following annual rates are used for the depreciation of property, plant and equipment:

Furniture and equipments	20%
Computer and accessories	25%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

(i) Impairment of non-financial assets

At each reporting date, property, plant and equipment, investment property, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

(j) Financial risk management objectives and policies

The company's activity expose it to a variety of financial risks including credit and interest rates.The company 's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risks. The company does not hedge any risks but has in place policies to ensure that credit is extended to customers with an established credit history.

Notes

	2017 Kshs	2016 Kshs
4.Cash and Bank		
Bank	4,921,531	-
	4,921,531	-
5. Receivables		
Trade receivables	515,729	-
	515,729	-
5.1. 16% VAT		
16% Output VAT	160,383	-
16% Input tax	(153,484)	-
16% VAT payment	(38,881)	-
	(31,982)	-

6.Authorised and Issued share capital

	Number of Shares	Ordinary Shares	Totals
6.1 Authorised Share Capital			
50,000 ordinary shares of Ksh 100 each.		Kshs.	Kshs.
As 31 March 2017	50,000	100	5,000,000
6.2 Issued Share Capital			
ordinary shares of Ksh each			
As 31 March 2017	50,000	100	5,000,000

	2017 Kshs	2016 Kshs
7. Due to related parties	0	-
Pidilite International PTE	(0)	-
Pidilite Middle East Ltd	(0)	-

The Company is related to Pidilite International PTE, and Pidilite Middle East Ltd, through shareholding and management control.

8. Payables		
Trade payables	504,942	-
Other payables and accruals	159,123	-
	664,065	-

NEBULA EAST AFRICA PRIVATE LIMITED

Appendix I

SUPPLEMENATRY INFORMATION

FOR THE PERIOD OF FOURTEEN MONTHS ENDED 31 March 2017

	2017	2016
	Kshs	Kshs
Income		
Sales	1,002,398	-
Less: Cost of sales	959,278	-
Gross profit	43,120	-
Othe Income		
Realized Exchange gain	93,099	
	136,219	
Expenditure		
Administrative overheads		
Legal and secretarial fees	106,433	-
Company registration expenses	91,044	-
Accountancy and audit fees	69,600	-
	267,077	-
Finance costs		
Bank charges	40,765	-
	40,765	-
Total expenses	307,842	-
Net loss	(171,623)	-