

PHARMA-DEKO PLC

UNAUDITED ACCOUNT FIRST QUARTER AS AT 31ST MARCH, 2016 FINANCIAL REPORT.

Prepared in accordance with IFRS & IAS 34

FOR THE NIGERIAN STOCK EXCHANGE

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Financial Highlights of Pharma-Deko PLC operations for Quarter One January to March 2016:

Quarter One End March 31st 2016

PHARMA-DEKO PLC FINANCIAL SUMMARY

		Q1 2016		Q1 2015		% Change	Full Year 2015	
		N'000	% Revenue	N'000	% Revenue		N'000	% Revenue
1	Revenue	183,505		316,029		58%	1,481,964	
2	Cost of Sales	(92,950)	-51%	(154,016)	-49%	60%	(769,751)	-52%
3	Distribution, Admin & Other Expenses	(149,551)	-81%	(149,258)	-47%	100%	(1,311,457)	-88%
4	Other Income	862		6,741		13%	885,443	
5	Financial Charges	0		0		0%	0	
6	Profit/(Loss) Before Tax	(58,134)		19,496		-298%	286,199	

Comments on Q1 2016 Result:

1. Non Availability of key products during the first quarter of 2016 affected the revenue declared. Also, the delay in completion of overhauling of the equipments and the factory extension.
2. The marginal increase in the cost of sales was due to high cost of operations and increase in exchange rate.
3. We are consciously optimistic that once the factory is in full operation, we will be able to catch up with the gap in Revenue.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

IFRS Financial Statements of Financial Position As At Mar.' 31st, 2016.

S/N	<u>STATEMENT OF FINANCIAL POSITION</u>		AS AT Mar.'2016	AS AT Dec.'2015
1	ASSET	NOTE	N''000	N''000
2	PROPERTY, PLANT AND EQUIPMENT	10	1,299,497	1,294,310
3	Intangible assets	10.2	1,544	1,709
4	Deferred Tax Asset	19	<u>21,700</u>	<u>21,700</u>
			<u>1,322,742</u>	<u>1,317,719</u>
4	CURRENT ASSETS			
5	Stocks(Inventories)	11	339,340	334,516
6	Trade Receivables	12	22,338	9,657
7	Other Receivables and prepayments	13	309,983	217,257
8	cash and bank balances	14	414,899	690,933
9			<u>1,086,560</u>	<u>1,252,363</u>
10	<u>Total Assets</u>		<u>2,409,302</u>	<u>2,570,082</u>
11				
12	Equity and liabilities			
13	Share capital	20	108,471	108,471
14	Share premium	20.1	380,024	380,024
15	Revaluation reserve	20.2	1,034,607	1,034,607
16	Retained Earning	20.3	<u>203,962</u>	<u>262,095</u>
17	Total Equity		<u>1,727,064</u>	<u>1,785,197</u>
18				
21	Employee Benefits	15	66,036	72,340
22	Deferred Tax Liability	19	-	-
23	Total Non Current Liabilities		<u>66,036</u>	<u>72,340</u>
24				
25	Loans and Borrowings O/d	14.2	50,000	100,000
26	Trade Payables	16	158,837	140,038
27	Other Payables	17	280,035	345,177
28	Taxation	18	127,330	127,330
29	Total Current Liabilities		<u>616,202</u>	<u>712,545</u>
30	Total Liabilities		<u>682,238</u>	<u>784,885</u>
31	Total Equity and Liabilities		<u>2,409,302</u>	<u>2,570,082</u>

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

STATEMENT OF COMPREHENSIVE INCOME JANUARY –MARCH'2016:

