

PHARMA DEKO PLC

..... Providing Healthy Solutions

PHARMA-DEKO PLC

**UNAUDITED FINANCIAL REPORT FOR THE NINE
MONTHS ENDED 30TH SEPTEMBER 2017.**

Prepared in accordance with IFRS & IAS 34

FOR THE NIGERIAN STOCK EXCHANGE

PHARMA-DEKO PLC

27/10/2017
Jude
27/10/2017

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PHARMA-DEKO PLC

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27/10/2017
@aynole
27/10/2017

Financial Highlights of Pharma-Deko PLC operations Ended September 2017:

Quarter 3 Ended September 30th 2017

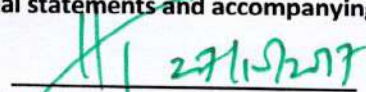
	Description	As At Sept. '2017		As At Sept. '2016		As At Dec. '2016		% Change
		N'000	% Revenue	N'000	% Revenue	N'000	% Revenue	
1	Revenue	1,104,997		743,979		1,095,109		149%
2	Cost of sales	(585,999)	-53%	(393,577)	-53%	(595,558)	-54%	149%
3	Gross Margin	518,998		350,403		499,551		148%
4	Other Income	3,828		9,437		37,547	-	41%
		522,826		359,839		537,098	-	145%
5	Distribution, Admin & Other Expenses	(529,754)	-48%	(470,131)	-63%	(745,619)	-68%	113%
6	Finance cost	-		-		-	-	0%
7	Profit /(loss) before taxation	(6,928)		(110,292)		(208,521)	-	6%

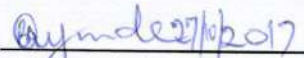
Comments on Quarter 3 Ended September 2017 Result:

- ✓ There is a significant increase in the revenue during the period by 49% when compared to prior year 2016. As at the 9 months of 2017, Pharma Deko achieved more than the turnover of 2016 actual year.
- ✓ In addition, there is also a significant reduction in the loss from N110 million in 2016 to N6.9 million this year.
- ✓ The Installation and running of the newly acquired complete bottling line being in operation since July 2017 has made Pharma Deko to have the capacity to respond to market demand.

Based on the above, we are consciously optimistic that the company will make a profit at the end of the year 2017.

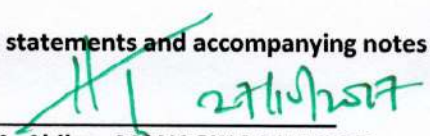
The financial statements and accompanying notes were approved by Board of Directors and signed on its behalf by:

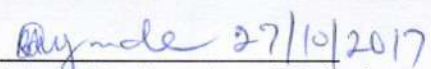

J.A. Abibu - MANAGING DIRECTOR
(FRC/2015/ICAN/00000011374)


Ayinde Adegboyegba – CFO (Ag.)
(FRC/2016/ICAN/00000013996)

IFRS Financial Statements of Financial Position As At Sept.' 30th, 2017.				
S/N	STATEMENT OF FINANCIAL POSITION		Unaudited AS AT Sept.'2017	Audited AS AT Dec.'2016
	ASSET	NOTE	N"000	N"000
1	PROPERTY, PLANT AND EQUIPMENT	6	1,751,065	1,733,678
2	Intangible assets	6.2	428	977
3	Deferred Tax Asset	16	10,007	10,007
			1,761,500	1,744,662
	CURRENT ASSETS			
4	Stocks(Inventories)	7	235,883	331,045
5	Trade Receivables	8	54,546	7,197
6	Other Receivables and prepayments	9	76,667	195,715
7	Cash and bank balances	10	66,551	45,426
			433,647	579,383
	Total Assets		2,195,147	2,324,045
	Equity and liabilities			
8	Share capital	17	108,465	108,465
9	Share premium	18	375,888	380,009
10	Revaluation reserve	19	1,241,433	1,241,433
11	Retained Earning	20	(14,027)	10,869
	Total Equity		1,711,759	1,740,776
12	Employee Benefits	11	95,608	100,349
13	Deferred Tax Liability		-	-
	Total Non Current Liabilities		95,608	100,349
14	Loans and Borrowings O/d	10.1	0	50,000
15	Trade Payables	12	77,113	53,050
16	Interim Dividend Payable		-	-
17	Other Payables	13	209,696	268,976
18	Taxation	15	100,971	110,894
19	Total Current Liabilities		387,780	482,920
20	Total Liabilities		483,388	583,269
21	Total Equity and Liabilities		2,195,147	2,324,045

