

Omatek Ventures PLC

2017

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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CORPORATE INFORMATION

1. BOARD OF DIRECTORS

NAME	DESIGNATION	REMARKS
Dr. Timothy Farinre	Group Chairman Omatek Ventures Plc., Director OVDL, OCL	
Mr. Yemi Ogundipe, FCA	Group MD/CEO Omatek Ventures Plc., Director OVDL, OCL	Appointed – 14 th March, 2017
Late Engr. (Mrs.) Florence Udebu Seriki, FNSE, MFR	Former Group MD/CEO Omatek Ventures Plc., Former Director OVDL, OCL	Deceased – 3 rd March, 2017.
Professor Ayodele Francis Ogunye	Director Omatek Ventures Plc., OVDL	
Otunba (Dr.) Solomon Ayodele Oladuni	Director Omatek Ventures Plc., Chairman OVDL	
Chief (Senator) Kolawole Bajomo, MNI, FCA	Director Omatek Ventures Plc., OVDL, Chairman OCL	
Alh. Ahmed Abdulkadir	Director Omatek Ventures Plc., OVDL, OCL	
Chief. John.O.O. Akinleye	Director Omatek Ventures Plc., OVDL	
Alh. Dasuki Nakande	Director Omatek Ventures Plc., OCL	
Dr. Olumide Phillips	Director Omatek Ventures Plc., OVDL	
Mr. Akin Opeodu	Director Omatek Ventures Plc., OCL	

OVDL - Omatek Ventures Distribution Limited
OCL - Omatek Computers Limited

2. COMPANY SECRETARY

Femi David Ikotun Esq.,
Ikotun Temowo & Co
Suite 201, 2nd Floor, Copper House
Plot 4, Algiers Street, Zone 5
Wuse, Abuja

3. CORPORATE HEADQUARTERS

Plot 11, Kudirat Abiola Way
Oregun Ikeja
Lagos
Nigeria.

4. BANKERS

- Standard Chartered Bank Limited
Victoria Island, Lagos
- First Bank of Nigeria Plc.
Victoria Island, Lagos
- Skye Bank Plc.
Victoria Island, Lagos

5. AUDITORS

Olaolu Olabimtan & Co (Chartered Accountants)
Suites 68 & 69 Nandu Plaza
Plot 566 Ndola Crescent
Wuse Zone 5,
Abuja - Federal Capital Territory
Nigeria

OPERATIONAL HIGHLIGHTS

OMATEK VENTURES PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

OPERATIONAL HIGHLIGHTS

	GROUP		COMPANY	
	2017	2016	2017	2016
	N'M	N'M	N'M	N'M
Revenue	116	277	(223)	(456)
Total Comprehensive Income	(1,384)	(1,066)	(1,138)	(563)
Total Non Current Assets	4,154	4,188	1,923	2,165
Total Equity	(4,803)	(3,418)	(2,001)	1,538
Earnings/(Loss) Per Share (NGN)	(0.47)	(0.36)		

REPORT OF THE DIRECTORS

The directors submit their report together with the financial statements of Omatek Ventures Plc (“the Company”) for the year ended 31st December 2017.

1. LEGAL FORM

The Company which commenced operation in Nigeria in 1988, was incorporated as a limited liability Company in Nigeria in 1988. It was converted into a Public Company in 2008 and its name was subsequently amended to reflect its status as a public company. The company’s shares are quoted and traded on the Nigerian Stock Exchange.

2. PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT

The Company has interests in subsidiaries and associates involved in manufacturing, distribution, selling and servicing of computer equipment and also provides engineering services.

3. BUSINESS REVIEW AND FUTURE DEVELOPMENT

The Company carried out business activities in accordance with its Memorandum and Articles of Association. A Comprehensive review of the business for the year and the prospects for the ensuing year are contained in the Managing Director’s Report.

4. PROPERTY, PLANT AND EQUIPMENT

Movement in Property plant and equipment during the year 2017 is shown in note 8 of the Notes to the Financial Statement herein. In the opinion of the directors, the market value of the Company’s Property plant & equipment is not less than the value shown in the accounts.

5. RESULTS

The highlights for the financial statements of the group for the year are as follows:

OMATEK VENTURES PLC				
CONSOLIDATED FINANCIAL STATEMENTS				
OPERATIONAL HIGHLIGHTS				
	GROUP		COMPANY	
	2017	2016	2017	2016
	N'M	N'M	N'M	N'M
Revenue	116	277	(223)	(456)
Total Comprehensive Income	(1,384)	(1,066)	(1,138)	(563)
Total Non Current Assets	4,154	4,188	1,923	2,165
Total Equity	(4,803)	(3,418)	2,001	1,538
Earnings/(Loss) Per Share (NGN)	(0.47)	(0.36)		

6. DIVIDEND

In respect of the current year, the Directors do not recommend any dividend.

7. DIRECTORS

- a) The directors who were in office during the year are listed on page 3.
- b) The re-election of nine Non-Executive Directors is presented to the members for approval.
- c) The Group Chairman, Dr. Timothy Farinre and the Group MD/CEO, Engr. Florence Seriki are life Directors for the group. The Group MD/CEO, Engr. Florence Seriki died on the 3rd of March, 2017.

d) DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the Group's financial statements which give a true and fair view of the state of affairs of the Group at the end of each financial year, and is in accordance with the provisions of the Companies and Allied Matters Act CAP C20 of the Laws of the Federal Republic of Nigeria, Securities and Exchange Commission Act 2007 as well as Corporate Governance Code of the Securities and Exchange Commission 2011, guidelines and circulars issued by the Nigerian Stock Exchange and other relevant regulators.

In doing so they ensure that:

- Proper accounting records are maintained;
- Internal control procedures are instituted which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- Applicable accounting policies and standards are adhered to;
- Suitable accounting policies are adopted and consistently applied;
- The going concern basis is used, unless it is inappropriate to presume that the Group will continue in business; and
- Judgments and estimates made are reasonable and prudent.