<u>DESCRIPTION</u>		ACTUAL	ACTUAL	ACTUAL
	Note	JAN- MAR'2016	JAN- MAR'2015	JAN- DEC'2015
		N'000	N'000	N'000
Turnover	4	183,505	316,029	1,481,964
Cost of sales		(92,950)	(154,016)	(769,751)
Gross Margin		90,555	162,013	712,213
Other Income	5	862	6,741	885,443
		91,417	168,754	1,597,656
Selling and distribution expenses		(40,292)	(58,192)	(171,072)
Administration expenses		(109,259)	(91,066)	(1,100,472)
Impairment of Asset		-	-	(39,913)
Operating Profit/(Loss)		(58,133)	19,496	286,199
Finance cost	14.3	(0.00)	-	-
Profit /(loss) after Finance cost		(58,133)	19,496	286,199
Derecognition of Loan Liability		0	-	415,476
Profit /(loss) before taxation		(58,133)	19,496	701,675
Taxation	18.1	-	-	(42,410)
Profit/(loss) from Continuing Operation		(58,133)	19,496	659,265
Profit/(loss) from discontinuing Operation		-	-	-
Profit for the period		(58,133)	19,496	659,265
Per share data (50 kobo ordinary share):				
Profit per share-Kobo (Note: the number of shares as at Dec'15, 217million shares. <i>See note 20 of Note to Account</i>)		(27)	19	334

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

IFRS Financial Statements As At 31st Mar, 2016

Statement of Changes in Equity	Share Capital N''000	Share Premium N''000	Fair Value Reserve N''000	Retained Earnings N''000	Total N''000
Balance as at January 1 2016	<u>108,471</u>	<u>380,024</u>	<u>1,034,607</u>	<u>262,095</u>	<u>1,785,197</u>
<u>Total Comprehensive income of the Period</u>					
Profit or Loss as at Mar. 31st 2016	-	-	-	(58,133)	(58,133)
<u>Other Comprehensive Income</u>					
Movement during the year	-	-	-	-	-
Balance as at 31 March 2016	<u>108,471</u>	<u>380,024</u>	<u>1,034,607</u>	<u>203,962</u>	<u>1,727,064</u>
Balance as at January 1 2015	<u>50,000</u>	<u>243,766</u>	<u>1,434,607</u>	<u>(797,169)</u>	<u>931,204</u>
<u>Total Comprehensive income of the Period</u>					
Profit or Loss as at Dec 31st 2015	-	-	-	659,264	659,264
<u>Other Comprehensive Income</u>					
Increase in share capital	58,471	136,258	-	-	194,729
Revaluation Surplus			(400,000)	400,000	
Total Comprehensive income of the Period	<u>58,471</u>	<u>136,258</u>	<u>(400,000)</u>	<u>1,059,264</u>	<u>853,993</u>
Balance as at 31 December 2015	<u>108,471</u>	<u>380,024</u>	<u>1,034,607</u>	<u>262,095</u>	<u>1,785,197</u>

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY**MANAGING DIRECTOR** _____**CHIEF FINANCE OFFICER (AG.)** _____

STATEMENT OF CASH FLOWS AS AT 31ST MARCH 2016		
Description	AS AT Mar.'2016	AS AT Dec.'2015
	N''000	N''000
Cash flows from operating activities		
Cash generated from operations	(257,686)	(782,327)
Vat paid	-	(72,535)
Tax paid	-	(11,230)
Net cash provided by operating activities	(257,684)	(866,092)
Cash flow from investing activities		
Purchase of fixed assets	(18,350)	(238,048)
Purchase of intangible asset	-	(2,197)
Interest received and similar income	-	-
Proceeds from property, plant and equipment disposal	-	1,600,000
Net cash provided (used) by investing activities	(18,350)	1,359,755
Cash flow from financing activities		
Interest paid on loans and overdraft	(0.00)	-
Loan Returned	-	-
Increase in Share Capital	-	58,471
Increase in Share Capital premium	-	136,258
Commitment Deposit(to be recognised as OI)	-	-
Net cash provided (used) by financing activities	(0)	194,729
Net increase in cash and cash equivalents	(276,034)	688,392
Cash and cash equivalents at 1 January	690,933	2,541
Cash and cash equivalent at 31 Mar' 2016 (See Note 14)	414,899	690,933

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

Notes to the Financial Statement

1. Nature of Operations

The company's principal activities include the marketing, manufacturing of high quality pharmaceutical and consumer products. The consumer and pharmaceutical products share the same production lines and the company leverages on this to ensure efficiency and effectiveness in its production process.