The financial statements and accompanying notes were approved by Board of Directors and signed on its behalf by:

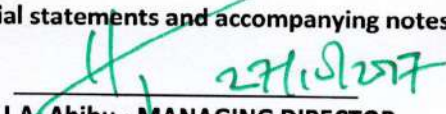

J.A. Abibu - MANAGING DIRECTOR
(FRC/2015/IODN/00000011374)

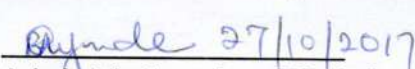

Ayinde Adegboyegba – CFO (Ag.)
(FRC/2016/ICAN/00000013996)

STATEMENT OF COMPREHENSIVE INCOME JANUARY –SEPTEMBER 2017:

DESCRIPTION		3 months	3 months	9 months	9 months	12 months
	Note	Jul- Sept'2017	Jul- Sept'2016	JAN- SEPT'2017	JAN- SEPT'2016	JAN- DEC'2016
		N'000	N'000	N'000	N'000	N'000
Turnover	4	407,022	364,563	1,104,997	743,979	1,095,109
Cost of sales		(191,113)	(185,035)	(585,999)	(393,577)	(595,558)
Gross Margin		215,910	179,528	518,998	350,403	499,551
Other Income	5b	345	8,509	3,828	9,437	37,547
		216,254	188,037	522,826	359,839	537,098
Selling and distribution expenses		(66,826)	(56,276)	(192,433)	(136,313)	(137,171)
Administration expenses		(110,556)	(104,021)	(337,321)	(333,818)	(608,448)
Impairment of Asset		-	-	-	-	-
Operating Profit/(Loss)	5a	38,872	27,741	(6,928)	(110,292)	(208,521)
Finance cost	14.3	-	-	-	-	-
Profit /(loss) after Finance cost		38,872	27,741	(6,928)	(110,292)	(208,521)
Taxation	18.1	-	-	-	-	(10,182)
Profit/(loss) from Continuing Operation		38,872	27,741	(6,928)	(110,292)	(218,703)
Profit/(loss) from discontinuing Operation		-	-	-	-	-
Profit for the period		38,872	27,741	(6,928)	(110,292)	(218,703)
Revaluation surplus (net of tax)		-	-	-	-	206,826
Total Comprehensive Income for the Period		38,872	27,741	(6,928)	(110,292)	(11,877)
Per share data (50 kobo ordinary share):						
Profit per share-Kobo (Note: the number of shares as at Sept'16, 217million shares. See note 20 of Note to Account)		17.9	12.8	(3.2)	(50.8)	(101.0)

The financial statements and accompanying notes were approved by Board of Directors and signed on its behalf by:


J.A. Abibu - MANAGING DIRECTOR
(FRC/2015/IODN/00000011374)


Ayinde Adegboyegba – CFO (Ag.)
(FRC/2016/ICAN/00000013996)

IFRS Financial Statements As At 30th September, 2017

Statement of Changes in Equity	Share Capital N''000	Share Premium N''000	Revaluation Reserve N''000	Retained Earnings N''000	Total N''000
Balance as at January 1 2017	<u>108,465</u>	<u>380,009</u>	<u>1,241,433</u>	<u>10,869</u>	<u>1,740,777</u>
Total Comprehensive income of the Period					
Profit or Loss as at 30th September. 2017	-	-	-	(6,928)	(6,928)
Transactions in Equity					
Interim Dividend	-	-	-	(10,847)	(10,847)
Movement during the year	-	(4,121)	-	(7,121)	(11,242)
	<u>-</u>	<u>(4,121)</u>	<u>-</u>	<u>(17,968)</u>	<u>(22,089)</u>
Balance as at 30 September 2017	<u>108,465</u>	<u>375,888</u>	<u>1,241,433</u>	<u>(14,026)</u>	<u>1,711,760</u>
Balance as at January 1 2016	<u>108,471</u>	<u>380,024</u>	<u>1,034,607</u>	<u>262,095</u>	<u>1,785,198</u>
Total Comprehensive income of the Period					
Loss for the year	-	-	-	(218,703)	(218,703)
Transactions in Equity					
Dividend paid	-	-	-	(32,523)	(32,523)
Refund on Right Issue	(6)	(15)	-	-	(21)
Revaluation Surplus (net of tax)	-	-	206,826	-	206,826
	<u>(6)</u>	<u>(15)</u>	<u>206,826</u>	<u>(32,523)</u>	<u>174,282</u>
Total Comprehensive income of the Period	<u>(6)</u>	<u>(15)</u>	<u>206,826</u>	<u>(32,523)</u>	<u>174,282</u>
Balance as at 31 December 2016	<u>108,465</u>	<u>380,009</u>	<u>1,241,433</u>	<u>10,869</u>	<u>1,740,777</u>

