MEYER PLC

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019

PLOT 34, MOBOLAJI JOHNSON AVENUE,
OREGUN INDUSTRIAL ESTATE,
ALAUSA - IKEJA,
LAGOS.
http://www.meyerpaints.com

MEYER PLC

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR 3RD QUARTER ENDED 30TH SEPTEMBER, 2019.

PLOT 34, MOBOLAJI JOHNSON AVENUE,
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MEYER PLC

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019

		GROUP		COMPANY	
		30/09/2019	30/09/2018	30/09/2019	30/09/2018
	Note	N'000	N'000	N'000	N'000
Continuing operations					
Revenue	5	858,318	752,461	858,318	752,461
Cost of sales	5.1	(562,514)	(491,983)	(562,514)	(491,983)
Gross profit		**295,804**	**260,478**	**295,804**	**260,478**
Other operating income	**7**	**12,254**	325,100	12,254	325,100
Selling & Distribution expenses	**8**	(176,577)	(133,526)	(176,577)	(133,526)
Administrative expenses	**9**	(215,884)	(248,889)	(215,884)	(248,784)
Profit/ (loss) from operating activities		**(84,403)**	**203,163**	**(84,403)**	**203,268**
Finance Income	**10(i)**	70,072	-	70,072	-
Finance costs	**10(ii)**	(16,515)	(17,056)	(16,515)	(17,056)
Profit/(Loss) before tax		**(30,846)**	**186,107**	**(30,846)**	**186,212**
Taxation (Provision)	**12**	(3,219)	-	(3,219)	-
Profit /(Loss) for the period		**(34,065)**	**186,107**	**(34,065)**	**186,212**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of Defined benefit obligation		-	-	-	-
Deferred tax credit		-	-	-	-
Total comprehensive loss for the period		**(34,065)**	**186,107**	**(34,065)**	**186,212**
(Loss)/Profit for the period attributable to:					
Owners of the Company		(34,065)	186,111	(34,065)	186,212
Non-controlling interests		-	(4)	-	-
		(34,065)	**186,107**	**(34,065)**	**186,212**
Total comprehensive (loss)/income for the period attributable to:					
Owners of the Company		(34,065)	186,111	(34,065)	186,212
Non-controlling interests		-	(4)	-	-
		(34,065)	**186,107**	**(34,065)**	**186,212**
Earnings per share					
Basic and diluted earnings per share	**13**	**(6.84)**	**37.39**	**(6.84)**	**37.41**

MEYER PLC

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE (9) MONTHS ENDED 30TH SEPTEMBER, 2019

		GROUP				COMPANY			
	Note	Three (3) Months Ended 30/09/2019 N'000	Nine (9) Months Ended 30/09/2019 N'000	Three (3) Months Ended 30/09/2018 N'000	Nine (9) Months Ended 30/09/2018 N'000	Three (3) Months Ended 30/09/2019 N'000	Nine (9) Months Ended 30/09/2019 N'000	Three (3) Months Ended 30/09/2018 N'000	Nine (9) Months Ended 30/09/2018 N'000
Continuing operations									
Revenue	5	253,864	858,318	**239,472**	**752,461**	253,864	858,318	**239,472**	**752,461**
Cost of sales	5.1	(171,255)	(562,514)	(146,776)	(491,983)	(171,255)	(562,514)	(146,897)	(491,983)
Gross profit		**82,609**	**295,804**	**92,696**	**260,478**	**82,609**	**295,804**	**92,575**	**260,478**
Other operating income	**7**	6,835	12,254	316,064	325,100	6,835	12,254	316,064	325,100
Selling & Distribution expenses	**8**	(57,192)	(176,577)	(45,678)	(133,526)	(57,192)	(176,577)	(45,678)	(133,526)
Administrative	**9**	(69,514)	(215,884)	(94,808)	(248,889)	(69,514)	(215,884)	(94,808)	(248,784)
Profit/ (loss) from operating activities		**(37,262)**	**(84,403)**	**268,275**	**203,163**	**(37,262)**	**(84,403)**	**268,154**	**203,268**
Finance Income	**10(i)**	33,792	70,072	-	-	33,792	70,072	-	-
Finance costs	**10(ii)**	(62)	(16,515)	11,874	(17,056)	(62)	(16,515)	11,874	(17,056)
Profit/(Loss) before tax		**(3,532)**	**(30,846)**	**280,149**	**186,107**	**(3,532)**	**(30,846)**	**280,028**	**186,212**
Taxation (Provision)	**12**		(3,219)	-	-	-	(3,219)	-	-
Profit /(Loss) for the period		**(3,532)**	**(34,065)**	**280,149**	**186,107**	**(3,532)**	**(34,065)**	**280,028**	**186,212**
Other comprehensive income, net of income tax									
Items that will not be reclassified subsequently to profit or loss:									
Remeasurement of Defined benefit obligation									
Deferred tax credit		-	-	-	-	-	-	-	-
Total comprehensive loss for the period		**(3,532)**	**(34,065)**	**280,149**	**186,107**	**(3,532)**	**(34,065)**	**280,028**	**186,212**
(Loss)/Profit for the period attributable to:									
Owners of the Company		(3,532)	(34,065)	280,143	186,111	(3,532)	(34,065)	280,028	186,212
Non-controlling interests		-	-	5	(4)	-	-	-	-
		(3,532)	**(34,065)**	**280,148**	**186,107**	**(3,532)**	**(34,065)**	**280,028**	**186,212**
Total comprehensive (loss)/income for the period attributable to:									
Owners of the Company		(3,532)	(34,065)	280,143	186,111	(3,532)	(34,065)	280,028	186,212
Non-controlling interests		-	-	5	(4)	-	-	-	-
		(3,532)	**(34,065)**	**280,148**	**186,107**	**(3,532)**	**(34,065)**	**280,028**	**186,212**
Earnings per share									
Basic and diluted earnings per share	**13**	**(6.84)**	**(6.84)**	**56.29**	**37.39**	**(6.84)**	**(6.84)**	**56.26**	**37.41**