The company is also engaged in the canning of high quality beverages for other companies in the beverages – Brewers/distillers sector. Adequate investment is being made in this line to ensure that the company becomes the number one canning choice for beverages.

2. General information and statement of compliance with IFRS

The 2011 IFRS financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

An explanation of how the transition to IFRSs has affected the reported financial position of the company is provided in the notes. The financial statement is presented in the functional currency, Nigerian Naira rounded up to the nearest thousand.

The 2011 IFRS financial statements have been approved by the Board of Directors in July 2012.

3. Summary of Significant Accounting Policies

3.1. Property, Plant and Equipment

Property, Plant and Equipment are tangible assets that can span more than one accounting periods. These items are stated at their original cost or fair value less accumulated depreciation and impairment losses.

Land and Building is measured at fair value which is determined every two years. The fair value is determined by engaging the services of an external professional valuer.

Any increase as a result of the revaluation of Land and Building is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease previously recognized in profit or loss. If the revaluation results to a decrease in the carrying amount of Land and Building, the decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of the asset. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Plant and Machinery, Furniture and Fittings, Motor Vehicles and Computer Equipment are measured at cost.

The initial cost of these assets comprises its purchase price and any costs directly attributable to bringing the asset into operation.

The capitalized value of plant and machinery acquired via finance lease is also included within property, plant and equipment.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

3.2 Depreciation and Impairment

Depreciation is charged over the estimated useful live of the assets when available for use and is calculated at the following rates per annum on cost or valuation:

	%
Buildings	2
Plant and Machinery	10
Furniture and Fittings	15
Motor Vehicles	20
Motor Bike/Tricycle	50
Computer Equipment	33'1/3
Computer Software	33'1/3

The useful lives and methods of depreciation of the assets are reviewed at each reporting period and adjusted prospectively if appropriate.

Impairment is measured as the difference between the carrying amount of an asset and its recoverable amount. Recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Impairment is tested for when there is an indication of impairment such as:

- Decline in the market value of an asset;
- Changes in the technological, economic or legal environment resulting in an adverse effect on our activities;
- Obsolescence or damage of assets;
- Worsening performance of assets.

When there is an objective evidence of impairment, the loss is recognized in profit or loss except when there has been a previous upward revaluation in which case the impairment loss is recognized directly in equity.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within 'other income' or 'other expenses'.

3.3. Fair Value

Land and Building are measured at fair value by reference to market based evidence (Level 1 Fair Value Measurement). The fair value measurement is carried out every two years to ensure that the carrying amount of Land and Building is not materially different from its market value.

3.4. Lease Assets

In accordance with *IAS 17 Leases*, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are owned by Pharma Deko Plc. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

Notes to the Financial Statement (continued)

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to income statement over the period of the lease.

3.5. Inventories

Inventories are stated at the lower of cost and net realizable value after making adequate provision for obsolete, slow moving and damaged items. In case of good manufactured by the company, cost includes production overheads. Stock is valued at weighted average and goods in transit at the invoice price. Work in progress is stated at cost. Cost in this case consists of direct labour and materials plus appropriate proportion of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.6. Financial Instruments

a. Non Derivative Financial Assets

i. Trade Receivables

Trade receivables are financial assets measured at amortized cost less any impairment losses. Credit sales are rarely done and the effect of discounting is immaterial hence they are stated at their invoice price.

Trade receivables are assessed annually to determine if there is an objective evidence of impairment. The impairment loss is determined by splitting the receivables into groups of trade receivables that share similar credit risk characteristics. The credit risk groups are to be assessed for impairment using historical loss experience for each group. Such historical loss experience would be adjusted to reflect the effects of current conditions.