STATEMENT OF CASH FLOWS AS AT 30TH SEPTEMBER 2017				
Description	Jul- Sept.'17	AS AT Sept.'17	AS AT Sept.'16	AS AT Dec.'16
	N''000	N''000	N''000	N''000
Cash flows from operating activities				
Cash generated from operations	44,750	109,962	(440,028)	(305,912)
Vat paid	(388)	(10,949)	(8,670)	(13,462)
Tax paid	-	(9,923)	(26,618)	(26,618)
Net cash provided by operating activities	44,362	89,090	(475,316)	(345,992)
Cash flow from investing activities				
Purchase of fixed assets	(2,127)	(56,825)	(109,299)	(269,770)
Purchase of intangible asset	-	-	-	-
Interest received and similar income	388	3,828	-	2,798
Net cash provided (used) by investing activities	(1,739)	(52,997)	(109,299)	(266,972)
Cash flow from financing activities				
Dividend Paid	-	(10,847)	(32,523)	(32,523)
(Decrease)/Increase in Share Capital	-	-	57	(6)
(Decrease)/ in Share Capital premium	-	(4,121)	(187)	(15)
Net cash provided (used) by financing activities	-	(14,968)	(32,653)	(32,544)
Net increase in cash and cash equivalents	42,623	21,125	(617,266)	(645,508)
Cash and cash equivalents at 1 January	11,964	45,426	690,933	690,934
Cash and cash equivalent at 31 Sept.' 2017 (See Note 14)	54,587	66,551	73,667	45,426

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 utilities 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.

Notes to the Financial Statement (continued)

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 substantial 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 upfront at the date of inception of the lease.

Depreciation methods and useful lives of 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.

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 goods 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 realizable 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.

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 8% and employer at 10% 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 recognized when the company has a 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 segment 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.

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

be measured reliably and stage of completion can be ascertained at the 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.

Pharma Deko PLC

IFRS Financial Statements for January to September Ended 30th, 2017

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 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.

4. Revenue by business segment

	3 months	3 months	9 months	9 months
	Q3. 2017	Q3. 2016	YTD Sept'.2017	YTD Sept'.2016
	N'000	N'000	N'000	N'000
Pharma	284,261	238,094	572,913	369,088
Consumer	122,761	126,469	532,084	374,891
Contract	-	-	-	-
TOTAL	407,022	364,563	1,104,997	743,979

5a. 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.

Pharma Deko Plc
IFRS Financial Statements for January to September Ended 30th, 2017

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- 2017	Pharma	Consumer	Contract	Total
	N'000	N'000	N'000	N'000
Segment Revenue	572,913	532,084	-	1,104,997
Cost of Good Sold	(224,389)	(335,908)	-	(560,297)
Depreciation	(7,276)	(18,426)	-	(25,702)
Total Cost of sales	(231,666)	(354,333)	-	(585,999)
Selling and Distr.	(81,823)	(110,610)	-	(192,433)
Admin. Exp.	(184,150)	(153,171)	-	(337,321)
Interest Exp.	-	-	-	-
	(497,639)	(618,114)	-	(1,115,753)
Segment Profit after Extra-Ordinary	75,275	(86,030)	-	(10,756)

Summary of Operating Segment- 2016	Pharma	Consumer	Contract	Total
	N'000	N'000	N'000	N'000
Segment Revenue	369,088	374,891	-	743,979
Cost of Good Sold	(146,588)	(217,951)	-	(364,540)
Depreciation	(7,107)	(21,930)	-	(29,037)
Total Cost of sales	(153,695)	(239,881)	-	(393,577)
Selling and Distr.	(63,956)	(72,357)	-	(136,313)
Admin. Exp.	(143,259)	(190,559)	-	(333,818)
Interest Exp.	-	-	-	-
	(360,911)	(502,797)	-	(863,708)
Segment Profit after Extra-Ordinary	8,177	(127,906)	-	(119,729)

