

PHARMA DEKO PLC

..... Providing Healthy Solutions

PHARMA-DEKO PLC

**UNAUDITED FOURTH QUARTER INTERIM REPORT
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019.**

Prepared in accordance with IFRS & IAS 34

FOR THE NIGERIAN STOCK EXCHANGE

PHARMA-DEKO PLC

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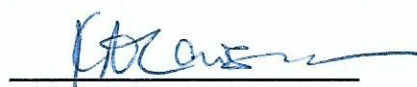
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PHARMA-DEKO PLC

Financial Highlights of Pharma-Deko PLC operations Ended December 2019:

	Description	As At 31st Dec.'2019		As At 31st Dec.'2018		Diff	Diff
		N'000	% Revenue	N'000	% Revenue	N'000	%
1	Revenue	484,588		1,023,806		(539,218)	
2	Cost of sales	(317,177)	-65%	(622,439)	-61%	305,262	
3	Loss before taxation	(295,899)		(255,983)		(39,916)	
4	Taxation	-		(9,277)		9,277	
5	Loss before taxation	(295,899)		(265,260)		(30,639)	
6	Issued Share Capital	108,466		108,466		0	0%
7	Total Equity	1,294,457		1,590,356		(295,899)	-19%
8	Total Non Current Assets	1,733,030		1,812,288		(79,258)	-4%
9	Total Current Assets	497,264		510,849		(13,585)	-3%
10	Total Assets	2,230,294		2,323,137		(92,844)	-4%
11	Total Non Current Liabilities	246,888		186,991		59,897	32%
12	Total Current Liabilities	688,949		545,790		143,159	26%
13	Total Equity and Liabilities	2,230,294		2,323,137		(92,843)	-4%

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


K. A. Lawson - DIRECTOR
(FRC/2013/ICAN/00000004354)


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

PHARMA-DEKO PLC

S/N	STATEMENT OF FINANCIAL POSITION		Unaudited AS AT Dec.'2019	Audited AS AT Dec.'2018
	ASSET	NOTE	N''000	N''000
1	PROPERTY, PLANT AND EQUIPMENT	6	1,733,030	1,812,288
2	Intangible assets	6.2	-	-
			1,733,030	1,812,288
	CURRENT ASSETS			
3	Stocks(Inventories)	7	289,149	255,224
4	Trade Receivables	8	162,944	169,522
5	Other Receivables and prepayments	9	40,322	48,416
6	Cash and bank balances	10	4,849	37,687
			497,264	510,849
	Total Assets		2,230,294	2,323,137
	Equity and liabilities			
7	Share capital	17	108,466	108,466
8	Share premium	18	380,009	380,009
9	Revaluation reserve	19	1,365,223	1,365,223
10	Retained (loss)/earnings	20	(559,241)	(263,342)
	Total Equity		1,294,457	1,590,356
11	Employee Benefits	11	228,817	168,920
12	Deferred Tax Liability	16	18,071	18,071
	Total Non Current Liabilities		246,888	186,991
13	Loans and Borrowings (Private Placement)	10.2	15,000	50,000
14	Trade Payables	12	103,007	68,098
15	Other Payables	13	449,915	306,665
16	Tax Payable	15	121,027	121,027
17	Total Current Liabilities		688,949	545,790
18	Total Liabilities		935,837	732,781
19	Total Equity and Liabilities		2,230,294	2,323,137

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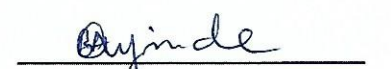
PHARMA-DEKU PLC

STATEMENT OF COMPREHENSIVE INCOME JANUARY –DECEMBER 2019:

DESCRIPTION	Note	3 months Oct-Dec 2019 N'000	3 months Oct-Dec 2018 N'000	12 months Jan-Dec 2019 N'000	12 months Jan-Dec 2018 N'000
Turnover	4	153,315	212,441	484,588	1,023,806
Cost of sales		(98,133)	(172,960)	(317,177)	(622,439)
Gross Margin		55,182	39,481	167,411	401,367
Other operating Income	5.2	-	2,615	91,431	11,230
Other operating gains (losses)		-	-	-	7
		55,182	42,096	258,842	412,597
Selling and distribution expenses		(15,899)	(25,613)	(98,008)	(92,181)
Administration expenses		(70,417)	(145,105)	(449,282)	(575,461)
Impairment of Asset		-	-	-	-
Operating Loss	5.1	(31,135)	(128,622)	(288,448)	(255,045)
Finance cost		(888)	(938)	(7,451)	(938)
Loss after Finance cost		(32,023)	(129,560)	(295,899)	(255,983)
Taxation		-	-	-	(9,277)
Loss from Continuing Operation		(32,023)	(129,560)	(295,899)	(265,260)
Loss from discontinuing Operation		-	-	-	-
Loss for the period		(32,023)	(129,560)	(295,899)	(265,260)
Per share data (50 kobo ordinary share):					
Profit per share-Kobo (Note: the number of shares as at Dec.'19, 217million shares. (See note 20 of Note to Account)		(14.8)	(59.7)	(136.4)	(122.3)