Staff Receivables, which are interest free and for a tenor of less than twelve months, is also measured at amortised cost. In this case it is the face value of the loan.

ii. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Non Derivative Financial Liabilities

The company has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Trade payables are measured at amortized cost. They are shown at face value because they do not carry any interest and usually have a tenor of two to three months.

Loans and Borrowings are recognised initially at fair value less any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

Notes to the Financial Statement (continued)

3.7. Taxation

Income tax and education tax payable are provided on taxable and assessable profits respectively at the current statutory rates.

Deferred Taxation

Deferred Taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Based on the IFRS provisions, IAS 12, liability method recognizes all timing differences as temporary differences. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which Pharma Deko Plc expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted at the Statement of Financial Position date. Deferred tax assets are recognized when it is considered probable (more likely than not) that those assets will be recovered.

3.8. Foreign Currency Transaction

Transactions denominated in foreign currencies are translated into Naira at the ruling rates of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the prevailing exchange rate at the balance sheet date. Any gain or loss arising from a change in exchange rates is charged to the Statement of Profit or Loss and Other Comprehensive Income.

3.9. Employee Benefits

The company provides a contributory pension fund scheme which is funded by contributions from employees at 7.5% and employer at 7.5% based on basic salary, housing and transport in line with the Pension Reform Act of 2004. The employers' contribution is charged to the statement of profit or loss and comprehensive income. Contributions are expensed in the period they are payable and any unpaid contribution at the end of the period are recognised as a liability.

The company also operates an unfunded retirement benefit scheme. The benefits are based on the employers' year of service and terminal salary. They are yet to be measured in accordance with *IAS 19 Employee Benefits*.

3.10. Provisions

Provisions are recognised when the company has present obligation whether legal or constructive, as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with *IAS 37 Provisions, contingent liabilities and contingent assets*.

3.11. Operating Segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed from time to time by the management of the company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

CHIEF FINANCE OFFICER (AG.) _____

Notes to the Financial Statement (continued)

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise all assets, liabilities and income tax assets and liabilities.

3.12. Revenue

Sales of Goods

The sales of good comprises of pharmaceutical goods and consumer goods. Revenue from the sale of these goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, sales tax and volume rebates. Revenue is recognised when the risks and rewards of ownership is transferred to the buyer. This occurs when the buyer has taken delivery of the goods. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable and the costs incurred or to be incurred can be measured reliably.

Rendering of Services

The rendering of services involves the canning of consumer beverages. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, costs incurred and cost to complete can be measured reliably and stage of completion can be ascertained at end of the reporting period. The stage of completion is determined by using the surveys of work completed.

3.13. Discontinued Operations

A discontinued operation represents a component of the company's principal business that is a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Profit or loss from discontinued operations is presented in a single amount in the income statement. This amount is the post-tax profit or loss of discontinued operations.

3.14. Earnings per Share

The company presents basic earnings per share (EPS) data for its ordinary shares. The Basic EPS is determined by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.15. Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Though the company collects rent from a portion of its warehouse, it is not considered an investment property because the portion used for production or supply of goods and services is significant compared to the portion used for rent.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

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Notes to the Financial Statement (continued)**3.16. Significant Management Judgment in applying Accounting Policies and Estimation Uncertainty**

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Below is the significant management judgment in applying the accounting policies of Pharma Deko Plc that has the most significant effect on the financial statements.

Taxation on Discontinued Operations

IFRS 5 requires that the post-tax profit/(loss) of discontinued operations be shown as a single line item in the Statement of Profit or Loss and Other Comprehensive Income.

However, in these financial statements, the result of the discontinued operations is shown as the pre-tax loss. This is because of the complexity of separating assets and liabilities of the discontinued operations from the entire continuing operations of the company. This has prompted management to exercise significant judgment to disclose the result of discontinued operations on a pre-tax basis.

	Continuing Operations	Discontinuing Operations	Total
	N'000	N'000	N'000
Pharma	103,349	-	103,349
Consumer	80,156	-	80,156
Contract	-	-	-
TOTAL	183,505	-	183,505

The result of the continuing operations is further discussed in note 5 (Operating Segments) while there is no discontinued operations as at 31st March 2016.