MEYER PLC

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019

		GROUP		COMPANY	
		30/09/2019	31/12/2018	30/09/2019	31/12/2018
	Note	N'000	N'000	N'000	N'000
Non-current assets					
Property, plant and equipment	14	1,561,928	1,564,566	1,561,928	1,564,566
Investment in subsidiary	16	-	-	9,600	9,600
Intangible assets	15	-	-	-	-
Total non-current assets		1,561,928	1,564,566	1,571,528	1,574,166
Current assets					
Inventories	17	98,938	131,044	98,938	131,044
Trade and other receivables	18	123,591	147,704	86,965	111,478
Other assets	19	265,104	-	265,104	-
Cash and cash equivalents	20a	1,500,565	22,628	1,500,381	22,444
Total current assets		1,988,198	301,376	1,951,388	264,966
Total assets		3,550,126	1,865,942	3,522,916	1,839,132
Current liabilities					
Trade and other payables	23a	420,044	701,222	436,341	716,877
Deposit for AFS Asset	23b	2,329,375	-	2,329,375	-
Short term borrowings	20c	-	328,820	-	328,820
Current tax liabilities	12.2	7,767	8,469	7,767	8,184
Total current liabilities		2,757,186	1,038,511	2,773,483	1,053,881
Net current liabilities		(768,988)	(737,135)	(822,094)	(788,915)
Total asset less current liabilities		792,940	827,431	749,434	785,251
Non-Current Liabilities					
Deferred taxation	12.3	120,628	120,628	120,628	120,628
Borrowings	20c	9,809	16,164	9,809	16,164
Employment benefits	21	32,109	27,396	32,109	27,396
		162,546	164,188	162,546	164,188
Net Assets		630,394	663,243	586,888	621,063
Equity					
Share capital	24	248,864	248,864	248,864	248,864
Share premium account	25	53,173	53,173	53,173	53,173
Revenue reserve	26	324,685	358,750	284,852	319,026
Total equity attributable to owners of the company		626,722	660,787	586,888	621,063
Non-controlling interest	26i	3,672	2,456	-	-
Total equity		630,394	663,243	586,888	621,063

The unaudited condensed interim consolidated and separate financial statements were approved by the Board on 25th October 2019

ROTIMI ALASHE ....CFO
FRC/2013/ICAN/00000002335

TOYIN OKEOWO.......Director
FRC/2013/IODN/00000002638

MEYER PLC

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019

The Group

	Share capital	Share premium	Revenue reserve	Non controlling interest	Total
	N	N	N	N	N
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2018	248,864	54,376	39,559	2,460	345,259
Acquisition of subsidiary	-	-	-	-	-
Profit/(Loss) for the period	-	-	319,191	(4)	319,187
Adjustment for Non-controlling interest	-	-	-	-	-
Other comprehensive loss for the period	-	-		-	-
Total comprehensive Income	248,864	54,376	358,750	2,456	664,446
Share premium		(1,203)			(1,203)
Balance at 31 December 2018	248,864	53,173	358,750	2,456	663,243
Contribution by and Distribution to owners:					
Issued Share Capital	-	-	-	-	-
Share premium	-	-	-	-	-
Loss for the period	-	-	(34,065)	-	(34,065)
Other comprehensive income for the period	-	-		-	-
Total comprehensive Income	-	-	(34,065)	1,216	(32,849)
Balance at 30 September 2019	248,864	53,173	324,685	3,672	630,394
Balance at 31 December, 2018	248,864	53,173	358,750	2,456	663,243

The Company

	Share capital	Share premium	Revenue reserve	Non controlling interest	Total
	N	N	N	N	N
Balance at 1 January 2018	248,864	54,376	(271)	-	302,969
					-
Share of capital					-
profit for the period	-	-	319,297	-	319,297
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive income	-	-	319,026	-	319,297
Contribution by and Distribution to owners:					
Issued Share Capital	-	-	-	-	-
Share premium	-	(1,203)	-	-	(1,203)
Balance at 31 December 2018	248,864	53,173	318,916	-	620,953
Profit/(Loss) for the period	-	-	(34,065)	-	(34,065)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive Income	-	-	(34,065)	-	(34,065)
Balance at 30 September 2019	248,864	53,173	284,852	-	586,888
Balance at 31 December 2018	248,864	53,173	318,916	-	620,953

MEYER PLC

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CASHFLOW STATEMENT

FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019

	GROUP		COMPANY	
Cash flow from operating activites	**30/09/2019**	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
Profit/(Loss) for the period	(34,065)	319,187	(34,065)	319,297
Adjusted for:				
Depreciation of property, plant and equipment	11,675	37,420	11,675	37,420
Finance cost	16,515	37,812	16,515	37,812
Interest received	(70,072)	-	(70,072)	-
Loan waived	-	(297,408)	-	(297,408)
income tax expenses	3,219	(136,885)	3,219	(136,885)
Profit on disposal of property, plant and equipment	(2,226)	-	(2,226)	-
Operating cash flows before movements in working capital	(74,955)	(39,874)	(74,955)	(39,764)
(Increase)/decrease in inventories	32,106	(16,432)	32,106	(16,432)
Decrease/(increase) in trade and other receivables	25,044	37,540	24,513	37,540
(Increase)/decrease in other assets	(265,104)	-	(265,104)	-
Increase/(decrease) in trade and other payables	(280,894)	49,906	(280,361)	49,796
Increase/(decrease) in finance lease	-	-	-	-
Increase/(decrease) in employee benefit	4,713	236	4,713	236
	(559,089)	**31,376**	**(559,088)**	**31,376**
Income taxes paid	(3,921)	(3,040)	(3,921)	(3,040)
Net cash generated by operating activities	**(563,010)**	**28,336**	**(563,009)**	**28,336**
Cashflow from investing activities				
Purchase of property, plant and equipment	(9,036)	(1,831)	(9,036)	(1,831)
Additions to intangible assets	-	-	-	-
Proceeds from sale of Property, plant and equipment	2,331,601	-	2,331,601	-
Interest received	70,072	-	70,071	-
Net cash generated by investing activities	**2,392,637**	**(1,831)**	**2,392,636**	**(1,831)**
Cashflow from financing activities				
Proceed of right issue				
repayment of short term borrowings	(328,820)	(1,203)	(328,820)	(1,203)
Long term loan repaid	(6,355)	(307,124)	(6,355)	(307,124)
additional loan short term	-	324,497	-	324,497
Finance charges	(16,515)	(37,812)	(16,515)	(37,812)
	-	-	-	-
Net cash generated by financing activities	**(351,690)**	**(21,642)**	**(351,690)**	**(21,642)**
Net cash and cash equivalents for the period	**1,477,937**	**4,864**	**1,477,937**	**4,863**
Cash and cash equivalents at beginning of the year	22,628	17,764	22,444	17,581
Cash and cash equivalents at end of the period	**1,500,565**	**22,628**	**1,500,381**	**22,444**

1. The Group

The group comprises Meyer Plc (the Company) and its subsidiary - DNM Construction Limited.

Meyer Plc (peviously called DN Meyer Plc) is a manufacturing Company incorporated in Nigeria on the 20th of May 1960. The name was changed by a special resolution and the authority of the Corporate Affairs Commission on the 1st of July 2016. The Company manufactures and markets paints. The shares of the Company are held as to 30% by Citiprops Limited, 18.76% by Bosworth, 9.26% by Osa Osunde and 42% by Nigerian citizens. Its registered office is at Plot 34, Mobolaji Johnson Avenue, Oregun Industrial Estate, Alausa Ikeja, Lagos.