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


K. A. Lawson - DIRECTOR
(FRC/2013/ICAN/00000004354)


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

PHARMA-DEKO PLC

IFRS Financial Statements As At 31st December, 2019

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, 2019	<u>108,466</u>	<u>380,009</u>	<u>1,365,223</u>	<u>(263,342)</u>	<u>1,590,356</u>
Total Comprehensive income of the Period					
Loss for the year	-	-	-	(295,899)	(295,899)
Other comprehensive income	-	-	-	-	-
Total comprehensive income			-	(295,899)	(295,899)
Dividend paid	-	-	-	-	-
Unclaimed dividend written back	-	-	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity.	-	-	-	-	-
Balance as at 31st December 2019	<u>108,466</u>	<u>380,009</u>	<u>1,365,223</u>	<u>(559,241)</u>	<u>1,294,457</u>
Balance as at January 1, 2018	<u>108,466</u>	<u>380,009</u>	<u>1,241,432</u>	<u>12,630</u>	<u>1,742,537</u>
Total Comprehensive income of the Period					
Loss for the year	-	-	-	(265,260)	(265,260)
Other comprehensive income			123,791		123,791
Total comprehensive income			123,791	(265,260)	(141,469)
Dividend paid	-	-	-	(10,841)	(10,841)
Unclaimed dividend written back	-	-	-	129	129
Total contributions by and distributions to owners of company recognised directly in equity.	-	-	-	(10,712)	(10,712)
Balance as at 31st December 2018	<u>108,466</u>	<u>380,009</u>	<u>1,365,223</u>	<u>(263,342)</u>	<u>1,590,356</u>

SECURITIES TRADING POLICY

The company's securities trading policy prohibits dealing in securities of the company by directors, senior employees and other related parties (Insiders) who by the nature of their position or relationship with the company may be in possession of price sensitive information.

The policy stipulates the period of prohibition (closed period) and the nature of disclosure required in such circumstances.

In line with the Rule Book of the Nigerian Stock Exchange, the company has made specific inquiries of all the directors and is not aware of any infringement of the policy during the period.

PHARMA-DEKU PLC

STATEMENT OF CASH FLOWS AS AT 31ST DECEMBER 2019			
STATEMENT OF CASH FLOWS AS AT 31ST DECEMBER 2019		AS AT Dec.'19 N''000	AS AT Dec.'18 N''000
	Note		
Cash flows from operating activities			
Cash (used in)/generated from operations		(130,923)	(47,434)
Finance costs		(7,451)	(938)
Tax received (paid)	15	-	(1,606)
Net cash provided by operating activities		(138,374)	(49,978)
Cash flow from investing activities			
Purchase of property, plant and equipment		(903)	(14,459)
Purchase of intangible asset		-	-
Interest received and similar income	5.2	91,431	-
Net cash provided (used) by investing activities		90,528	(14,459)
Cash flow from financing activities			
Loans and borrowings	10.2	15,000	50,000
Repayment of borrowings		-	-
Dividend Paid	14	-	(10,841)
Net cash from financing activities		15,000	39,159
Total cash movement for the year		(32,846)	(25,278)
Cash at the beginning of the year		37,687	62,958
Effect of exchange rate movement on cash balances		-	7
Total cash at end of the period	10	4,841	37,687

PHARMA-DEKO PLC

Pharma Deko Plc
IFRS Financial Statements for January to December Ended 31st, 2019

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 period. 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.

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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.

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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.

PHARMA-DEKO PLC

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.

PHARMA-DEKO-PLC

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 December Ended 31st, 2019

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

Business	3 months	3 months	12 months	12 months
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Pharma	32,803	90,625	70,245	580,025
Consumer	120,512	121,816	414,343	443,780
Contract	-	-	-	-
TOTAL	153,315	212,441	484,588	1,023,806

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 non alcoholic drink products of the company (sans cream soda and Bien).