5. Operating Segment

Pharma Deko Plc is engaged in the manufacturing and marketing of high quality pharmaceutical and marketing products. The company has three reportable segments which serve as the company's strategic business units. These operating segments are assessed and strategic decisions are made on the basis of operating segment results. The following summary describes the operations in each of the reportable segments:

Pharma: This refers to the pharmaceutical products of the company;

Consumer: This refers to Sans Cream Soda (pet and can) and Bien in Pet;

Contract: This refers to the canning of beverages for other companies.

Due to the nature of the company's operations and the relationship among the above segments (sharing of production lines), the assets and the liabilities of the company cannot be determined on a segmental basis and does not form part of the information provided to management for segmental review. Hence, such information is not disclosed as part of operating segments.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

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Notes to the Financial Statement (continued)

Also, Cost of Sales, Selling and Distribution Costs, Administrative Expenses and Interest Expenses are distributed evenly to all segments due to the reason mentioned above.

Summary of Operating Segment	Pharma	Consumer	Contract	Total
	N'000	N'000	N'000	N'000
Segment Revenue	103,349	80,156	0	183,505
Cost of Sales	(34,838)	(50,166)	(0)	(85,004)
Depreciation	(2,170)	(5,776)	(0)	(7,946)
Selling and Distr.	(22,869)	(17,423)	-	(40,292)
Admin. Exp.	(61,534)	(47,725)	(0)	(109,259)
Interest Exp.	-	-	(0)	(0)
Segment Profit after Extra-Ordinary	(18,062)	(40,933)	(0)	(58,995)

Reconciliation of operating segment profit to company profit before tax	Jan-Mar.'2016	Jan-Mar.'2015
	N'000	N'000
Total Profit for Segments	(58,995)	12,755
Discontinued Operations	-	-
	(58,995)	12,755
Add: Unallocated Amount		
Derecognition of Loan Liability	0	-
Foreign Exchange Loss	-	-
Net-gain on Asset Disposal	-	-
Write-back of Over provision(Contract Packag	-	-
Interest Income & Similar	-	6,342
Sales os scrap	862	399
Company Profit before Income Tax	(58,133)	19,496
Other Income	N'000	N'000
Interest Income on Deposit.	-	-
Proceed from impaired motor vehicles	-	-
Net-gain on Asset Disposal	-	-
Interest Income & Similar	-	6,342
Sales oF scrap	862	399
	862	6,741

Other Income represents sales from used kegs, drums, caps and nylons.

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

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Note of Account.
AS AT MAR. 2016 ENDING.
PROPERTY, PLANT AND EQUIPMENT

Note 10	Land Land N''000	Building Building N''000	Plant and Machinery N''000	Furniture and Fittings N''000	Motor Vehicles N''000	Computer Equipment N''000	Fixed Asset in Progress N''000	Total N''000
<u>COST/VALUATION</u>								
At 1 January 2016	469,702	644,000	792,571	2,303	83,248	7,426	81,992	1,999,250
Additions	-	-	-	-	18,350	-	-	18,350
Disposal	-	-	-	-	-	-	-	-
At 31 Mar.' 2016	469,702	644,000	792,571	2,303	101,598	7,426	81,992	2,017,600
Accumulated Depreciation								
At 1st January 2016	-	40,099	625,738	1,887	37,688	6,158	-	711,570
Charge for the period	-	3,220	4,726	295	4,445	476	-	13,163
At 31 Mar.' 2016	-	43,319	630,464	2,182	42,133	6,634	-	724,732
Impairment								
At 1st January 2016	-	-	75,363	-	-	-	-	75,363
Charge for the period	-	-	-	-	-	-	-	-
At 31 Mar.' 2016	-	-	75,363	-	-	-	-	75,363
Net book value								
At 31 March 2016	469,702	600,681	86,744	121	59,465	792	81,992	1,299,497
At 31 December 2015	469,702	603,901	91,470	416	45,560	1,268	81,992	1,212,317

