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JAPAUL GOLD & VENTURES PLC
(FORMERLY JAPAUL OIL & MARITIME SERVICES PLC)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2020

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Contents **Page**

Japaul RC. 250346
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REPORT OF THE AUDIT COMMITTEE

In accordance with the provision of Section 359(6) of the Companies and Allied Matters Act, Cap C20, LFN 2004, Members of the Audit Committee of Japaul Gold & Ventures Plc carried out the following functions under the Act:

a. Reviewed the scope and planning of the audit requirements of the External Auditors;
b. Reviewed the External Auditors' Memorandum of Recommendations on Accounting Procedures and Internal Controls together with the Management Responses thereon;
c. Ascertained that the accounting and reporting policies of the Company for the year ended 31st December 2020 are in accordance with legal requirements and ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st December 2020 were adequate and the Management Responses to the Auditors' findings were satisfactory.

We acknowledge the cooperation of the Auditors; PKF Professional Services, Management, and Staff of the Company in the performance of our statutory duties.

ADIO A. ALEX
CHAIRMAN AUDIT COMMITTEE
FRC/2013/IMN/00000008638
01 June 2021

JAPAUL GOLD & VENTURES PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

In accordance with the provisions of Companies and Allied Matters Act, 2020, and the Financial Reporting Council Act No. 6, 2011, the Directors are responsible for the preparation of the consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group and Company, and of the financial performance for the year. The responsibilities include ensuring that:

(a) appropriate internal controls are established both to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities;

(b) the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which ensure that the consolidated and separate financial statements comply with requirements of International Financial Reporting Standards and the Companies and Allied Matters Act 2020 and the Financial Reporting Council Act No. 6, 2011.

(c) the Group and the Company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and

(d) it is appropriate for the consolidated and separate financial statements to be prepared on a going concern basis unless it is presumed that the Company will not continue in business.

The Directors accept responsibility for the consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020 and the Financial Reporting Council Act No. 6, 2011.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Company and of the financial performance for the year.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of financial control.

The Directors have made assessment of the Group and Company's ability to continue as a going concern and have no reason to believe that the Group and the Company will not remain a going concern for at least twelve months from the date of this statements.

Signed on behalf of the Directors by:

Paul A. Jegede
Chairman
FRC/2013/IODN/00000002328

Dated: 01 June 2021

Akinloye Daniel Oladapo
Group Managing Director
FRC/2016/CIS/00000014722

Dated: 01 June 2021

Independent Auditor's Report

To the Members of Japaul Gold & Ventures Plc

Opinion

We have audited the consolidated and separate financial statements of Japaul Gold & Ventures Plc and its subsidiaries (the Group), which comprise the consolidated and separate statement of financial position at 31 December 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, and in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act 2020.

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 consolidated and separate financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.3 in the financial statements, which indicates the Group incurred a net loss of N1.182 billion during the year ended 31 December 2020, and as of that date, the Group's current liabilities exceeded its current assets by N2.2 billion (December 2019: N1.72 billion). As stated in Note 2.3, these events or conditions, along with other matters as set forth in Note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The following summarises how the matter was addressed in the audit:

- We checked adverse market conditions, trends and events and also performed other risk assessment procedures to identify any adverse events or conditions.
- We asked management whether they have identified any events or conditions that may cast significant doubts on the Group's ability to continue as a going concern.
- We reviewed all court cases against the Group in order to obtain reasonable assurance that no litigation threatens the going concern of the Group either by suppliers, government, customers employees aggrieved third parties or shareholder of the Group.

PKF House• 205A Ikorodu Road• Obanikoro• Lagos• G.P.O. Box 2047• Marina• Lagos• Nigeria.
Tel: +234(0) 9030001351 | 9030001352• Email: lagos@pkf-ng.com | info@pkf-ng.com • Web: www.pkf-ng.com

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- We reviewed minute of board meetings held for all the quarters in the reporting period to assess any issues that could border on regulatory or legal challenges as it relates to the going concern of the Group.
- We obtained assurance from management that significant accounting and reporting judgments are supported by a degree of rigor and analysis appropriate to the circumstances of the Group.