5b. Reconciliation of operating segment profit before other income

Description	Jan-Sept. '17	Jan-Sept. '16
	N'000	N'000
Total Profit for Segments	(10,756)	(119,729)
Discontinued Operations	-	-
	(10,756)	(119,729)
Add: Unallocated Amount		
Other Income	3,828	9,437
Company Profit before Income Tax	(6,928)	(110,292)
Details of Other Income	N'000	N'000
Foreign Exchange Gain	756	
Miscellaneous Income	638	
Other Income- Insurance claims	2,430	
Interest Income & Similar	4	7,783
Sales os scrap	-	1,654
Net Arbitration Award	-	-
	3,828	9,437

Other Income represents exchange gain on FX , Insurance claim and sales from used kegs, drums, caps and nylons.

Note of Account.
AS AT SEPT. 2017 ENDING.
PROPERTY, PLANT AND EQUIPMENT

Note 6	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 2017	485,612	658,838	150,785	9,115	97,473	10,637	383,351	1,795,811
Assets Movement			151,098				(151,098)	-
Additions		5,795	26,449	364	1,114	848	22,255	56,825
At 30 Sept.' 2017	485,612	664,633	328,332	9,479	98,587	11,485	254,508	1,852,636
Accumulated Depreciation								
At 1st January 2017	-	-	-	2,421	52,219	7,493	-	62,133
Charge for the period		9,887	15,815	885	11,568	1,283		39,438
At 30 Sept.' 2017	-	9,887	15,815	3,306	63,787	8,776	-	101,571
Impairment								
At 1st January 2017	-	-	-	-	-	-	-	-
Impairment on revalued								-
Assets written back			-					-
Charge for the period	-	-	-	-	-	-	-	-
At 30 Sept.' 2017	-	-	-	-	-	-	-	-
Net book value								
At 30 Sept.' 2017	485,612	654,746	312,517	6,173	34,800	2,709	254,508	1,751,065
At 31 December 2016	485,612	658,838	150,785	6,694	45,254	3,144	383,351	1,733,678

Note 6.1	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 1st January 2016	469,702	644,000	792,571	2,303	83,248	7,426	81,992	2,081,242
Additions	-	16,211	24,850	6,812	18,350	3,211	200,336	269,770
Disposal	-	-	-	-	(4,125)	-	-	(4,125)
Elimination of Acc. Depreciation	-	(53,114)	(641,118)	-	-	-	-	(694,232)
Impairment			(75,363)					(75,363)
Revaluation Surplus	15,910	51,740	49,846	-	-	-	101,023	218,519
At 31 December 2016	485,612	658,838	150,785	9,115	97,473	10,637	383,351	1,795,811
Accumulated Depreciation								
At 1st January 2016	-	40,099	625,738	1,887	37,688	6,158		711,570
Charge for the period	-	13,015	15,381	534	16,404	1,335		46,669
Disposal		-	-		(1,873)			(1,873)
Acc. Depreciation on revalued assets		(53,114)	(641,119)					(694,232)
At 31 December 2016	-	-	-	2,421	52,219	7,493	-	62,133
Impairment								
At 1st January 2016	-	-	75,363	-	-	-		75,363
Impairment on revalued								-
Assets written back			(75,363)					(75,363)
Charge for the period	-	-	-	-	-	-	-	-
At 31 December 2016	-	-	-	-	-	-	-	-
Net book value								
At 31 December 2016	485,612	658,838	150,785	6,694	45,254	3,144	383,351	1,733,678
At 31 December 2015	469,702	603,901	91,470	416	45,560	1,268	81,992	1,294,310

INTANGIBLE ASSET-Computer Softwar	Note 6.2	AS AT Sept.'2017 N"000	AS AT Dec.'2016 N"000
Cost			
At 1 January		2,197	2,197
Additions		-	-
At 30 Sept.' 2017		2,197	2,197
Accumulated amortisation & impairment:			
At 1 January		1,221	488
Amortisation		549	732
		1,770	1,221
At 30 Sept.' 2017		428	977

	Note	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
INVENTORY	7		
Raw material		57,468	99,035
Finished goods		52,246	128,833
Packaging Material		100,967	77,550
Engineering Consumable Item./Diesel		25,202	25,627
		<u>235,883</u>	<u>331,045</u>
Impaired inventories		-	-
		<u>235,883</u>	<u>331,045</u>