2 Basis of preparation

a Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting and Assurance Standards Board (IAASB) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

The financial statements were authorised for issue by the Board of Directors on 25th October 2019.

b. **Basis of measurement**

The group financial statements have been prepared on the historical cost basis except for the certain financial instruments measured

at fair value

c. **Functional and presentation currency**

The Company and group functional and presentation currency is the Nigerian naira. The financial statements are presented in Nigerian Naira and have been rounded to the nearest thousand except otherwise stated.

d. **Use of estimates and judgement**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3 New standards, amendments and interpretation issued but not yet adopted by the Company

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September, 2019. They have not been adopted in preparing the financial statements for the period ended 30 September, 2019 and are expected to affect the Group in the period of initial application. In all cases the Group intends to apply these standards from application date as indicated in the table below.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 9 (2014) (issued Jul 2014)	Financial Instruments	**Classification and Measurement** Financial assets will either be measured at amortised cost, fair value through other comprensive income (FVTOCI) or fair vaue through profit or loss (FVTPL **Impairment :** the impairment model is a more forward looking model in that a credit event no longer has to occur before credit losses are recognised. Forfinancial assets measued at amortised cost or fair value through other comprehensive inome (FVTOCL), an entity will now always recognised (at minimum) 12 months of expected lossess in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in the credit risk after initial recongnition. **Hedging**:The new hedge accounting model introduced the following key changes:-Simiplied effectiveness testing, including removal of the 80-125% highly effective threshold.More items will now qualify for hedge accounting, e.g pricing components within a non-financial item, and net foreign exchange cash position. Entities can hedge acount more effectively the exposures that give rises to two risk position (e.g interest rate risk and forign exchange risk or commodity risk and foreign exchange risk) that are managed by seperate derivates over different periods-less profit or loss volatity when using options, forward, and foreign currency swps. - New alternatives available for economic hedges of credit risk and own use contracts which will reduce profit o loss volatitity	Annual reporting periods commencing on or after January 2018	The first time application of IFRS 9 will have a eide and significant impact on the accounting for financial instruments. The new impairment requirements are likely to bring significant changes for impairment provisions for trade receivables, loans and other financial assets not measured at fair value through profit or los. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard
IFRS 14 Issued in January 2014	Regulatory Deferral Accounts	IFRS 14 applies to entities that conduct 'rate-regulated activities' i.e. activities that are subject to rate regulation. The rate regulation is a framework that establishes prices for goods and/or services that are subject to the oversight/approval of a 'rate regulator'. The Standard permits an entity in the rate regulated industry to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.	1 January 2016	The provision of the standard will not have any impact on the Company's financial statements when it becomes effective in 2016 as the Company is not operating in a rate regulated industry.

3 New standards, amendments and interpretation issued but not yet adopted by the Company

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September, 2019. They have not been adopted in preparing the financial statements for the period ended 30 September, 2019 and are expected to affect the Group in the period of initial application. In all cases the Group intends to apply these standards from application date as indicated in the table below.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 15 Issued in May 2014	Revenue from contracts with customers	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information. The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii)Identify the performance obligations in the contract (iii)Determine the transaction price (iv)Allocate the transaction price to the performance obligations in the contract (v)Recognise revenue when (or as) the entity satisfies a performance obligation.	Annual reporting periods commencing on or after January 2019	The Company and its subsidiary is still reviewing the impact the standard may have on the preparation and presentation of the financial statement when the standard is adopted in 2019.

3 New standards, amendments and interpretation issued but not yet adopted by the Company

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 30 September, 2019. They have not been adopted in preparing the financial statements for the period ended 30 September, 2019 and are expected to affect the Group in the period of initial application. In all cases the Group intends to apply these standards from application date as indicated in the table below.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 16 Issued in January 2016	Leases	IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease termis 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or financce. A contract is, or contains, a lease if it conveys the right to control the use of identified asset for a peroid of time in exhange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substaintially or the economic benfits from that use.	1 January 2018	The Board is currently reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted. Consideration will be given to the following: (i)At what point in time the company recognises revenue from each contract whether at a single point in time or over a period of time; (ii) whether the contract needs to be 'unbundled' into two or more components; (iii)how should contracts which include variable amounts of consideration be dealt with; (iv)what adjustments are required for the effects of the time value of money; (v) what changes will be required to the company's internal controls and processes.
		Accounting by Lessee Upon lease commencement, a lessee recognises a right of i. th right-of-use asset is an investment property and the lessee fair values is investment property under IAS 40; or ii.the right-of-use asset relates to a class of PPE to which the lessee applies IAS 16's revaluation model, in which case all right-of-use assets relating to that class of PPE can be revalued. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.		
		The lease liability is intially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined, if that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. the lease liability is subsequently re-measured to reflect changes in: or the lease terms (usinng a revised disconut rate); or the assessment of a purchase option (using a revised dicount rate); or the amount expected to be payable under the residual value quarantees (using an unchanged dicount rate); or future lease paymenst resulting from a change in an index or a rate used to determine those payments (using unchanged discount rate). The re-measurements are treated as adjustments to the the right -of-use asset.		
		Accounting by lessor Lessor shall continue to account for leases on line with the provision in IAS17.		

4 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstatnces. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

i) Meyer Plc annually incurs significant amounts of income taxes payable, and also recognises significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

ii) Impairment of property, plant and equipment

The Group assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Group's estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions and represent management's best estimates of the range of economic conditions that will exist over the remaining useful life of the cash flow generating assets.

iii) Legal proceedings

The Group reviews outstanding legal cases following developments in the legal proceedings at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued),the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

4 Consolidation

(i) **Subsidiary**

The financial statements of the subsidiary are consolidated from the date the Company acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the company has control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns.Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the activities of the investee without holding the majority of the voting rights.

The size of The Company's voting rights relative to both the size and dispersion of other parties who hold voting rights; Substantive potential voting rights held by The

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity instruments issued by the group. The

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

(ii) **Changes in ownership interests in subsidiary without change of control**
The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to

(iii) **Acquisition-related costs are expensed as incurred.**
If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

(iv) **Disposal of subsidiaries**

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

4 Summary of significant accounting policies

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

a **Going concern**

The directors assess the Company and its subsidiary's future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead. For this reason, these financial statements have been prepared on the basis of accounting policies applicable to

b **Foreign currency**

Foreign currency transactions

In preparing the financial statements of the Group, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and Non -monetary items that are measured in terms of cost in a foreign currency are translated using the exchange rate at the end of the period.

c Revenue recognition

Revenue represents the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the Group's activities and is stated net of value-added tax (VAT), rebates and discounts.

(i) Sale of goods

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no

(ii) Other income

This comprises profit from sale of financial assets, plant and equipment, foreign exchange gains, fair value gains of non financial assets measured at fair value through profit or loss and impairment loss no longer required written back.