8. DIRECTORS INTERESTS IN SHARES

The interest of the Directors in the issued share capital of the company as recorded in the register of Directors as at 31st December 2017 was as follows:

	Director	Direct shareholding of ordinary shares of 50kobo each	Indirect shareholding	Total	Percentage
1	Dr. Timothy Farinre-Group Chairman	Nil	100,357,894	100,357,894	3.411%
2	Late Engr. (Mrs.) Florence Seriki, MFR-Former GMD/CEO	1,552,315,285	165,717,635	1,718,032,899	58.40%
3	Professor Ayodele Francis Ogunye	1,000,000	Nil	1,000,000	0.034%
4	Otunba (Dr.) Solomon Ayodele Oladunni	3,101,478	Nil	3,101,478	0.105%
5	Chief (Senator) Kolawole Bajomo, MNI, FCA	100,000	Nil	100,000	0.003%
6	Alh. Dasuki Nakande	Nil	Nil		
7	Mr. Yemi Ogundipe, FCA GMD/CEO	Nil	Nil		

9. SHAREHOLDING ANALYSIS

The company has an authorized share capital of N3, 500,000,000.00 divided into 7,000,000,000 ordinary shares of 50 kobo each. The issued share capital is N1, 470,895,000.00 divided into 2,941,789,472 ordinary shares of 50 kobo each.

According to the Register of members, only three (3) members, namely, Mrs. Florence Seriki, Main Street Bank Plc. and Portables Investments Ltd. held more than 5% of the issued share capital as at 31st December 2017.

S/N	Names of shareholders	Units	Percent
1	Late Engr. Mrs. Florence Seriki	1,552,315,285	52.77%
2	Main Street Bank Plc	178,285,185	6.06%
3	Portables Investments Ltd	164,639,635	5.60%

The range analysis of the shareholding of the company is as shown in the table below:

Range	No. of Holders	Percent	Units	Percent
1 - 1,000	434	7.92%	286,348	0.01%
1,001 - 10,000	1,790	32.66%	10,065,876	0.34%
10,001 - 100,000	2,346	42.80%	107,208,495	3.64%
100,001 - 500,000	669	12.21%	158,070,842	5.37%
500,001 - 1,000,000	113	2.06%	93,911,413	3.19%
1,000,001 - 5,000,000	101	1.84%	253,700,254	8.62%
5,000,001 - 10,000,000	17	0.31%	135,346,918	4.60%
10,000,001 - 100,000,000	7	0.13%	187,601,327	6.38%
100,000,001 - 10,000,000,000	4	0.07%	1,995,597,999	67.84%
Total	5,481	100.00%	2,941,789,472	100.00%

10. EMPLOYMENT AND EMPLOYEES

a) Employment of physically challenged persons

It is the policy of the Group that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities for self-development. As at December 31, 2017, however, no disabled person was in the employment of the Group.

b) Health, Safety and Welfare of employees

Health and safety regulations are in force within the Group's premises and employees are aware of the existing regulations. The Group provides subsidy to all levels of employees, transportation, housing, etc.

c) Employee involvement and training

The Group is committed to keeping employees informed as much as possible regarding the Group's performance and progress and seeking their views whenever practicable on matters which particularly affect them as employees

Management, professional and technical expertise are the Group's major assets and investment in their further development continues. Training is carried out at various levels through both in-house and external courses.

11. POST BALANCE SHEET EVENTS

There are no post balance sheet events, which could have had material effect on the state of affairs of the Group, and the profit for the year ended, 31st, December 2017 which have not been adequately provided for or disclosed.

12. GOING CONCERN STATUS

The Group incurred a net loss of N1, 380.61 million for the year ended 31 December 2017 (2016: net loss of N1, 050.80 million) and interest cover was also negative 0.34 (2016: -0.20). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Management and Board have made adequate plans to reverse the trend by breaking new grounds in products and market development.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the Group will be able to penetrate the new markets and sell the new products and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

13. AUDIT COMMITTEE

Pursuant to Section 359 (3) of the Companies and Allied Matters Act CAP.C20, LFN 2004, the company has in place an Audit Committee comprising of three shareholders and three Director's representatives appointed at the last AGM as follows:

- Mr Basil Ubah (Chairman)
- Mr Peter Eyanuku
- Chuks Nwosa Ozadinizu
- Alhaji Dasuki Nakande
- Otunba (Dr.) Solomon Ayodele Oladunni
- Professor Ayodele Francis Ogunye

14. AUDITORS

The firm of Chartered Accountants, Messrs Olaolu Olabimtan & Co. (Chartered Accountants) was engaged to conduct the 2017 financial audit and in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP. C20, LFN. 2004, they have indicated their willingness to continue in office as auditors.

A resolution will be proposed to re-appoint the auditors at the Annual General Meeting.

15. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

As a company listed on the Nigerian Stock Exchange, Omatek complies with the provisions of the Code of best practice on Corporate Governance for public quoted companies. In its bid to maintain its strong pioneer status and transparency, the Group has adopted the Corporate Governance Code of the Securities and Exchange Commission and strives to maintain compliance with the rules of the Nigerian Stock Exchange, in addition to the relevant laws and guidelines operating in Nigeria.

BY ORDER OF THE BOARD



Femi David Ikotun Esq.,
Ikotun Temowo & Co
Company Secretary

Dated this 18th of July 2019

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF OMATEK VENTURES PLC

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act (CAP20) Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of Omatek Ventures Plc hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act (CAP20) Laws of the Federation of Nigeria, 2004 and we acknowledge the cooperation of management and staff in the conduct of their responsibilities.

We confirm that:

The accounting and reporting policies of the company are consistent with legal requirements and ethical practices.

The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems.