	Note	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
Movements in the allowance for in	7.1		
At 1 January 2017		-	107,890
Charge for the year		-	-
Write-back		-	(107,890)
At 30 Sept.' 2017		<u>-</u>	<u>-</u>

	Note	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
TRADE RECEIVABLES	8		
Trade Receivables		54,546	7,197
Impairment of trade receivables		-	-
		<u>54,546</u>	<u>7,197</u>

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 Sept.'2017 N''000	AS AT Dec.'2016 N''000
	8.1		
At 1 January 2017		-	-
Charge for the year		-	-
Amount Written-back		-	-
Unused Amounts Reversed		-	-
At 30 Sept.' 2017		<u>-</u>	<u>-</u>

	Note	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
OTHER RECEIVABLES AND PREPAYM	9		
Staff debtors		3,275	6,560
Cash Advance		1,551	-
Total Finance Assets		<u>4,826</u>	<u>6,560</u>
Sundry Receivables(Reclassification)		36,329	88,830
Prepayments		23,292	5,462
Deposit for import-PPE & STOCK		12,220	51,625
Prepaid Housing Allowance		-	43,238
Total Non Finance Assets		<u>71,841</u>	<u>189,155</u>
		<u>76,667</u>	<u>195,715</u>

	Note	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
CASH AND CASH EQUIVALENTS	10		
Cash at Bank		66,547	45,422
Cash in hand		4	4
Cash and cash Equivalents		<u>66,551</u>	<u>45,426</u>
Bank overdrafts used for cash man	10.1	-	-
Bank overdrafts		-	-
Cash and cash Equivalents in Statement of CFs.		<u>66,551</u>	<u>45,426</u>

Loans and Borrowings-Current Financial Liabilities

	Note	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
	10.2		
Bank overdrafts		-	-
Commercial paper		-	50,000
		<u>-</u>	<u>50,000</u>

The commercial papers comprise several issuances from Financial Derivatives Company Limited the balance of N100million. was agreed to be settled within 2years (2016 & 2017). The last settlement of N50 million was paid in March 2017

Employment Benefits-Gratuity	Note	AS AT Sept.'2017	AS AT Dec.'2016
	11	N''000	N''000
At 1. January		100,349	72,340
Provision as at Sept. 2017		33,725	76,043
Payment made as at Sept. 2017		(38,466)	(48,034)
At 30 Sept.' 2017		<u>95,608</u>	<u>100,349</u>

Trade Payables-Current Financial Li	Note	AS AT Sept.'2017	AS AT Dec.'2016
	12	N''000	N''000
At 1. January		77,113	53,050
At 30 Sept.' 2017		<u>77,113</u>	<u>53,050</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	Note	AS AT Sept.'2017	AS AT Dec.'2016
Financial Liability	13	N''000	N''000
Sundry creditors	See (13.1)	70,587	109,251
Accruals		63,754	74,699
Vat-Receiveables		(6,147)	18,859
Employee Benefits-Unpaid Contr.	See (13.2)	74,319	66,167
		<u>202,513</u>	<u>268,976</u>
Non Financial Liability			
Deferred Rent Income		-	-
Customer's deposit		7,183	-
		<u>7,183</u>	<u>-</u>
Total		<u>209,696</u>	<u>268,976</u>

Sundry creditors	Note	AS AT Sept.'2017	AS AT Dec.'2016
	13.1	N''000	N''000
Other creditors		831	35,657
Industrial training fund	See (13.3)	9,405	5,678
Co-op Society Contribution		-	-
Union Dues		144	152
Withholding Tax on Dividend		231	231
Withholding Tax on Services		45,747	45,392
Pay As You Earn (PAYE)		2,036	2,072
Salaries and Wages Payable		-	10,499
1% NSITF		11,293	8,670
Dividend Payable		900	900
		<u>70,587</u>	<u>109,251</u>

Employee Benefits-Unpaid Contribution	Note	AS AT Sept.'2017	AS AT Dec.'2016
	13.2	N''000	N''000
At January		66,167	81,451
Provision as at Sept. 2017		34,429	48,446
Payment made as at Sept. 2017		(26,277)	(63,730)
At 30 Sept.' 2017		<u>74,319</u>	<u>66,167</u>

Industrial Training Fund	Note	AS AT Sept.'2017	AS AT Dec.'2016
	13.3	N''000	N''000
At January		5,678	323
Provision as at Sept. 2017		3,727	15,159
Payment made as at Sept. 2017		-	(9,804)
At 30 Sept.' 2017		<u>9,405</u>	<u>5,678</u>

Interim Dividend	Note 14	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
At January		-	-
Proposed for the period		-	32,523
Payment made as at Sept. 2017		-	(32,523)
		<u>-</u>	<u>-</u>

The interim dividend of 15k per share was declared for 217 millions shares.