Income arising from disposal of items of financial assets, plant and equipment and scraps is recognised at the time when proceeds from the disposal has been received by the Group. The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets. The Group recognised impairment

d Expenditure

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of comprehensive income is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

The Group classifies its expenses as follows:
- Cost of sales;
- Administration expenses;
- Selling and distribution expenses; and
- Other allowances and amortizations

Finance income and finance costs

Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in profit or loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, losses on disposal of available for sale financial assets, impairment losses on financial assets (other than trade receivables).

e **Borrowing costs**

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as interest payable in the income statement in the period in which they are incurred.

f Income tax expenses

Income tax expense comprises current income tax, education tax and deferred tax.

g Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

h Property, plant and equipment

Items of property, plant and equipment are measured at cost and less accumulated depreciation and impairment losses. The cost of property plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment and are depreciated accordingly. Subsequent costs and additions are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method on the following bases:

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhaul.

Building	36-76 years
Funiture and Fixtures	4 years
Motor Vehicles	4 years
Plant and Machinery	8 years
Office Equipment	4 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss component of the statement of comprehensive income within 'Other income' in the year that the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

i Intangible Assets

Computer software

Computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over the useful life of the asset.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period are as follows:

Computer software	5 years

Derecognition of intangible assets

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

j Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they have separately identifiable cash flows (cash-generating units).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

k Financial Assets

The Group classifies its financial assets into the following categories: Financial assets at fair value through profit or loss (or held-for-trading), Held-to-maturity, Available-for-sale financial assets and loans and receivables. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

i) Financial assets at fair value through profit or loss (Held-for-trading)

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. Financial assets are designated at fair value through profit or loss or as Held-for-trading if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. The investments are carried at fair value, with gains and losses arising from changes in their value recognised in the income statement in the period in which they arise. Such investments are the Group's investments in quoted equities.

ii) Held-to-maturity financial assets

The Group classifies financial assets as Held-to-maturity financial assets when the Group has positive intent and ability to hold the financial assets (i.e. investments) to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using effective interest method less any impairment losses. Any sale or reclassification of more than insignificant amount of held-to-maturity investments, not close to their maturity, would result in the reclassification of all held-to-maturity financial assets as available-for-sale, and prevent the Group from classifying investment securities as held-to maturity for the current and the following two financial years.

Interest on held-to-maturity financial assets are included in the income statement and are reported as 'net gain or loss' on investment securities.

iii) Available –for–sale investments

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the two preceeding categories and not as loans and receivables which may be sold by the Group in response to its need for liquidity or changes in interest rates, exchange rates or equity prices. They include investment in unquoted shares. These investments are initially recognised at cost. After initial recognition or measurement, available-for-sale financial assets are subsequently measured at fair value using 'net assets valuation basis'. Fair value gains and losses are reported as a separate components in other comprehensive income until the investment is derecognised or the investment is determined to be impaired.

On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss and other comprehensive income.

iv) **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method less any impairment losses. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

l Impairment of financial assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment charges are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

Significant financial difficulty of the issuer or obligor;

A breach of contract, such as a default or delinquency in interest or principal payments; The Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider; Its becoming probable that the borrower will enter bankruptcy or any other financial reorganisation; The disappearance of an active market for that financial asset because of financial difficulties; or Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the Group;
- national or local economic conditions that correlate with defaults on the assets in the Group;
- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions;
- deterioration in the value of collateral; and,
- initiation of bankruptcy proceedings.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The amount of the impairment loss on assets carried at amortised cost is recognised immediately through the income statement and a corresponding reduction in the value of the financial asset is recognised through the use of an allowance account. A write off is made when all or part of a claim is deemed uncollectable or forgiven after all the possible collection procedures have been completed and the amount of loss has been determined. Write offs are charged against previously established provisions for impairment or directly to the income statement.

Any additional recoveries from borrowers, counterparties or other third parties made in future periods are offset against the write off charge in the income statement once they are received. Provisions are released at the point when it is deemed that following a subsequent event the risk of loss has reduced to the extent that a provision is no longer required, the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

m Prepayments

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit and loss and other comprehensive income.

n Inventories

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

Cost is determined as follows:-

Raw materials
Raw materials which includes purchase cost and other costs incurred to bring the materials to their location and condition are valued using weighted average cost.

Work in progress
Cost of work in progress includes cost of raw materials, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using weighted average cost.

Finished goods
Cost is determined using the weighted average method and includes cost of material, labour, production and attritable overheads based on normal operating capacity.

Spare parts and consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weigted average cost after making allowance for obsolete and damaged stocks.

o **Trade and other receivables**
Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Discounting is ignored if insignificant. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment, are the indicators that a trade and other receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within the administrative cost.

The amount of the impairment provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under administrative costs.

When a trade receivable is uncollectable, it is written off against the provision for trade receivables.

p Cash and cash equivalents

For the purposes of statement of cash flows, cash comprises cash in hand and deposits held at call with banks and other financial institutions. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

q Borrowings

Borrowings are recognized initially at their issue proceeds and subsequently stated at cost less any repayments. Transaction costs where immaterial, are recognized immediately in the statement of comprehensive income. Where transaction costs are material, they are capitalized and amortised over the life of the loan. Interest paid on borrowing is recognized in the statement of comprehensive income for the period.

r Financial liabilities

Financial liabilities are initially recognised at fair value when the Group become a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Group financial liabilities includes: trade and other payables. Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

Trade payables

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

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in income statement.

s Provisions

A provision is recognized only if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. The Group's provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

t Employee benefits

The Group operates the following contribution and benefit schemes for its employees:

(i) Defined contribution pension scheme

In line with the provisions of the Nigerian Pension Reform Act, 2014, Meyer Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Group at the rate of 8% by employees and 10% by the Group of basic salary, transport and housing allowances invested outside the Group through Pension Fund Administrators (PFAs) of the employees choice.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by MEYER PLC to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments available

(ii **Short-term benefits**

Short term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed by Meyer Plc in the income statement as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

u Income Taxes - Company income tax and deferred tax liabilities

Income tax expense 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 or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

The tax currently payable is based on taxable results for the year. Taxable results differs from results as reported in the income statement because it includes not only items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. 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.

v Share capital and Share premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

w Dividend on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the shareholders. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date.

x Retained earnings

General reserve represents amount set aside out of profits of the Group which shall at the discretion of the directors be applied to meeting contingencies, repairs or maintenance of any works connected with the business of the Group, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the Group may lawfully be applied.

y Contingent liability

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

z Related party transactions or insider dealings

Related parties include the related companies, the directors, their close family members and any employee who is able to exert significant influence on the operating policies of the Group. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly, including any director (whether executive or otherwise) of that entity. The Group considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Where there is a related party transactions within the Group, the transactions are disclosed separately as to the type of relationship that exists within the Group and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

aa Off Statement of financial position events

Transactions that are not currently recognized as assets or liability in the statement of financial position but which nonetheless give rise to credit risks, contingencies and commitments are reported off statement of financial position. Such transactions include letters of credit, bonds and guarantees, indemnities, acceptances and trade related contingencies such as documentary credits. Outstanding unexpired commitments at the year-end in respect of these transactions are shown by way of note to the financial statements.