We have considered the independent auditors' post-audit report in respect of year ended 31 December, 2017 and management responses thereon, and are satisfied thereto.”

Members of the Audit Committee are:

- | | |
|--|---|
| 1 Mr. Basil Ubah | - Chairman & Shareholders' representative |
| 2 Mr. Peter Eyanuku | - Shareholders' representative |
| 3) Chucks Nwosa Ozadinizu | - Shareholders' representative |
| 4) Alhaji Dasuki Nakande | - Non-Executive Director |
| 5) Otunba (Dr.) Solomon Ayodele Oladunni | - Non-Executive Director |
| 6) Professor Ayodele Francis Ogunye | - Non-Executive Director |

Dated this 18th July 2019



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Mr. Basil Ubah

Chairman Audit Committee

Omatek Ventures Plc obtained a waiver from the Financial Reporting Council for the Chairman to sign this report without an FRC number, pending compliance with registration requirement.



Olaolu Olabimtan & Co.
(Chartered Accountants)
A member firm of JCA International
Reg. No: BN 982362



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OMATEK VENTURES PLC

Our Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Omatek Ventures PLC (“the company”) and its subsidiaries (together “the group”) as at 31 December 2017, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C 20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act 2011.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 27 to the financial statements which indicates that the Group incurred a net loss of N1,380.61 million for the year ended 31 December 2017 (2016: N1,050.80 million) and interest cover was also negative 0.34 (2016: - 0.20).

These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

What We Have Audited

Omatek Ventures PLC’s consolidated and separate consolidated financial statements comprise:

- The consolidated and separate statements of financial position as at 31st December 2017
- The consolidated and separate statements of profit or loss account and statement of comprehensive income for the year then ended.
- The consolidated and separate statements of changes in equity for the year ended
- The consolidated and separate statement of cash flows for the year then ended and
- The notes to consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Going Concern

We focused on this area due to the death of the founding Group Managing Director and the subsequent attempt by Bank of Industry to place the company under receivership. The matter has remained unresolved in the last two years.

This matter is considered a key audit matter in the context of our audit of the financial statements as a whole.

How our audit addressed the key audit matter

- We assessed the plans by management to resolve the issues with Bank of Industry.
- We reviewed the new business plan drawn up by the current management, by way of bringing on board venture capital investors for reasonableness and viability.
- We assessed the readiness of the directors and management to continue to support the company.

Other Information

The directors are responsible for the other information.

The other information include Corporate governance report, Internal control and risk management systems in relation to the financial reporting, Statement of directors' responsibilities, Report of the audit committee, Regulatory requirements under IFRS regime, Operational risk management, Value added statements, Five year financial summary, and Share Capitalisation history which we obtained prior to the date of this auditor's report, and the Chairman's statement, Corporate information, Products and services and Corporate directory which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Omatek PLC's 2017 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of

Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identified and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The company has kept proper books of accounting records so far as appears from our examination of those books.
- iii. The Group's statement of financial position and statement of comprehensive income are in agreement with the books.



Hakeem Kareem FCA

FRC/ 2018/ ICAN/00000001751

For: Olaolu Olabimtan & Co

(Chartered Accountants)

19th July, 2019

Abuja, Nigeria.

**OMATEK VENTURES PLC**

Head OFFICE:

11, Kudirat Abiola Road, (formerly Oregon Road)
Ikeja, Lagos Nigeria.

ABUJA OFFICE

Plot 1087, Kolda Link Street,

Website: www.omatekcomputers.com.ng**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****OMATEK VENTURES PLC****CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017**

	NOTE	GROUP		COMPANY	
		2017 N'M	2016 N'M	2017 N'M	2016 N'M
ASSETS					
PROPERTY, PLANT & EQUIPMENT	8	1,753	1,788	1,745	1,787
INVESTMENT PROPERTY	9	2,200	2,200	2,200	2,200
INVESTMENTS	10	132	132	(2,022)	(1,821)
DEFERRED TAX ASSET	11	69	69	-	-
TOTAL NON CURRENT ASSETS		<u>4,154</u>	<u>4,189</u>	<u>1,923</u>	<u>2,165</u>
INVENTORIES	12	575	571		
TRADE & OTHER RECEIVABLES	13	109	271	3,487	-
PREPAYMENTS	14	-	4	-	4
CASH & CASH EQUIVALENTS	15	43	52		
TOTAL CURRENT ASSETS		<u>727</u>	<u>898</u>	<u>3,487</u>	<u>4</u>
TOTAL ASSETS		<u>4,881</u>	<u>5,087</u>	<u>5,410</u>	<u>2,169</u>
EQUITY					
SHARE CAPITAL	16	1,471	1,471	1,471	1,471
SHARE PREMIUM	17	4,376	4,376	4,376	4,376
RETAINED EARNINGS		(8,497)	(7,360)	(8,463)	(4,925)
REVALUATION RESERVE	18	615	615	615	615
NON CONTROLLING INTEREST		(2,768)	(2,521)		
TOTAL EQUITY		<u>(4,803)</u>	<u>(3,418)</u>	<u>(2,001)</u>	<u>1,538</u>
LIABILITIES					
LONG TERM LOANS & BORROWINGS	19	3,909	3,909	3,909	
DEFERRED TAX LIABILITY	11	31	31	-	
TOTAL NON CURRENT LIABILITIES		<u>3,940</u>	<u>3,940</u>	<u>3,909</u>	<u>-</u>
BANK OVERDRAFT	15	293	292		
TRADE & OTHER PAYABLES	20	4,773	3,586	3,437	567
ACCRUED TAX	11	201	197	65	65
SHORT TERM LOANS & BORROWINGS	26	477	489		
TOTAL CURRENT LIABILITIES		<u>5,744</u>	<u>4,565</u>	<u>3,502</u>	<u>632</u>
TOTAL LIABILITIES		<u>9,684</u>	<u>8,505</u>	<u>7,411</u>	<u>632</u>
TOTAL EQUITIES & LIABILITIES		<u>4,881</u>	<u>5,087</u>	<u>5,410</u>	<u>2,169</u>