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

Pharma Deko Plc

IFRS Financial Statements for January to December Ended 31st, 2019

Notes to the Financial Statement (continued)

5.1 Summary of operating segments

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-Jan-Dec.'19	Pharma	Consumer	Total
	N'000	N'000	N'000
Segment Revenue	70,245	414,343	484,588
Cost of Good Sold	(26,931)	(224,805)	(251,736)
Depreciation	(10,465)	(54,976)	(65,441)
Total Cost of sales	(37,396)	(279,781)	(317,177)
Selling and Distr.	(23,942)	(74,066)	(98,008)
Admin. Exp.	(196,151)	(253,131)	(449,282)
Interest Exp.	(7,451)	-	(7,451)
	(264,941)	(606,978)	(871,918)
Segment Profit after Extra-Ordinary	(194,696)	(192,635)	(387,331)

Summary of Operating Segment-Jan-Dec.'18	Pharma	Consumer	Total
	N'000	N'000	N'000
Segment Revenue	580,026	443,780	1,023,806
Cost of Good Sold	(244,869)	(319,366)	(564,235)
Depreciation	(25,260)	(32,944)	(58,204)
Total Cost of sales	(270,129)	(352,310)	(622,439)
Selling and Distr.	(52,224)	(39,957)	(92,181)
Admin. Exp.	(330,075)	(245,387)	(575,461)
Interest Exp.	(531.00)	(407.00)	(938)
	(652,959)	(638,061)	(1,291,019)
Segment Profit after Extra-Ordinary	(72,933)	(194,280)	(267,213)

5b. Reconciliation of operating segment profit before other income

Description	Jan-Dec.'19	Jan-Dec.'18
	N'000	N'000
Total Profit for Segments	(387,331)	(267,213)
Discontinued Operations	-	-
	(387,331)	(267,213)
Add: Unallocated Amount		
Other operating Income	91,431	11,230
Company Profit before Income Tax	(295,899)	(255,983)
Details of Other Income	N'000	N'000
Foreign Exchange Gain	1,361	
Write-back of provision		
Miscellaneous Income		11,168
Interest Income & Similar		(10)
Sales os scrap	70	72
Net Arbitration Award	90,000	-
	91,431	11,230

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

PHARMA-DEKO PLC

Note of Account.

AS AT DEC. 2019 ENDING.

PROPERTY, PLANT AND EQUIPMENT

Note	Land	Building	Plant and	Furniture and	Motor	Computer	Fixed Asset	Total
6	Land	Building	Machinery	Fittings	Vehicles	Equipment	in Progress	
	N"000	N"000	N"000	N"000	N"000	N"000	N"000	N"000
COST/VALUATION								
At 1 January 2019	606,160	655,365	521,824	10,002	98,761	11,781	76,870	1,980,763
Assets Movement								-
Additions			903					903
At 31 Dec.' 2019	606,160	655,365	522,727	10,002	98,761	11,781	76,870	1,981,666
Accumulated Depreciation								
At 1st January 2018	-	-	71,445	4,886	81,943	10,201	-	168,475
Charge for the period	-	13,259	52,182	1,276	12,210	1,235	-	80,162
At 31 Dec.' 2019	-	13,259	123,627	6,162	94,153	11,436	-	248,637
Impairment								
At 1st January 2019	-	-	-	-	-	-	-	-
Impairment on revalued	-	-	-	-	-	-	-	-
Assets written back	-	-	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-	-	-
At 31 Dec.' 2019	-	-	-	-	-	-	-	-
Net book value								
At 31 December.' 2019	606,160	642,106	399,100	3,840	4,608	345	76,870	1,733,029
At 31 December.' 2018	606,160	655,365	450,379	5,116	16,818	1,580	76,870	1,812,288

Note	Land	Building	Plant and	Furniture and	Motor	Computer	Fixed Asset	Total
6.1	Land	Building	Machinery	Fittings	Vehicles	Equipment	in Progress	
	N"000	N"000	N"000	N"000	N"000	N"000	N"000	N"000
COST/VALUATION								
At 1st January 2018	485,612	651,668	375,550	5,845	98,761	11,485	209,504	1,838,425
Additions			13,640	523		296	-	14,459
Revaluation	120,548	3,697		3,635				127,880
Asset Movement		-	132,634				(132,634)	0
At 31 December 2018	606,160	655,365	521,824	10,002	98,761	11,781	76,870	1,980,763
Accumulated Depreciation								
At 1st January 2018	-	13,369	26,542	3,634	67,073	8,695	-	119,313
Charge for the period	-	(13,369)	44,903	1,252	14,870	1,506	-	49,162
At 31 December 2018	-	-	71,445	4,886	81,943	10,201	-	168,475
Impairment								
At 1st January 2018	-	-	-	-	-	-	-	-
Impairment on revalued	-	-	-	-	-	-	-	-
Assets written back	-	-	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-	-	-
At 31 December 2018	-	-	-	-	-	-	-	-
Net book value								
At 31 December 2018	606,160	655,365	450,379	5,116	16,818	1,580	76,870	1,812,288
At 31 December 2017	485,612	651,668	349,008	5,845	31,688	2,790	209,504	1,736,115