ab Effective Interest Method

The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cashflows (including all fees and points paid or received that form an integral part of the effective interest rate, translation costs and other premiums or discounts) through the expected life of the debt instruments, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

ac Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Finance Director (being the Chief Operating Decision Maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

4 Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value for the both financial and non-financial assets and liabilities. Fair values have been determined for measurement and /or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determing fair values is disclosed in the notes specific to that assets or liabilities.

i Property, plant and equipment

The fair value of items of plant and machinery, fixtures and fittings, motor vehicles and Land and buildings is based on depreciated replacement cost and comparison approaches. "Depreciated replacement cost" reflects the current cost of reconstructing the existing structure together with the improvements in today's market adequately depreciated to reflect its physical wear and tear, age, functional and economic obsolescence plus the site value in its exisiting use as at the date of inspection while "Comparison Approach" that is the analysis of recent sale transactions or similar properties in the neighbourhood. The figure thus arrived at represents the best price that the subsisting interest in the property will reasonably be expected to be sold if made available for sale by private treaty between a willing seller and buyer under competitive market conditions.

ii Valuation of Available for sale financial assets

The fair value of investments in equity are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed is the net asset per share basis.

iii Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 Financial Instrument Disclosure'.

Level 1 : quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities values using models where all significant inputs are observable.

Level 3: valuation techniques using significant unobservable inputs:financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active , a valuation technique is used.

b **Financial risk management**

i General

Pursuant to a financial policy maintained by the Board of Directors, the Group uses several financial instruments in the ordinary course of business. The Group’s financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts and trade and other payables.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk, consisting of: currency risk, interest rate risk and price risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from Group's receivables from customers. It is the Group's policy to assess the credit risk of new customers before entering into contracts.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management.

The Management determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. customers that are grouped as "high risk" are placed on a restricted customer list, and future credit services are made only with approval of the Management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

The maximum credit risk as per statement of financial position,without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	2019	2018
	N'000	N'000
Trade receivables (Note 18)	21,114	46,260
Cash and cash equivalents (Note 20)	1,500,381	22,444
	1,521,495	**68,704**

As at the reporting date there was no concentration of credit risk with certain customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

Cash is held with the following institutions	**2019**	**2018**
	N'000	N'000
Access Bank Plc	1,495,023	1,882
Diamond Bank Plc	184	136
Eco Bank Plc	460	4,807
First City Monument Bank Limited	267	46
Guaranty Trust Bank Plc	5,349	1,039
Stanbic IBTC Bank	769	6,132
First Bank of Nigeria Limited	477	2,857
Zenith Bank Plc	32	676
Sterling Bank	8	8
Union Bank Plc	99	99
Skye Bank	19	281
Heritage Bank	454	234
United Bank for Africa	355	172
Mainstreet Bank Limited	-	203
Wema	-	239
	1,503,495	18,811

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. The following are the contractual maturities of financial liabilities:

As at 30 September 2019	**=N=000**	**=N=000**	**=N=000**	**=N=000**
	Book value	**Contractual cashflow**	**One year or less**	**1-5 years**
Borrowings	11,086	-	11,086	-
Trade and other payables	414,071	-	414,071	-
	425,157	-	582,822	-

As at 31 December 2018				
	Book value	**Contractual cashflow**	**One year or less**	**1-5 years**
Borrowings	344,984	-	599,283	25,736
Trade and other payables	716,877	-	667,081	-
	1,061,861	**-**	**1,266,364**	**25,736**

Market risk

Market risk concerns the risk that Group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Foreign exchange risk

The functional currency of the Group is the Nigerian naira.

Interest rate risk

The Group has fixed interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate. The effective interest rates and the maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

As at 31 December 2018	**Effective interest rate**	**one year or less**	**1-5 years**	**Total**
Cash and cash equivalents	-	22,444	-	22,444
Borrowings	-	(328,820)	(16,164)	(328,820)
	-	**(306,376)**	**(16,164)**	**(306,376)**

Fair Value

Financial instruments accounted for under assets and liabilities are cash and cash equivalents, receivables, and current and non-current liabilities. The fair value of most of the financial instruments does not differ materialy from the book value.

5 Revenue

	GROUP		COMPANY	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Paints	820,090	708,478	820,090	708,478
Application of paints	38,227	43,983	38,227	43,983
	858,318	**752,461**	**858,318**	**752,461**

5.1 Cost of sales

An analysis of the group company's cost of sales is as follows:

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Paints	538,317	462,181	538,317	462,181
Application of paints	24,197	29,802	24,197	29,802
Trading property	-		-	
	562,514	**491,983**	**562,514**	**491,983**

6 Segment Reporting

Products and services from which reportable segments derive their revenues

The determination of the company operating segments is based on the organisation units for which information is reported to the management. The company has two areas of revenue generation: Paints and Services (Application). Revenue are primarily generated from the sale of Paints and Services rendered through application of paints.

Certain headquarter activities are reported as 'Corporate'. These consist of corporate headquarters including the Corporate Executive Committee.

Information reported to the entity's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal categories are sale of paints, adhesives/tiles and application of paints and investment property . The entity's reportable segments under IFRS 8 are therefore as follows:

Paints	This segment is involved in the production of diverse paints products of premium class in their different industries.
Trading property	This segment is involved in carrying out finished residential apartment in accordance with the architectural design.

Certain headquarter activities are reported as 'Corporate'. These consist of corporate headquarters including the Corporate Executive Committee.

Information reported to the entity's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal categories are sale of paints,

Segment Revenue and results

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Paints	820,090	708,478	820,090	708,478
Application of paints	38,227	43,983	38,227	43,983
	858,318	**752,461**	**858,318**	**752,461**

Segment Results

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Other Income	12,254	316,064	12,254	316,064
Finance costs	(16,515)	11,874	(16,515)	11,874
Profit/(Loss) before tax	(30,846)	280,028	(30,846)	280,028
Tax (Provision)	(3,219)	-	(3,219)	-
Profit /(Loss) for the period	(34,065)	280,028	(34,065)	280,028

Segment Accounting Policies

The accounting policies of the reportable segments are the same as the company's accounting policies described in note. Segment profit represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other gains and losses as well as finance costs.

This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

Business and geographical segments

The company operates in all geographical areas in the country.

Segment assets and liabilities

All assets and liabilities are jointly used by the reportable segments.