The financial statements were approved by the Board of Directors on: 18th July, 2019.
and signed on its behalf by;

Dr. Timothy Farinre
Group Chairman
FRC/2014/COREN/0000007564

Mr. Anthony O. Omhenke
Chief Financing Officer
FRC/2014/ICAN/00000008200

Mr. Yemi Ogundipe, FCA
Group Managing Director
FRC/2013/ICAN/00000001615

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31ST DECEMBER 2017

	NOTE	GROUP		COMPANY	
		2017 N'M	2016 N'M	2017 N'M	2016 N'M
REVENUE	21	116	277	(223)	(456)
COST OF SALES		(67)	(198)	-	-
GROSS PROFIT		<u>49</u>	<u>79</u>	<u>(223)</u>	<u>(456)</u>
SELLING AND DISTRIBUTION EXPENSES		(1)	(18)		
ADMINISTRATION EXPENSES	24	<u>(402)</u>	<u>(233)</u>	<u>(103)</u>	<u>(100)</u>
RESULTS FROM OPERATING ACTIVITIES		(354)	(172)	(326)	(556)
FINANCE COST		<u>(1,026)</u>	<u>(878)</u>	<u>(812)</u>	-
PROFIT/(LOSS) BEFORE TAX		(1,380)	(1,050)	(1,138)	(556)
TAX EXPENSE	11	<u>(4)</u>	<u>(10)</u>	<u>0</u>	<u>(7)</u>
PROFIT/(LOSS) ON CONTINUING OPERATIONS		<u>(1,384)</u>	<u>(1,060)</u>	<u>(1,138)</u>	<u>(563)</u>
OTHER COMPREHENSIVE INCOME					
OTHER INCOME	22	0	4	-	-
OTHER EXPENSE	23	<u>-</u>	<u>(10)</u>		
TOTAL OTHER COMPREHENSIVE INCOME		<u>0</u>	<u>(6)</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(1,384)</u>	<u>(1,066)</u>	<u>(1,138)</u>	<u>(563)</u>
PROFIT ATTRIBUTABLE TO THE GROUP		(1,137)	(576)		
NON CONTROLLING INTEREST		(247)	(490)		
		<u>(1,384)</u>	<u>(1,066)</u>		
BASIC EARNINGS/(LOSS) PER SHARE (NGN)	25	<u>(0.47)</u>	<u>(0.36)</u>		
DILUTED EARNINGS/(LOSS) PER SHARE (NGN)		<u>(0.47)</u>	<u>(0.36)</u>		

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OMATEK VENTURES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

GROUP

	SHARE CAPITAL N'M	SHARE PREMIUM N'M	RETAINED EARNINGS N'M	REVALUATION RESERVE N'M	NON CONTROLLING INTEREST N'M	TOTAL EQUITY N'M
BALANCE AT 1ST JANUARY 2017	1,471	4,376	(7,360)	615	(2,521)	(3,418)
TOTAL COMPREHENSIVE INCOME						
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,138)		(247)	(1,384)
OTHER COMPREHENSIVE INCOME						
OTHER INCOME			0		0	0
TOTAL OTHER COMPREHENSIVE INCOME			0	-	0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	(1,138)	-	(247)	(1,384)
BALANCE AT 31ST DECEMBER 2017	1,471	4,376	(8,497)	615	(2,768)	(4,803)

	SHARE CAPITAL N'M	SHARE PREMIUM N'M	RETAINED EARNINGS N'M	REVALUATION RESERVE N'M	NON CONTROLLING INTEREST N'M	TOTAL EQUITY N'M
BALANCE AT 1ST JANUARY 2016	1,471	4,376	(6,784)	615	(2,030)	(2,352)
TOTAL COMPREHENSIVE INCOME						
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(574)		(487)	(1,060)
OTHER COMPREHENSIVE INCOME						
OTHER INCOME			2		2	4
OTHER EXPENSE			(4)		(6)	(10)
TOTAL OTHER COMPREHENSIVE INCOME			(2)	-	(4)	(6)
PERIOD	-	-	(576)	-	(490)	(1,066)
BALANCE AT 31ST DECEMBER 2016	1,471	4,376	(7,360)	615	(2,521)	(3,418)

CONSOLIDATED STATEMENT OF CASH FLOWS

OMATEK VENTURES PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2017

	NOTE	GROUP		COMPANY	
		JANUARY - DECEMBER 2017 N'M	JANUARY - DECEMBER 2016 N'M	JANUARY - DECEMBER 2017 N'M	JANUARY - DECEMBER 2016 N'M
CASH FLOWS FROM OPERATING ACTIVITIES					
PROFIT/(LOSS)		(1,384)	(1,066)	(1,138)	(563)
ADJUSTMENTS FOR :					
DEPRECIATION		44	43	42	42
RETAINED EARNINGS ADJUSTMENT		-	-	(2,401)	
FINANCE COST		1,027	878	811	
TAX		4	10	0	7
INVESTMENT(INCOME)/LOSSES				223	456
		<u>1,075</u>	<u>931</u>	<u>(1,325)</u>	<u>505</u>
CHANGES IN CURRENT ASSETS :					
INVENTORIES		(3)	16		
TRADE & OTHER RECEIVABLES		161	(226)	(3,487)	-
PREPAYMENTS		4	6	4	6
		<u>162</u>	<u>(204)</u>	<u>(3,483)</u>	<u>6</u>
CHANGES IN CURRENT LIABILITIES :					
TRADE & OTHER PAYABLES		1,187	1,071	2,870	52
		<u>1,187</u>	<u>1,071</u>	<u>2,870</u>	<u>52</u>
NET CASH FROM OPERATING ACTIVITIES		<u>1,040</u>	<u>731</u>	<u>(3,075)</u>	<u>-</u>
CASHFLOW FROM INVESTING ACTIVITIES					
PURCHASE OF FIXED ASSET INVESTMENT		(10)	-	-	-
		-	-	(23)	-
NET CASH FROM INVESTING ACTIVITIES		<u>(10)</u>	<u>-</u>	<u>(23)</u>	<u>-</u>
CASHFLOW FROM FINANCING ACTIVITIES					
FINANCE COST		(1,027)	(878)	(811)	-
LOANS & BORROWINGS		-	166	3,909	-
CONSUMER FINANCE		(12)			
NET CASH FROM FINANCING ACTIVITIES		<u>(1,040)</u>	<u>(712)</u>	<u>3,098</u>	<u>-</u>
NET CASH FLOW		<u>(10)</u>	<u>19</u>	<u>(0)</u>	<u>-</u>
CASH & CASH EQUIVALENTS @ 1ST JANUARY		(240)	(259)	-	-
CASH & CASH EQUIVALENTS @ END DECEMBER	15	<u>(250)</u>	<u>(240)</u>	<u>(0)</u>	<u>-</u>