INTANGIBLE ASSET-Computer Software

Note	AS AT Dec.'2019	AS AT Dec.'2018
6.2	N"000	N"000
Cost		
At 1 January	2,197	2,197
Additions	-	-
At 31 Dec.' 2019	2,197	2,197
Accumulated amortisation & impairment:		
At 1 January	2,197	1,953
Amortisation	-	244
At 31 Dec.' 2019	-	-

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	Note	AS AT Dec.'2019	AS AT Dec.'2018
INVENTORY	7	N"000	N"000
Raw material		78,831	85,329
Finished goods		120,640	87,579
Packaging Material		66,549	57,770
Engineering Consumable Item./Diesel		23,129	24,546
		<u>289,149</u>	<u>255,224</u>
Impaired inventories	7.1	-	-
		<u>289,149</u>	<u>255,224</u>

	Note	AS AT Dec.'2019	AS AT Dec.'2018
TRADE RECEIVABLES	8	N"000	N"000
Trade Receivables		183,748	169,522
Impairment of trade receivables		-	-
		<u>162,944</u>	<u>169,522</u>

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

	Note	AS AT Dec.'2019	AS AT Dec.'2018
OTHER RECEIVABLES AND PREPAYMENTS	9	N"000	N"000
Staff debtors		-	1,147
Cash Advance		-	-
Total Finance Assets		<u>-</u>	<u>1,147</u>
Sundry Receivables(Reclassification)		11,674	19,660
Prepayments		3,103	3,914
Deposit for import-PPE & MAT.		25,545	23,695
Prepaid Housing Allowance		-	-
Total Non Finance Assets		<u>40,322</u>	<u>47,269</u>
		<u>40,322</u>	<u>48,416</u>

	Note	AS AT Dec.'2019	AS AT Dec.'2018
CASH AND CASH EQUIVALENTS	10	N"000	N"000
Cash at Bank		4,849	37,660
Cash in hand		-	27
Cash and cash Equivalents		<u>4,849</u>	<u>37,687</u>
Bank overdrafts used for cash management purp	10.1	-	-
Bank overdrafts		-	-
Cash and cash Equivalents in Statement of CFs.		<u>4,849</u>	<u>37,687</u>

Loans and Borrowings-Current Financial Liabilities

	Note	AS AT Dec.'2019	AS AT Dec.'2018
	10.2	N"000	N"000
Bank overdrafts		-	-
Promissory note		15,000	50,000
		<u>15,000</u>	<u>50,000</u>

Employment Benefits-Gratuity

	Note	AS AT Dec.'2019	AS AT Dec.'2018
	11	N"000	N"000
At 1. January		168,920	95,752
Charge for the year		62,415	88,938
Payment during the year		(2,519)	(15,770)
At 31 Dec.' 2019		<u>228,816</u>	<u>168,920</u>

Trade Payables-Current Financial Liabilities

	Note	AS AT Dec.'2019	AS AT Dec.'2018
	12	N"000	N"000
At 1. January		103,007	68,098
At 31 Dec.' 2019		<u>103,007</u>	<u>68,098</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.

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Other Payables	Note	AS AT Dec.'2019	AS AT Dec.'2018
Financial Liability	13.1	N''000	N''000
Sundry creditors (Note 13.3)		169,413	82,181
Accruals		150,239	124,165
Vat-payable		4,848	13,519
Employee Benefits-Unpaid Contr. (Note 13.4)		125,415	86,799
		<u>449,915</u>	<u>306,664</u>
Non Financial Liability	13.2		
Deferred Rent Income		-	-
Customer's deposit		-	-
		<u>-</u>	<u>-</u>
Total		<u>449,915</u>	<u>306,664</u>

Sundry creditors	Note	AS AT Dec.'2019	AS AT Dec.'2018
	13.3	N''000	N''000
Other creditors		831	831
Industrial training fund		19,879	14,412
Union Dues		1,167	471
Withholding Tax on Dividend		231	231
Withholding Tax on Services		46,459	45,315
Pay As You Earn (PAYE)		5,429	1,206
Salaries and Wages Payable		72,670	1,967
NSITF		17,892	12,892
Dividend Payable (Note 14.1)		4,856	4,856
		<u>169,413</u>	<u>82,181</u>

Employee Benefits-Unremitted Contribution	Note	AS AT Dec.'2019	AS AT Dec.'2018
	13.4	N''000	N''000
At January		86,799	76,976
Charge for the year		42,532	42,949
Remittances during the year		(3,916)	(33,126)
At 31 Dec.' 2019		<u>125,415</u>	<u>86,799</u>

The Company operates a defined contribution scheme wherein both the Company and the employee contribute 10% & 8% respectively of the employee's total emolument (basic pay, housing and transport allowance) to a Pension Fund Administrator. As at 31 December 2019, the Company had a liability of N125 million (2018: N87 million) as unremitted pension contribution under this scheme.