Note 10.1	Land Land N''000	Building Building N''000	Plant and Machinery N''000	Furniture and Fittings N''000	Motor Vehicles N''000	Computer Equipment N''000	Fixed Asset in Progress N''000	Total N''000
<u>COST/VALUATION</u>								
At 1 January 2015	759,000	1,071,000	776,496	2,303	76,970	7,426	81,992	2,775,187
Additions	133,702	-	16,075	-	6,279	-	-	156,056
Disposal	(423,000)	(427,000)	-	-	-	-	-	(850,000)
At 31 Dec.' 2015	469,702	644,000	792,571	2,303	83,248	7,426	81,992	1,999,250
Accumulated Depreciation								
At 1st January 2015	-	48,195	562,404	1,609	23,175	5,269	-	640,652
Charge for the period	-	12,880	63,334	277	14,513	889	-	91,893
Disposal	-	(20,976)	-	-	-	-	-	-
At 31 Dec.' 2015	-	40,099	625,738	1,887	37,688	6,158	-	711,570
Impairment								
At 1st January 2015	-	-	51,956	-	-	-	-	51,956
Charge for the period	-	-	23,407	-	-	-	-	23,407
At 31 Dec.' 2015	-	-	75,363	-	-	-	-	75,363
Net book value								
At 31 December 2015	469,702	603,901	91,470	416	45,560	1,268	81,992	1,212,317
At 31 December 2014	759,000	1,022,805	162,136	694	53,795	2,157	-	2,000,586

INTANGIBLE ASSET-Computer Soft Cost	Note 10.2	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
At 1 January		2,197	-
Additions		-	2,197
At 31 Mar 2016		2,197	2,197
Accumulated amortisation & impairment:			
At 1 January		488	-
Amortisation		165	488
		653	488
At 31 Mar 2016		1,544	1,709

INVENTORY	Note 11	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
Raw material		74,299	57,580
Finished goods		81,885	110,193
Packaging Material		271,192	252,570
Engineering Consumable Item./Diesel		19,855	22,064
		447,231	442,407
Impaired inventories		(107,891)	(107,891)
		339,340	334,516

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

MANAGING DIRECTOR _____

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	Note	AS AT Mar.'2016	AS AT Dec.'2015
	11.1	N''000	N''000
Movements in the allowance for			
At 1 January 2016		107,891	91,384
Charge for the year		-	16,507
Write-back			-
At 31 Mar.' 2016		107,891	107,891

	Note	AS AT Mar.'2016	AS AT Dec.'2015
	12	N''000	N''000
TRADE RECEIVABLES			
Trade debtors		22,338	9,657
Impairment of trade receivables		-	-
		22,338	9,657

Trade Receivables are non-interest bearing and are generally on a 30 day term

Movements in the allowance for impairment of receivable is as follows

	Note	AS AT Mar.'2016	AS AT Dec.'2015
	12.1	N''000	N''000
At 1 January 2016		-	136,043
Charge for the year		-	-
Amount Written-back		-	(136,043)
Unused Amounts Reversed		-	-
At 31 Mar.' 2016		-	-

	Note	AS AT Mar.'2016	AS AT Dec.'2015
	13	N''000	N''000
OTHER RECEIVABLES AND PREP/			
Staff debtors		8,352	7,096
Cash Advance		-	-
Total Finance Assets		8,352	7,096
Sundry Receivables(Reclassification)		90,505	86,557
Prepayments		3,288	1,491
Deposit for import-PPE		207,838	122,113
Deferred Right issue Expenses		-	-
Total Non Finance Assets		301,631	210,161
		309,983	217,257

	Note	AS AT Mar.'2016	AS AT Dec.'2015
	14	N''000	N''000
CASH AND CASH EQUIVALENTS			
Cash at Bank		414,899	690,914
Cash in hand		-	19
Cash and cash Equivalents		414,899	690,933
Bank overdrafts used for cash m	14.1	-	-
Bank overdrafts		-	-
Cash and cash Equivalents in Statement of Cf		414,899	690,933