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Omatek Ventures Plc is a public limited liability company incorporated in Nigeria under the Companies and Allied Matters Act of 1990.

(A) LEGAL FORM

Omatek is a holding company which holds shares in the manufacturing, distribution and sales and service of various types of computers and home entertainment products.

(B) MAIN ACTIVITIES

The registered address is 22c Ligali Ayprinde Street, Victoria Island, Lagos.

(C) REGISTERED ADDRESS

(D) BUSINESS ADDRESS

Plot 11 Kudirat Abiola Way Oregun Ikeja, Lagos.

2 STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements were authorised for issue by the Board of Directors on: 18th July, 2019.

3 BASIS OF PREPARATION

(A) BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis and all applicable standard issued by the Financial Reporting Council of Nigeria.

(B) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Nigerian Naira, which is the Company's functional currency.

All financial information presented in naira has been rounded to nearest million.

(C) USE OF ESTIMATES AND JUDGEMENT

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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

(D) STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standard	Title/Contents	Effective Year
IFRS 9	Financial Instruments	1-Jan-2018
IFRS 15	Revenue from Contract with Customers	1-Jan-2018
IFRS 16	Leases	1-Jan-2019
IFRS 17	Insurance Contracts	1-Jan-2021
Standards which were issued but will become effective after 2017 will not have material impact on the Company.		

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

4 BASIS OF CONSOLIDATION

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements combine the financial statements of Omatek Ventures Plc, Omatek Ventures Distribution Limited, Omatek Engineering Services Limited and Omatek Computers Limited.

5 SIGNIFICANT ACCOUNTING POLICIES

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

(A) FOREIGN CURRENCY

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(B) PROPERTY, PLANT & EQUIPMENT

(i) RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost/revalued amounts less accumulated depreciation and accumulated impairment losses.

The building at Plot 11 Kudirat Abiola Way was valued on 2nd January 2011 as part of the IFRS Implementation Project by Adeniji Adele & Associates - Consulting Estate Surveyors & Valuers.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) DEPRECIATION

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Land is not depreciated.

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

Leasehold Building	50 Years
Motor Vehicles	5 Years
Furniture, Fixtures & Fittings	10 Years
Office Equipment	10 Years
Plant & Machinery	5 Years
Computer Equipment	5 Years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

(C) INVENTORIES

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(D) IMPAIRMENT

**(i) FINANCIAL ASSETS
(INCLUDING
RECEIVABLES)**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise and/or indications that a debtor or issuer will enter bankruptcy.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment.

All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) NON-FINANCIAL ASSETS

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill, and intangible assets that have indefinite useful

lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”).

For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Company’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the

units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(E) EMPLOYEE BENEFITS

(i) DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension fund administrators (PFA) on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expense in comprehensive income statement when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(F) REVENUES

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

(i) GOODS SOLD

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 buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) RENTAL INCOME

Rental income from property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental

income, over the term of the lease. Rental income from subleased property is recognised as other income.

Income tax expense comprises current and deferred tax. Current tax and deferred tax are items recognised directly in equity or in other comprehensive income.

(G) INCOME TAX

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

(H) SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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 mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

6 FINANCIAL RISK MANAGEMENT

(A) OVERVIEW

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

Credit Risk

Liquidity Risk

Market Risk

Operational Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements

(B) RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(C) 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, and arises principally from the group's receivables from customers.

(i) TRADE & OTHER RECEIVABLES

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

(D) LIQUIDITY RISK

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

(E) OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall group standards for the management of operational risk.

(F) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

7 OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units.

The strategic business units undertake different sectors of Group's activities and are managed separately based on the Group's management and internal reporting structure.

For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis.

OMATEK COMPUTERS LIMITED

The principal activities of the company are the assembling, and manufacturing of various types of computers and home entertainment products, UPS, inverters and solar systems

OMATEK VENTURES DISTRIBUTION LIMITED

Omatek Ventures Distribution Limited is a computer company which was formed to take over the distribution and sales of all products of the Omatek Group which include various types of computers and home entertainment products, UPS, inverters and solar systems