Dividend Paid	Note	AS AT Dec.'2019	AS AT Dec.'2018
	14	N''000	N''000
Dividends		-	(10,847)

Dividend Payable	Note	AS AT Dec.'2019	AS AT Dec.'2018
	14.1	N''000	N''000
At January 1		4,856	900
Returned dividend		-	4,085
Unclaimed dividend transferred to retained income		-	(129)
At 31 Dec.' 2019		<u>4,856</u>	<u>4,856</u>

The proposed dividend of 5k per share was declared for 217 millions shares.

Tax Charge for the Year	Note	Company tax	Education Tax	Capital gain tax	Total
	15				
At January 1		21,066	45	99,916	121,027
Charge for the year (minimum tax)		-	-	-	-
Payments		-	-	-	-
At 31 Dec.' 2019		<u>21,066</u>	<u>45</u>	<u>99,916</u>	<u>121,027</u>

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Deferred tax liability	Note	AS AT Dec.'2019	AS AT Dec.'2018
	16	N''000	N''000
At beginning of year		18,071	4,316
Charge for the year		-	-
Capital gains tax		-	13,755
At 31 Dec.' 2019		<u>18,071</u>	<u>18,071</u>

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

Share Capital Authorised	Note	AS AT Dec.'2019	AS AT Dec.'2018
	17	N''000	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		108,466	108,466
Movement during the year		-	-
At 31 Dec.' 2019		<u>108,466</u>	<u>108,466</u>

Number of Ordinary Shares	No in thousand	No in thousand
At 1 January	216,930	216,930
Movement during the year	-	-
At 31 Dec.' 2019	<u>216,930</u>	<u>216,930</u>

Share Premium	Note	AS AT Dec.'2019	AS AT Dec.'2018
	18	N''000	N''000
At 1 January		380,009	380,009
Movement during the year		-	-
At 31 Dec.' 2019		<u>380,009</u>	<u>380,009</u>

Revaluation Reserve	Note	AS AT Dec.'2019	AS AT Dec.'2018
	19	N''000	N''000
At 1 January		1,365,223	1,241,432
Movement during the year		-	123,791
At 31 Dec.' 2019		<u>1,365,223</u>	<u>1,365,223</u>

Retained Earning	Note	AS AT Dec.'2019	AS AT Dec.'2018
	20	N''000	N''000
Revenue reserves		(263,342)	12,630
Dividend Paid		0	(10,841)
Unclaimed dividend written back		0	129
(Loss)/Profit as at December.' 2019		<u>(295,899)</u>	<u>(265,260)</u>
		<u>(559,241)</u>	<u>(263,342)</u>

Basic Earnings Per Share	AS AT Dec.'2019	AS AT Dec.'2018
Earnings/(loss) per share from continued Operation (kobo)	(136.4)	(122.3)
	<u>(136.4)</u>	<u>(122.3)</u>

Basic Earnings per Share

The calculation of basic earnings per share was based on the Profit for the period and a weighted average number of ordinary shares outstanding of 216,930 thousand.

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	Continued Operations N'000	discontinued Operations N'000
(loss)/Profit as at 31 December 2019	(295,899)	-
(loss)/Profit as at 31 December 2018	(255,983)	-

Weighted Average Number of Shares

Issued ordinary shares at 1 January

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

	Note 21	AS AT Dec.'2019 N"000	AS AT Dec.'2018 N"000
Loss before taxation		(295,899)	(255,983)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>			
Depreciation & amortisation		80,162	76,075
Gains on foreign exchange		-	(7)
Finance cost		7,451	938
Movements in retirement benefit assets and liabilities		59,896	73,168
<i>Changes in working capital:</i>			
Inventories		33,925	(26,446)
Trade receivables		(6,578)	(37,759)
Other receivables and prepayment		(79,698)	119,979
Trade payable		34,909	(14,764)
Other payables		34,909	17,364
		164,976	208,549
Cash provided by operating activities.		(130,923)	(47,434)

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