MEYER PLC
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019

7 Other operating Income

	GROUP		COMPANY	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Profit on disposal of property, plant and equipment	2,226	-	2,226	-
Accrued expenses no longer required	-	-	-	11,434
Inventory provision no longer required	-	-	-	-
Rental income	5,966	-	5,966	-
Gains on restructured loan	-	-		-
Sundry income	2,947	-	2,947	-
Processing of certificate of occupancy	-	-		-
Use of facilities, rent, sale of empty drums & debt recovered	1,115	325,100	1,115	313,666
	12,254	**325,100**	**12,254**	**325,100**

8 Selling and distribution expenses

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Carriage outward	23,583	17,043	23,583	17,043
Sales Promotion/Commission	2,738	-	2,738	-
Dev, & Product Testing	1,834	929	1,834	929
Basic	95,783	54,758	95,783	54,758
Overtime	124	572	124	572
STAFF CONTIGENCY EXP.	351	247	351	247
Fringe costs	33,497	40,336	33,497	40,336
Christmas bonus	3,925	4,569	3,925	4,569
NSITF	1,921	1,504	1,921	1,504
Pension scheme	7,291	8,779	7,291	8,779
Casual labour	5,532	5,966	5,532	5,966
	176,577	**134,702**	**176,577**	**134,702**

9 Administrative expenses

	N'000	N'000	N'000	N'000
Staff Canteen Expenses	11,407	13,176	11,407	13,176
Medical expenses	2,149	5,302	2,149	5,302
SCHOLARSHIP SCHEME	500	-	500	-
LONG SERVICE AWARD	798	289	798	289
MAINTAINANCE	16,901	12,520	16,901	12,520
SECURITY GUARDS/SPECIAL CONST	6,330	6,239	6,330	6,239
COMPUTER RENTAL EXPENSES	42	3,181	42	3,181
BUILDING RENTS & RATES	8,042	4,223	8,042	4,223
DEPRECIATION	10,790	17,446	10,790	17,446
ADVERT & PUBLICITY EXPS	55	1,215	55	1,215
TRAVELLING	20,371	6,974	20,371	6,974
DIRECTORS FEES & BOARD EXPENSE	11,281	17,726	11,281	17,726
INSURANCE EXP	7,016	2,269	7,016	2,269
LEGAL & PROFESSIONAL EXP	7,605	26,158	7,605	26,158
PRINTING & DUPLICATION	1,615	2,568	1,615	2,568
TELEPHONE	135	1,460	135	1,460
AGM EXPENSES	824	4,884	824	4,884
COURIER/POSTAGE	8	519	8	519
AUDIT FEES	3,150	7,995	3,150	7,995
PERFORMANCE COST	36,132	38,137	36,132	38,137
GENERAL STORES & CONSUMABLES	1,578	1,072	1,578	1,072
ENTERTAINMENT	1,936	3,732	1,936	3,732
STOCK TAKING EXPENSES	1,067	900	1,067	900
MANAGEMENT FEES EXPS.	41,963	35,185	41,963	35,185
Other expenses	24,190	33,134	24,190	33,134
	215,884	**246,304**	**215,884**	**246,304**

10 Finance income and Cost

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
(i) Finance income:				
Interest received on bank deposit	**70,072.11**	**-**	**70,072.11**	**-**
(ii) Finance Cost				
Interest on bank overdraft and loans	16,515	17,056	16,515	17,056
Interest on finance lease	-	-	-	-
Total interest expenses	**16,515**	**17,056**	**16,515**	**17,056**

11 Profit /(Loss)for the period has been arrived at after charging/(crediting) the followings:

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Depreciation and amortisation expense:				
Depreciation of property, plant and equipment	10,357	31,078	-	31,078
Amortisation of intangible assets (included in cost of sales)	-	-	-	-
	10,357	**31,078**	**-**	**31,078**
Employee benefits expense:				
Defined contribution plans	8,306	-	8,306	-
Termination benefits	-	-	-	-
	8,306	**-**	**8,306**	**-**
Profit on disposal of property, plant and equipment	2,226	-	2,226	-
Auditors remuneration	3,150	5,776	3,150	5,776
Staff cost	189,378	163,673	189,378	163,673
Director's fees	563	938	563	938
Director's remuneration and allowance	10,718	16,789	10,718	16,789
Interest on loans and overdrafts	16,515	17,056	16,515	17,056

12 Tax expense

12.1 Per profit and loss account

	GROUP		COMPANY	
Income tax payable on the results for the period	**30/09/2019**	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
Current tax expense in respect of the current year:				
Income tax	3,219		3,219	3,636
Education tax	-		-	-
	3,219	-	3,219	3,636
In respect of prior years		-		-
	-	-	-	
	3,219	**-**	**3,219**	**3,636**
Deferred tax				
Current tax expense in respect of the current year:	-	-		-
Deferred tax expense for current year		(140,521)		(140,521)
Write-downs (reversals of previous write downs) of deferred tax assets	-	-		-
	-	**(140,521)**	**-**	**(140,521)**
Total income tax expense recognised in current year for continuing operations	**3,219**	**(140,521)**	**3,219**	**(136,885)**

12.2 Per statement of financial position

	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	8,469	7,873	8,469	7,873
Charged for the period	3,219	3,636	3,219	3,636
Payments during the year	(3,921)		(3,921)	-
Adjustments -witholding tax utilised		(3,040)		(3,040)
	7,767	**8,469**	**7,767**	**8,469**

12.3 Deferred taxation

	GROUP		COMPANY	
	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
Deferred tax liabilities	(515,687)	515,687	(515,687)	515,687
Deferred tax assets	395,059	(395,059)	395,059	(395,059)
	(120,628)	**120,628**	**(120,628)**	**120,628**

Deferred tax

	GROUP		COMPANY	
	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
Movement at a glance				
Deferred tax (liabilities)/assets:				
At 1 January	120,628	261,149	120,628	261,149
Recognised in profit or loss	-	(140,521)	-	(140,521)
At 31 December	120,628	120,628	120,628	120,628

The tax rate used is the corporate tax rate of 30% and 2% education payable by corporate entities in Nigeria on taxable profits under tax law in the country.

13 Earnings/(Loss) per share

Earnings/(Loss) per share are calculated on the basis of profit after taxation and the number of issued and fully paid ordinary shares of each financial year.

	GROUP		COMPANY	
	30/09/2019	**30/09/2018**	**30/09/2019**	**30/09/2018**
	N	**N**	**N**	**N**
Basic/diluted (loss)/earnings per share	(6.84)	37.39	(6.84)	37.41
Total basic/diluted (loss)/earnings per share	**(6.84)**	**37.39**	**(6.84)**	**37.41**

13.1 Basic/diluted earnings per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings per share are:

	GROUP		COMPANY	
	30/09/2019	**30/09/2018**	**30/09/2019**	**30/09/2018**
	N'000	**N'000**	**N'000**	**N'000**
Earnings from continuing operations				
Profit / (Loss) for the period attributable to owners of the Company	(34,065)	186,107	(34,065)	186,212
Number of shares				
Number of ordinary shares for the purposes of basic earnings per share	497,727,723	497,727,723	497,727,723	497,727,723
Profit/(Loss) per share (Kobo) - Basic	**(6.84)**	**37.4**	**(6.84)**	**37.41**

The denominators for the purposes of calculating both basic earnings per share is based on issued and paid ordinary shares of 50 kobo each.