OMATEK VENTURES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31/12/17

	MANUFACTURING N'M	TRADING N'M	ENGINEERING N'M	OTHER N'M	TOTAL N'M
REVENUE					
EXTERNAL CUSTOMERS	-	113	2	-	116
OTHER BUSINESS SEGMENT	-	-	-	-	-
TOTAL REVENUE	-	113	2	-	116
COST OF SALES	-	(63.96)	(2.45)	-	(66.41)
GROSS PROFIT	-	49	(0)	-	49
OTHER INCOME	-	0	-	(223)	(223)
FAIR VALUE GAIN	-	-	-	-	-
SELLING AND DISTRIBUTION EXPENSES	-	(1)	-	-	(1)
ADMINISTRATION EXPENSES	(2)	(290)	(6)	(103)	(402)
OTHER EXPENSES	-	-	-	-	-
RESULT FROM OPERATIONS	(2)	(242)	(6)	(326)	(577)
FINANCE COST	(128)	(88)	-	(811)	(1,027)
NET PROFIT/(LOSS) BEFORE TAX	(131)	(329)	(6)	(1,138)	(1,604)
TAX EXPENSE	(1.14)	(2.64)	-	0.00	(3.77)
NET PROFIT/(LOSS) AFTER TAX	(132)	(332)	(6)	(1,138)	(1,608)
ASSETS	704	113	66	5,410	6,292
LIABILITIES	(1,301)	(4,268)	(7)	(3,502)	(9,078)
NET ASSETS	(597)	(4,156)	59	1,908	(2,786)

YEAR ENDED 31/12/16

	MANUFACTURING N'M	TRADING N'M	OTHER N'M	TOTAL N'M
REVENUE				
EXTERNAL CUSTOMERS	86	191	-	277
OTHER BUSINESS SEGMENT	57	-	-	57
TOTAL REVENUE	143	191	-	334
COST OF SALES	(16)	(185)	-	(201)
GROSS PROFIT	128	6	-	133
OTHER INCOME	(10)	4	(456)	(461)
SELLING AND DISTRIBUTION EXPENSES	-	(18)	-	(18)
ADMINISTRATION EXPENSES	(45)	(88)	(100)	(234)
OTHER EXPENSES	-	-	-	-
RESULT FROM OPERATIONS	72	(96)	(556)	(579)
FINANCE COST	(128)	(750)	-	(878)
NET PROFIT/(LOSS) BEFORE TAX	(56)	(846)	(556)	(1,458)
TAX EXPENSE	(1)	(2)	(7)	(11)
NET PROFIT/(LOSS) AFTER TAX	(57)	(849)	(563)	(1,468)
ASSETS	674	722	2,169	3,565
LIABILITIES	(1,139)	(6,997)	(632)	(8,769)
NET ASSETS	(465)	(6,276)	1,538	(5,203)

8 **PROPERTY, PLANT & EQUIPMENT - GROUP**

	LEASEHOLD BUILDING	PLANT & MACHINERY	FIXTURES & FITTINGS	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	MOTOR VEHICLE	RESOURCES CENTER	QUALITY TEST EQUIPMENT	TOTAL
	N'M	N'M	N'M	N'M	N'M	N'M	N'M	N'M	N'M
COST/VALUATION									
BALANCE AS AS 1ST JANUARY 2017	2,130	24	35	26	12	196	1	0	2,425
UNREALISED FAIR VALUE GAIN	-	-	-	-	-	-	-	-	-
ADDITIONS	-	4.00	6.00	-	-	-	-	-	10.00
BALANCE AS AT 31ST DECEMBER 2017	2,130	28	41	26	12	196	1	0	2,435
DEPRECIATION									
BALANCE AS AS 1ST JANUARY 2017	343	24	35	26	12	196	1	0	637
CHARGE FOR THE YEAR	42	1	1	0	-	-	-	-	44
ADJUSTMENT	-	-	-	-	-	-	-	-	-
BALANCE AS AT 31ST DECEMBER 2017	385	24	36	26	12	196	1	0	681
CARRYING AMOUNT									
AS AT 31ST DECEMBER 2017	1,745	3	5	0	0	0	0	0	1,753
AS AT 31ST DECEMBER 2016	1,787	0	0	0	0	0	0	0	1,788

PROPERTY, PLANT & EQUIPMENT - COMPANY

	LEASEHOLD BUILDING	TOTAL
	N'M	N'M
COST/VALUATION		
BALANCE AS AS 1ST JANUARY 2017	2,100	2,100
UNREALISED FAIR VALUE GAIN	-	-
ADDITIONS	-	-
BALANCE AS AT 31ST DECEMBER 2017	2,100	2,100
DEPRECIATION		
BALANCE AS AS 1ST JANUARY 2017	313	313
CHARGE FOR THE YEAR	42	42
ADJUSTMENT	-	-
BALANCE AS AT 31ST DECEMBER 2017	355	355
CARRYING AMOUNT		
AS AT 31ST DECEMBER 2017	1,745	1,745
AS AT 31ST DECEMBER 2016	1,787	1,787

9 **INVESTMENT PROPERTY**

	GROUP		COMPANY	
	LEASEHOLD BUILDING	TOTAL	LEASEHOLD BUILDING	TOTAL
	N'M	N'M	N'M	N'M
COST/VALUATION				
BALANCE AS AS 1ST JANUARY 2017	2,200	2,200	2,200	2,200
FAIR VALUE GAIN	-	-	-	-
DISPOSAL	-	-	-	-
ADJUSTMENT	-	-	-	-
BALANCE AS AT 31ST DECEMBER 2017	2,200	2,200	2,200	2,200
CARRYING AMOUNT				
AS AT 31ST DECEMBER 2017	2,200	2,200	2,200	2,200
AS AT 31ST DECEMBER 2016	2,200	2,200	2,200	2,200