Loans and Borrowings-Current Financial Liabilities

	Note	AS AT Mar.'2016	AS AT Dec.'2015
	14.2	N''000	N''000
Bank overdrafts		-	-
Commercial paper		50,000	100,000
		50,000	100,000

The commercial papers comprise several issuances from Financial Derivatives Company Limited of N100million. which is going to be settle within 2years (2016 & 2017). The payment of N50 million for 2016 was paid in March'16

SIGNATURES OF PRINCIPAL OFFICERS OF THE COMPANY

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Finance Cost

Finance cost for the period is as follows	Note 14.3	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
Interest on commercial paper		0	-
Interest on bank loan (o/d)		-	-
Loss on Foreign Exchange		-	-
Interest on Finance lease (UTC)		-	-
Interest on Private Placement		-	-
		<u>0</u>	<u>-</u>
Add: Interest on bank overdrafts(Discontinued)		<u>-</u>	<u>-</u>
		<u>0</u>	<u>-</u>

The interest on Banks Overdrafts and interest on Commercial Paper as at March. 2016 was zero due to ongoing negotiation in-which it was agreed that no interest should be further charge on those commercial papers.

Employment Benefits-Gratuity	Note 15	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
At 1. January		72,340	53,396
Provision as at Mar. 2016		3,450	133,014
Payment made as at Mar. 2016		<u>(9,754)</u>	<u>(114,070)</u>
At 31 Mar.' 2016		<u>66,036</u>	<u>72,340</u>

Trade Payables-Current Financial Liabilities	Note 16	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
At 1. January		<u>158,837</u>	<u>140,038</u>
At 31 Mar.' 2016		<u>158,837</u>	<u>140,038</u>

Trade payables are measured at amortised cost. However, because the trade payables are non-interest bearing and have a settlement period of three months hence they are stated at the invoice amount.

Other Payables Financial Liability	Note 17	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
Obligation under Finance Lease	See (17.3)	-	-
Sundry creditors	See (17.1)	89,623	119,474
Accruals		106,351	127,863
Vat-Receivables		(3,715)	16,389
Employee Benefits-Unpaid Contributions	See (17.2)	<u>70,576</u>	<u>81,451</u>
		<u>262,835</u>	<u>345,177</u>
Non Financial Liability			
Deferred Rent Income		-	-
Customer's deposit		<u>17,200</u>	<u>-</u>
		<u>17,200</u>	<u>-</u>
Total		<u>280,035</u>	<u>345,177</u>

Sundry creditors	Note 17.1	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
Other creditors		22,053	52,011
Commitment Deposit(to be recognised as OI)		-	-
Industrial training fund	See (17.4)	3,392	2,529
Co-op Society Contribution		-	-
Union Dues		259	258
Withholding Tax on Dividend		231	231
Withholding Tax on Services		46,209	45,836
Pay As You Earn (PAYE)		7,831	7,766
Salaries and Wages Payable		-	2,056
1% NSITF		8,749	7,886
Dividend Payable		<u>900</u>	<u>900</u>
		<u>89,623</u>	<u>119,474</u>

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Industrial Training Fund	Note	AS AT Mar.'2016	AS AT Dec.'2015
	17.4	N''000	N''000
At January		2,529	323
Provision as at Mar. 2016		863	12,010
Payment made as at Mar. 2016		-	(9,804)
At 31 Mar.' 2016		3,392	2,529

Employee Benefits-Unpaid Contribution	Note	AS AT Mar.'2016	AS AT Dec.'2015
	17.2	N''000	N''000
At January		81,451	97,028
Provision as at Mar. 2016		11,977	42,185
Payment made as at Mar. 2016		(22,852)	(57,762)
At 31 Mar.' 2016		70,576	81,451

OBLIGATION UNDER FINANCE LEASE	Note	AS AT Mar.'2016	AS AT Dec.'2015
	17.3	N''000	N''000
Lease Payment		-	-
Finance charges		-	-
Net Present Value		-	-