13.2 Impact of changes in accounting policies

There were no changes in the company’s accounting policies during the period that impacted earnings per share.

14 Property, plant and equipment

The Group

Cost	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture & fittings N'000	Motor vehicles N'000	Total N'000
At 1 January 2018	1,764,897	207,456	33,167	13,948	173,382	2,192,850
Additions			1,706	125		
Reclassification						
Disposals						
At December 31st 2018	**1,764,897**	**207,456**	34,873	**14,073**	**173,382**	**2,194,681**
At 1 January 2019	**1,764,897**	**207,456**	**34,873**	**14,073**	**173,382**	**2,194,681**
Additions		3,130	5,906			**9,036**
Transfers						
Reclassification						
Disposals					(2,226)	
At 30th September 2019	**1,764,897**	**210,586**	**40,779**	**14,073**	**171,156**	**2,201,492**
Accumulated depreciation and impairment						
At 1 January 2018	202,920	203,093	31,453	13,652	141,577	592,695
Charge for the year	23,239	1,173	1,088	282	11,638	37,420
Disposals	-	-		-	-	-
						-
At December 31st 2018	226,159	204,267	32,541	13,934	153,214	630,115
At 1 January 2019	226,159	204,267	32,541	13,934	153,214	630,115
Charge for the period	3,881	884	201	24	5,366	10,357
Transfers						
Reclassification			1,168	150		
Eliminated on disposals					(2,226)	
At 30th September 2019	**230,040**	**205,151**	**33,910**	**14,108**	**156,354**	**640,472**
Carrying amount						
At 30th September 2019	**1,534,858**	**5,435**	**6,869**	**(35)**	**14,802**	**1,561,928**
At 31st December 2018	**1,538,738**	**3,189**	**2,332**	**139**	**20,168**	**1,564,566**

The Company

Cost	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture & fittings N'000	Motor vehicles N'000	Total N'000
At 1 January 2018	1,764,897	207,456	33,167	13,948	173,382	2,192,850
Additions			1,706	125		1,831
Reclassification						-
Disposals						-
						-
At December 31st 2018	1,764,897	207,456	34,873	14,073	173,382	**2,194,681**
At 1 January 2019	1,764,897	207,456	34,873	14,073	173,382	2,194,681
Additions		**3,130**	**5,906**			9,036
Transfers						-
Reclassification						-
Disposals					(2,226)	(2,226)
At 30th September 2019	**1,764,897**	**210,586**	**40,779**	**14,073**	**171,156**	**2,201,492**
Accumulated depreciation and impairment						
At 1 January 2018	202,920	203,093	31,453	13,652	141,577	592,695
Charge for the year	23,239	1,173	1,088	282	11,638	37,420
Disposals	-	-		-	-	-
						-
At December 31st 2018	226,159	204,267	32,541	13,934	153,214	630,115
At 1 January 2019	226,159	204,267	32,541	13,934	153,214	630,115
Charge for the period	3,881	884	201	24	5,366	10,357
Transfers						
Reclassification			1,168	150		
Eliminated on disposals					(2,226)	
At 30th September 2019	**230,040**	**205,151**	**33,910**	**14,108**	**156,354**	**640,472**
Carrying amount						
At 30th September 2019	1,534,858	5,435	6,869	(35)	14,802	1,561,928
At 31st December 2018	1,538,738	3,189	2,332	139	20,168	1,564,566

Impairment losses recognised in the year
There were no impairment losses recognised during the year.

Contractual commitments
At 30 September 2019, the company and the group had no contractual commitments for the acquisition of property, plant and equipment (2017: Nil).

15 Intangible assets

The Company

Cost	Tetra 2000 N'000	Web Site N'000	Payroll N'000	Sage N'000	Total N'000
At 1 January 2019	398	478	315	2,966	4,157
Additions					-
At 30th September, 2019	**398**	**478**	**315**	**2,966**	**4,157**
Amortisation					
At 1 January 2019	398	478	315	2,966	4,157
Charge for the year	-	-	-	-	-
				-	-
At 30th September, 2019	**398**	**478**	**315**	**2,966**	**4,157**
Carrying amount					
At 30th September, 2019	**(0)**	**(0)**	**-**	**0**	**0**

15.1 Significant intangible assets

The Group currently used sage ERP 100 accounting package in collating and preparing accounting information for decision making. The carrying amount of the sage accounting package is Nil (31 December, 2016:Nill)

16 Investment in subsidiary

	GROUP		COMPANY	
	30/09/2019	**30/09/2018**	**30/09/2019**	**30/09/2018**
	N'000	**N'000**	**N'000**	**N'000**
Carrying amount at cost			**9,600**	**9,600**

Details of the Group subsidiary at the end of the reporting period is as stated below

Name of the company	**Principal activity**	**Place of incorp**	**Proportion of ownership interest and voting power held by the Group**	
			30/09/2019	**30/09/2018**
DNM Construction limited	Construction and rehabilitation of building	Nigeria	96%	96%

The Group owns 96% of the DNM Construction limited

The remaining 4% shares atributable to non controlling interest is stated below:

	Cost	
	N'000	%
Mr. Kayode Falowo	100	1
Mr. Toyin Okeowo	100	1
Alhaji Ibrahim Suleman	100	1
Arc. Ayoola Onajide	100	1
	400	**4**

Two out of the four shareholders are Directors of Meyer Plc.

17 Inventories

	The Group		The Company	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Raw materials	36,692	14,802	36,692	14,802
Work-in-progress	(26,675)	6,251	(26,675)	6,251
Finished Goods - Paints & Adhesives	84,810	18,516	84,810	18,516
Consumables	4,110	110	4,110	110
	98,937	39,679	98,937	39,679
Provision for obsolete spares and slow moving stock	-	-	-	-
	98,937	**39,679**	**98,937**	**39,679**

The carrying amount of the inventories is the lower of their costs and net realisable values as at the reporting dates.