	GROUP		COMPANY	
	31ST DECEMBER 2017	31ST DECEMBER 2016	31ST DECEMBER 2017	31ST DECEMBER 2016
10 INVESTMENTS				
	N'M	N'M	N'M	N'M
OMATEK COMPUTERS GHANA	132	132	132	132
OMATEK VENTURES DISTRIBUTION LIMITED			(2,280)	(2,111)
OMATEK COMPUTERS NIGERIA			105	158
OMATEK ENGINEERING SERVICES LIMITED			22	
	<u>132</u>	<u>132</u>	<u>(2,022)</u>	<u>(1,821)</u>
11 TAX				
	N'M	N'M	N'M	N'M
TAX EXPENSE				
COMPANIES INCOME TAX	-	-		
EDUCATION TAX	-	-		
MINIMUM TAX	4	11	(0)	7
DEFERRED TAX	(0)	(0)		
DEFERRED TAX ON CONSOLIDATION	-	(1)		
	<u>4</u>	<u>10</u>	<u>(0)</u>	<u>7</u>
ACCRUED TAX				
BALANCE BROUGHT FORWARD	197	186	65	58
CURRENT CHARGE	4	11	(0)	7
PAYMENTS DURING THE PERIOD	-	-		
BALANCE CARRIED FORWARD	<u>201</u>	<u>197</u>	<u>65</u>	<u>65</u>
DEFERRED TAX ASSET				
BALANCE BROUGHT FORWARD	69	67		-
CURRENT PROVISION	0	1		
WHT				
BALANCE CARRIED FORWARD	<u>69</u>	<u>69</u>	<u>-</u>	<u>-</u>
DEFERRED TAX LIABILITY				
BALANCE BROUGHT FORWARD	31	31		-
CURRENT PROVISION	-	-		
BALANCE CARRIED FORWARD	<u>31</u>	<u>31</u>	<u>-</u>	<u>-</u>
NET DEFERRED TAX ASSET	<u>38</u>	<u>37</u>		
12 INVENTORIES				
	N'M	N'M	N'M	N'M
FINISHED GOODS	538	537		
RAW MATERIALS	37	37		
GOODS IN TRANSIT		-		
PROVISION FOR UNREALISED PROFIT	-	(3)		
	<u>575</u>	<u>571</u>	<u>-</u>	<u>-</u>

	GROUP		COMPANY	
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
13 TRADE & OTHER RECEIVABLES				
TRADE RECEIVABLES	232	228		
STAFF RECEIVABLES	0	0		
INTERCOMPANY	-	-	3,487	-
OTHER RECEIVABLES	106	43		
PROVISION FOR DOUBTFUL TRADE RECEIVABLES	(228)	-		
	<u>109</u>	<u>271</u>	<u>3,487</u>	<u>-</u>
14 PREPAYMENTS				
PREPAID RENT	-	4	-	4
PREPAID INSURANCE	-	-	-	-
	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
15 CASH & CASH EQUIVALENTS				
BANK BALANCES	43	37	-	-
CASH	-	15	-	-
CASH & CASH EQUIVALENTS - STATEMENT OF FINANCIAL POSITION	43	52	-	-
BANK OVERDRAFT	(293)	(292)	-	-
CASH & CASH EQUIVALENTS - STATEMENT OF CASH FLOWS	<u>(250)</u>	<u>(240)</u>	<u>-</u>	<u>-</u>

	GROUP		COMPANY	
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
16 SHARE CAPITAL				
AUTHORISED				
7,000,000,000 ORDINARY SHARES @ NGN0.50	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
ISSUED				
2,941,789,472 ORDINARY SHARES @NGN0.50	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>
17 SHARE PREMIUM				
	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>
18 REVALUATION RESERVE				
	The factory building at Plot 11 Kudirat Abiola Way was valued on 31st December 2010 in accordance with IFRS by Adeniji Adele & Associates - Consulting Estate Surveyors & Valuers.			
19 LONG TERM LOANS & BORROWINGS				
BANK OF INDUSTRY TERM LOAN	2,060	2,060	2,060	
BANK OF INDUSTRY WORKING CAPITAL LOAN	<u>1,849</u>	<u>1,849</u>	<u>1,849</u>	
	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>	<u>-</u>

There is an ongoing litigation between Bank of Industry and Omatek Ventures Plc pending at the Federal Court of Appeal, consequent upon a receiver order obtained against Omatek Ventures Plc in year 2017, after the death of the former Group Managing Director, Engr (Mrs) Florence Udebu Seriki. MFR, FNSE of blessed memory. The Board and new management are exploring out of Court settlement to facilitate the resumption of trading activities at our Oregon factory and plan repayment.

	GROUP		COMPANY	
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
20 TRADE & OTHER PAYABLES				
TRADE PAYABLES	41	38		
STAFF PAYABLES	32	26		
ACCRUED EXPENSES	3,890	2,879	3,220	7
INTERCOMPANY	231	174		422
OTHER PAYABLES	579	470	217	138
	<u>4,773</u>	<u>3,586</u>	<u>3,437</u>	<u>567</u>
21 REVENUE				
SALE OF GOODS TO 3RD PARTIES.	116	277	-	-
SHARE OF INCOME/(LOSS) OMATEK VENTURES DISTRIBUTION LIMITED			(169)	(433)
SHARE OF INCOME/(LOSS) OMATEK COMPUTERS NIGERIA			(53)	(23)
SHARE OF INCOME/(LOSS) OMATEK ENGINEERING SERVICES LIMITED			(1)	
	<u>116</u>	<u>277</u>	<u>(223)</u>	<u>(456)</u>
22 OTHER INCOME				
PROFIT ON SALE OF FIXED ASSETS	-	-	-	-
RENTAL INCOME	-	-	-	-
AFTER SALES SERVICE	-	-	-	-
OTHERS	0	4	-	-
	<u>0</u>	<u>4</u>	<u>-</u>	<u>-</u>
23 OTHER EXPENSE				
EXCHANGE LOSS		10		