Taxation	Note 15	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
At January		110,894	127,330
Charge for the year	(see 15.1)	-	10,182
Payment made as at Sept. 2017		(9,923)	(26,618)
		<u>100,971</u>	<u>110,894</u>
Paid during the year		-	-
At 30 Sept.' 2017		<u>100,971</u>	<u>110,894</u>

Tax Charge for the Year	Note 15.1	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
Education Tax		-	-
Minimum Tax		-	10,182
Company income tax		-	-
Capital gain tax		-	-
Deferred tax charge/(write back)		-	-
End of the Year		<u>-</u>	<u>10,182</u>

Deferred Income Tax	Note 16	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
Start of the Year		(10,007)	(21,700)
Charge/(Write back) for the year		-	11,693
At 30 Sept.' 2017		<u>(10,007)</u>	<u>(10,007)</u>

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

Share Capital	Note 17	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
300,000,000 ordinary shares of 50k each		<u>150,000</u>	<u>150,000</u>
Ordinary Shares Issued and Fully Paid			
At 1 January		108,465	108,471
Movement during the year		-	(6)
At 30 Sept.' 2017		<u>108,465</u>	<u>108,465</u>
At 1 January		216,930	216,942
Movement during the year		-	(12)
At 30 Sept.' 2017		<u>216,930</u>	<u>216,930</u>

Share Premium	Note 18	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
At 1 January		380,009	380,024
Movement during the year		(4,121)	(15)
At 30 Sept.' 2017		<u>375,888</u>	<u>380,009</u>

Revaluation Reserve	Note 19	AS AT Sept.'2017 N''000	AS AT Dec.'2016 N''000
At 1 January		1,241,433	1,034,607
Movement during the year		-	206,826
At 30 Sept.' 2017		<u>1,241,433</u>	<u>1,241,433</u>

	Note	AS AT Sept.'2017	AS AT Dec.'2016
	20	N''000	N''000
Retained Earning			
Revenue reserves		10,869	262,095
Dividend Paid		(10,847)	(32,523)
Movement-Events After Reporting		(7,121)	-
(Loss)/Profit as at Sept.' 2017		(6,928)	(218,703)
		(14,027)	10,869

	Note	AS AT Sept.'2017	AS AT Dec.'2016
	20.1	N''000	N''000
Right issue reconciliation			
Share proceeds		-	-
Less share expenses		-	-
Net proceeds		-	-
Share capital		-	(6)
Share premium		-	(15)
		-	(21)

Basic Earnings per Share

The calculation of basic earnings per share was based on the Profit for the period of N6.97million and a weighted average number of ordinary shares outstanding of 216,942 thousand.

	Continued Operations	discontinued Operations
	N'000	N'000
Profit/(loss) as at 30 September 2017	(6,928)	-
Profit/(loss) as at 31 December 2016	(208,521)	-
Weighted Average Number of Shares		

Issued ordinary shares at 1 January

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

	Note	AS AT Sept.'2017	AS AT Dec.'2016
	21	N''000	N''000
Profit/(loss) before taxation		(6,928)	(208,521)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation		39,438	46,668
Amortisation		549	732
Write-back Inventory		-	-
(Loss)/Profit on PPE disposal		-	(546)
Additional cost on PPE disposal		-	-
VAT and WHT provision on PPE disposal		-	-
Impairment of plant and machinery		-	-
Changes in operating assets and liabilities			
(Increase)/Decrease in inventories		95,162	3,472
Increase/(decrease) in trade debtor		(47,349)	2,460
Increase/(decrease) other debtors and prepaym		119,048	21,542
Increase in trade creditor		24,063	(86,988)
Increase in other creditor		(59,280)	(62,740)
Increase/(Decrease) in Loans and Borrowing		(50,000)	(50,000)
Decrease in retirement benefits		(4,741)	28,009
		116,890	(97,391)
Cash provided by operating activities (Cashflow)		109,962	(305,912)