18 Trade and other receivables

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Trade receivables	118,313	140,486	82,087	104,260
Allowance for doubtful debts	(60,973)	(62,375)	(60,973)	(62,375)
	57,340	78,111	21,114	41,885
Other receivables				
Insurance claim	802	939	802	939
WHT claimable	64,788	46,442	64,788	46,442
Returnable containers	-	-	-	-
Sundry debtors	661	2,035	261	2,004
	123,591	**127,527**	**86,965**	**91,270**

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value

19 Other assets

	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Prepayments	265,104	10,430	265,104	10,430
	265,104	10,430	265,104	10,430
	265,104	**10,430**	**265,104**	**10,430**

20a Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	The Group		The Company	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
	N'000	N'000	N'000	N'000
Cash and bank balances	(199,435)	20,267	(199,619)	20,083
Short term investments (see note 20b)	1,700,000	2,361	1,700,000	2,361
	1,500,565	**22,628**	**1,500,381**	**22,444**

20b Short term investment

These represents cash held in Fixed deposits in various bank. These investments are placed in short term deposits and are continuously rolled over throughout the period

20c Borrowing

	30/09/2019	31/12/2018	30/09/2019	31/12/2018
	N'000	N'000	N'000	N'000
LPO Financing	1,922	1,922	1,922	1,922
Commercial Papers	-	319,233		319,233
lease obligation	(1,277)	7,618	(1,277)	7,618
Term loan	9,164	47	9,164	47
Total borrowings	9,809	328,820	9,809	328,820
Analysis of loan balances to current and non-current portion				
LPO Financing	1,922	1,922	1,922	1,922
Commercial Papers		319,233	-	319,233
Term loan	9,164	47	9,164	47
Non-current portion	11,086	321,202	11,086	321,202

This relates to amount that will fall due in the next 12 months to AMCON, FBN and Eco Bank.

Term loan				
Restructured long term loan	9,809	328,820	9,809	328,820
Unsecured				
Loans from FBN/Ecobank through BOI/CBN intervention fund	9,164	16,615	9,164	16,615
LPO Financing	1,922	-	1,922	-
Secured				
Loans from UBN transferred to AMCON	-	562,408	-	562,408
	11,086	579,023	11,086	579,023
Reclassification as short term loan	(11,086)	321,202	(11,086)	321,202
	-	**(257,821)**	**-**	**(257,821)**
Movement at a glance				
Opening balance	16,164	625,019	16,164	625,019
Obtained during the year:	-	286,685	-	286,685
Term (interest capitalised)		37,812		37,812
loan waived	-	(297,408)	-	(297,408)
LPO Financing	-	-	-	-
Repayment of loan	(6,355)	(307,124)	(6,355)	(307,124)
Amount due within one year		(328,820)		(328,820)
Closing balance	9,809	16,164	9,809	16,164

Loans from Bank of Industry of Nigeria (BOI) includes loans from First Bank of Nigeria and Eco Bank of Nigeria restructured under BOI. The rate of interest is 7% and spread over ten years

Loans from Asset Management Corporation of Nigeria (AMCON) was a loan from Union Bank of Nigeria restructured under AMCON. On 6th June 2016 the loan was restructured with a new prinicipal amount of N521.50million at a rate of 8% and spread over sixty months payable on quarterly basis commencing from 31 August 2016. The loan is secured by a charge over the company's leasehold property.

LPO Financing was obtained for a period of three (3) months at an interest rate of 17%

The current position of the loan relates to amount that will fall due after twelve month to AMCON and FBN.

21 Employment benefits

	30/09/2019	31/12/2018	30/09/2019	31/12/2018
	N'000	N'000	N'000	N'000
Balance as at 1 January	27,396	27,160	27,396	27,160
Additional/ (Payment) for the period	4,713	236	4,713	236
Balance as 30th September	32,109	27,396	32,109	27,396

23a Trade and other payables

	GROUP		COMPANY	
	30/09/2019	**30/09/2018**	**30/09/2019**	**30/09/2018**
	N'000	**N'000**	**N'000**	**N'000**
Trade payable	115,208	130,005	109,373	124,168
Other payables:				
Retention fees	112	112	112	112
Proposed dividend	-	-	-	-
Unclaimed diviend	-	-	-	-
Value added tax	83,303	174,541	83,303	174,541
Withholding tax payable	30,770	29,303	30,728	29,261
PAYE	3,907	4,925	3,907	4,925
Accruals	69,147	76,847	61,679	76,424
National housing fund	65	65	65	65
Rent receivable	5,317	13,381	5,317	13,381
Sundry creditors	82,118	(3,954)	89,490	(4,053)
Pension scheme	4,713	43,937	4,713	43,937
Technical Management fees	25,384	147,619	25,384	147,619
Due to related party			-	22,269
	420,044	**616,780**	**414,071**	**632,649**

23b Deposit for AFS	2,329,375		2,329,375	

24 Share capital

	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
Authorised:				
1,300,000,000 ordinary shares of 50k each	650,000	650,000	650,000	650,000
Issued and fully paid:				
497,728,000 ordinary shares of 50k each	248,864	248,864	248,864	248,864

The Company has one class of ordinary shares which carry no right to fixed income.

25 Share premium

	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	53,173	54,376	53,173	54,376
Closing balance	**53,173**	**54,376**	**53,173**	**54,376**

26 Retained earnings

	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	358,750	39,559	318,916	39,559
Profit/(Loss) attributable to owners of the company	(34,065)	319,191	(34,065)	319,191
Closing balance	**324,685**	**358,750**	**284,852**	**358,750**

26 (i) Non controlling interest

	30/09/2019	**31/12/2018**	**30/09/2019**	**31/12/2018**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	2,460	2,464		
Adjustment during the period	1,212	-		
transfer from profit or loss	-	(4)		
Closing balance	**3,672**	**2,460**	**-**	**-**

27 DIRECTORS AND EMPLOYEES

27.1 DIRECTORS

	The Group		The Company	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	N'000	N'000	N'000	N'000
Emoluments:				
Fees	563	938	563	938
Other remuneration and allowances	10,718	16,789	10,718	16,789
	11,281	**17,726**	**11,281**	**17,726**

The number of Directors whose gross emoluments were within the following ranges are:

Range (N)	**Number**	**Number**	**Number**	**Number**
1,000,001 - 2,000,000	-	-	-	-
3,000,001 and above	2	1	2	1
	2	**1**	**2**	**1**

27.2 EMPLOYEES

The average number of employees employed during the year:

	Number	**Number**	**Number**	**Number**
	100	130	100	130
	100	**130**	**100**	**130**

The aggregate payroll costs:

	N'000	**N'000**	**N'000**	**N'000**
Wages, salaries, allowances and other benefits	184,451	121,649	184,451	121,649
Pension and social benefits	10,227	8,779	10,227	8,779
Staff training	90	733	90	733
	194,767	**131,160**	**194,767**	**131,160**

The number of higher paid employees with gross emoluments within the ranges below were:

Range (N)	**Number**	**Number**	**Number**	**Number**
Up to 500,000	1	1	1	1
500,001 - 2,000,000	79	122	79	122
2,000,001 - 3,000,000	10	3	10	3
3,000,001 and above	8	4	8	4
	98	**130**	**98**	**130**

28 Approval of financial statements

The unaudited condensed interim consolidated and separate financial statements were approved by the Board on 25th October 2019