	GROUP		COMPANY	
24 ADMINISTRATION EXPENSES	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
INCLUDED IN ADMINISTRATION EXPENSES ARE:				
DEPRECIATION	44	43	42	42
AUDITORS FEES	2	3	1	1
	<u>46</u>	<u>46</u>	<u>43</u>	<u>43</u>
25 EARNINGS PER SHARE - BASIC & DILUTED	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M		
EARNINGS PER SHARE IS CALCULATED BY DIVIDING THE NET PROFIT AFTER TAX ATTRIBUTABLE TO EQUITY HOLDERS BY THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE DURING THE YEAR				
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS N'M	<u>(1,384)</u>	<u>(1,066)</u>		
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	<u>2,942</u>	<u>2,942</u>		
EARNINGS/(LOSS) PER SHARE (NGN)	<u>(0.47)</u>	<u>(0.36)</u>		
26 SHORT TERM LOANS & BORROWINGS	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M		
SHORT TERM LOAN				
OPENING BALANCE	489.44	323.20		
NET MOVEMENT IN THE YEAR	<u>(12.15)</u>	<u>166.24</u>		
	<u>477.29</u>	<u>489.44</u>		

27 GOING CONCERN

The Group incurred a net loss of N1,381 million for the year ended 31 December 2017 (2016 : net loss of N1,051 million) and interest cover was also negative 0.34 (2016 : -0.20). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Management and Board have made adequate plans to reverse the trend by breaking new grounds in products and market development.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the Group will be able to penetrate the new markets and sell the new products and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

STATEMENT OF VALUE ADDED

OMATEK VENTURES PLC

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST DECEMBER 2017

GROUP	2017		2016	
	N'M	%	N'M	%
REVENUE	116		277	
BOUGHT IN GOODS & SERVICES	(425)		(412)	
VALUE ADDED	<u>(309)</u>		<u>(135)</u>	
APPLIED AS FOLLOWS				
TO PAY EMPLOYEES	66	-21%	87	-65%
TO PAY GOVERNMENT	4	-1.2%	10	-7%
TO PAY PROVIDERS OF LOAN CAPITAL	1,027	-332%	878	-652%
NON CONTROLLING INTERESTS	(247)	80%	(490)	364%
RETAINED FOR GROWTH				
DEPRECIATION	44	-14%	43	-32%
RETAINED EARNINGS	(1,138)	368%	(576)	428%
	<u>(309)</u>	100%	<u>(135)</u>	100%

OMATEK VENTURES PLC**STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST DECEMBER 2017**

COMPANY	2017		2016	
	N'M	%	N'M	%
REVENUE	(223)		(456)	
BOUGHT IN GOODS & SERVICES	(11)		(22)	
VALUE ADDED	<u>(234)</u>		<u>(478)</u>	
APPLIED AS FOLLOWS				
GOVERNMENT	7	-3.0%	7	-1.5%
EMPLOYEES	43	-18%	36	-7.5%
PROVIDERS OF FINANCE	811	-346%	-	0.0%
RETAINED FOR GROWTH				
DEPRECIATION	42	-17.9%	42	-8.8%
RETAINED EARNINGS	(1,138)	485.8%	(563)	117.8%
	<u>(234)</u>	<u>100%</u>	<u>(478)</u>	<u>100%</u>

CONSOLIDATED FINANCIAL SUMMARY

OMATEK VENTURES PLC

FIVE YEAR FINANCIAL SUMMARY

GROUP

	2017 N'M	2016 N'M	2015 N'M	2014 N'M	2013 N'M
PROFIT OR LOSS					
TURNOVER	116	277	310	1,145	1,024
PROFIT AFTER TAX	(1,384)	(1,066)	(4,409)	(892)	(342)

STATEMENT OF FINANCIAL POSITION

PROPERTY, PLANT & EQUIPMENT	1,753	1,788	1,830	1,871	1,915
OTHER NON CURRENT ASSETS	2,401	2,401	2,399	3,199	3,198
CURRENT ASSETS	727	898	675	2,887	3,392
	<u>4,881</u>	<u>5,087</u>	<u>4,904</u>	<u>7,957</u>	<u>8,505</u>

FINANCED BY

SHARE CAPITAL	1,471	1,471	1,471	1,471	1,471
SHARE PREMIUM	4,376	4,376	4,376	4,376	4,376
RETAINED EARNINGS	(8,497)	(7,360)	(6,784)	(4,495)	(4,037)
REVALUATION RESERVE	615	615	615	615	615
NON CONTROLLING INTEREST	(2,768)	(2,521)	(2,030)	90	459
NON CURRENT LIABILITIES	3,940	3,940	3,940	4,043	3,946
CURRENT LIABILITIES	5,744	4,565	3,317	1,857	1,675
	<u>4,881</u>	<u>5,087</u>	<u>4,904</u>	<u>7,957</u>	<u>8,505</u>

OMATEK VENTURES PLC**FIVE YEAR FINANCIAL SUMMARY****COMPANY**

	2017	2016	2015	2014	2013
	N'M	N'M	N'M	N'M	N'M
PROFIT OR LOSS					
REVENUE	(223)	(456)	(1,876)	(358)	161
PROFIT AFTER TAX	(1,138)	(563)	(2,298)	(454)	72

STATEMENT OF FINANCIAL POSITION

PROPERTY, PLANT & EQUIPMENT	1,745	1,787	1,829	1,871	1,913
OTHER NON CURRENT ASSETS	178	379	834	2,711	3,069
CURRENT ASSETS	3,487	4	10	8	15
	<u>5,410</u>	<u>2,169</u>	<u>2,673</u>	<u>4,589</u>	<u>4,997</u>

FINANCED BY

REVALUATION RESERVE	615	615	615	615	615
SHARE PREMIUM	4,376	4,376	4,376	4,376	4,376
SHARE CAPITAL	1,471	1,471	1,471	1,471	1,471
RETAINED EARNINGS	(8,463)	(4,925)	(4,362)	(2,064)	(1,610)
NON CURRENT LIABILITIES					
CURRENT LIABILITIES	3,502	632	573	191	144
	<u>1,501</u>	<u>2,169</u>	<u>2,673</u>	<u>4,589</u>	<u>4,997</u>