Taxation	Note	AS AT Mar.'2016	AS AT Dec.'2015
	18	N''000	N''000
At January		127,330	11,758
Charge for the year		-	126,802
Payment made as at Mar. 2016		-	(11,230)
		127,330	127,330
Paid during the year		-	-
At 31 Mar.' 2015		127,330	127,330

Tax Charge for the Year	Note	AS AT Mar.'2016	AS AT Dec.'2015
	18.1	N''000	N''000
Education Tax		-	1,984
Minimum Tax		-	-
Company income tax		-	24,901
Capital gain tax		-	99,917
Deferred tax charge/(write back)		-	(84,393)
End of the Year		-	42,410

Deferred Income Tax	Note	AS AT Mar.'2016	AS AT Dec.'2015
	19	N''000	N''000
Start of the Year		(21,700)	62,693
Charge/(Write back) for the year		-	(84,393)
At 31 Mar.' 2016		(21,700)	(21,700)

The deferred income tax is calculated using the enacted income tax rate of 30%

Share Capital	Note	AS AT Mar.'2016	AS AT Dec.'2015
	20	N''000	N''000
300,000,000 ordinary shares of 50k each		150,000	150,000
Ordinary Shares Issued and Fully Paid			
At 1 January		108,471	50,000
Movement during the year		-	58,471
At 31 Mar.' 2016		108,471	108,471

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At 1 January		216,942	100,000
Movement during the year		-	116,942
At 31 Mar.' 2016		216,942	216,942
Share Premium	Note 20.1	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
At 1 January		380,024	243,766
Movement during the year		-	136,258
At 31 Mar.' 2016		380,024	380,024
Revaluation Reserve	Note 20.2	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
At 1 January		1,034,607	1,434,607
Movement during the year		-	(400,000)
At 31 Mar.' 2016		1,034,607	1,034,607
Retained Earning	Note 20.3	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
Revenue reserves		262,095	(797,169)
Transferred revaluation surpluses on asset disp		-	400,000
Profit/(loss) as at Mar. 2016		(58,133)	659,264
		203,962	262,095
Right issue reconciliation	Note 20.4	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
Share proceeds		-	210,497
Less share expenses		-	(15,768)
Net proceeds		-	194,729
Share capital		-	58,471
Share premium		-	136,258
		-	194,729

Basic Earnings per Share

The calculation of basic earnings per share was based on the profit for the period of N149.4million and a weighted average number of ordinary shares outstanding of 217,000 thousand.

	Continued Operations N'000	discontinued Operations N'000	Total N'000
Profit/(loss) as at 31 March 2016	(58,133)	-	(58,133)
Profit/(loss) as at 31 December 2015	701,674	-	701,674
Weighted Average Number of Shares			N'000
Issued ordinary shares at 1 January			216,942

Reconciliation of Profit after Taxation to Net Cash provided by Operating Activities

	Note 23	AS AT Mar.'2016 N''000	AS AT Dec.'2015 N''000
Profit/(loss) before taxation		(58,133)	701,674
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation		13,163	91,893
Amortisation		165	488
Write-back Inventory		-	16,507
Balance B/f of Proceed on PPE disposal		(332,399)	(620,142)
Additional cost on PPE disposal		(18,350)	(170,000)
VAT and WHT provision on PPE disposal		-	(210,834)
Impairment of plant and machinery		-	23,407
Changes in operating assets and liabilities			
(Increase)/Decrease in inventories		4,824	(138,441)
Increase/(decrease) in trade debtor		12,681	93,424
Increase/(decrease) other debtors and prepa		92,726	(58,474)
Increase in trade creditor		18,799	(112,720)
Increase in other creditor		65,142	4,494
Decrease/(increase) in Loans and Borrowing		(50,000)	(422,548)
(Decrease)/Increase in retirement benefits		(6,304)	18,944
		(199,553)	(1,484,002)
Cash provided by operating activities (Cashf		(257,686)	(782,328)

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