Key Audit Matters

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	How the matters were addressed in the audit
1. Impairment of investment in subsidiary The Parent Company had an investment in a foreign subsidiary - Japual Gulf Electro Mech (Dubai/Omah) - which had been fully impaired in the books, due to the need to ascertain its existence and operations. Judgement was required to advise the Management on the need to clarify matters on the Subsidiary's current existence and operations. The foreign operation was discontinued during the year.	• Obtained information from Management on existence and nature of current operations • Obtained and review Board approval for discontinuing the foreign operation;
2. Going concern assessment The group has consistently made loss resulting from huge direct costs (fixed cost) during the year. While the direct cost was N1.01 billion (Company: N460 million), with resultant revenue of N690 million from Group (Company: N185 million) which further increased the accumulated loss to N16 billion from N14.9 billion in 2019.	• We performed detailed going concern consideration of the group. • Reviewed going concern assessment prepared by management. • We spent considerable time in assessing the appropriateness of the management assumptions on the going concern. • Reviewed management plans to recapitalise the group by obtaining their going concern assessment and plans of the Group to remain a going concern.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information 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 appeared to be materially misstated.

If, based on the work we have performed on the other information that we obtained, 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.

Responsibilities of the Directors and Those Charged with Governance for the consolidated and separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act 2020, 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 Group 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 consolidated and separate 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 these consolidated and separate financial statements.

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

- Identify and assess 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 obtain 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.
- Obtain an understanding of internal control 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the director's 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 Group'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 consolidated and separate 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.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain 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 communicate with the Audit Committee 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 identify during our audit.

We also provide the Audit Committee 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 the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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
In accordance with the requirement of the fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge were necessary and useful for the purpose of our audit;

ii) In our opinion, proper books of account have been kept by the Group and the Company in so far appears from our examination of those books;

iii) The Group and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Olatunji Ogundeyin, FCA
FRC/2013/ICAN/00000002224
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria

Dated: 01 June 2021

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

		Group		Company	
		2020	2019	**2020**	2019
	Note	**N'000**	N'000	**N'000**	N'000
Assets					
Non-current assets					
Property, plant and equipment	18	**5,653,473**	7,419,934	**3,211,153**	3,678,785
Right-of-use assets	19	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Investment in subsidiaries	20	-	-	**40,000**	40,000
Investment in associates	21	-	-	-	-
Financial assets fair value through other comprehensive income	22	**22,563**	25,786	**22,563**	25,786
Total non-current assets		**10,676,036**	12,445,720	**8,273,716**	8,744,571
Current assets					
Inventories	23	**-**	12,527	**-**	-
Trade and other receivables	24	**4,878,842**	10,658,114	**10,486,959**	18,191,479
Cash and bank balances	25	**51,493**	255,716	**16,082**	1,028
Total current assets		**4,930,335**	10,926,357	**10,503,041**	18,192,507
Liabilities					
Current liabilities					
Bank overdrafts	25.1	**-**	381,118	**-**	-
Trade and other payables	26	**6,736,906**	11,869,817	**4,166,977**	11,379,904
Defined contribution plan	27	**197,047**	192,227	**147,753**	146,212
Current income tax liability	16.2	**239,710**	198,580	**22,852**	78,620
Total current liabilities		**7,173,663**	12,641,742	**4,337,582**	11,604,736
Net current (liabilities)/assets		**(2,243,328)**	(1,715,385)	**6,165,459**	6,587,771
Non-current liabilities					
Defined benefit plan	27	**73,395**	72,709	**43,289**	42,604
Lease liability	28.2	**4,567,750**	5,000,000	**4,567,750**	5,000,000
Deferred tax liability	16.4	**966,376**	966,376	**909,886**	909,886
Total non-current liabilities		**5,607,521**	6,039,085	**5,520,925**	5,952,490
Net assets		**2,825,187**	4,691,250	**8,918,250**	9,379,852
Equity					
Share capital	29.2	**3,131,350**	3,131,350	**3,131,350**	3,131,350
Share premium	29.3	**16,440,679**	16,440,679	**16,440,679**	16,440,679
Loss sustained	29.4	**(16,085,590)**	(14,903,741)	**(9,992,699)**	(9,534,320)
Remeasurement reserve	29.5	**(195)**	(195)	**(22)**	(22)
Fair value reserve	29.6	**8,610**	11,833	**8,610**	11,833
Foreign exchange reserve	29.7	**(669,667)**	1,269,714	**(669,668)**	(669,668)
Equity attributable to owners of the parents		**2,825,187**	5,949,640	**8,918,250**	9,379,852
Non-controlling interest		**-**	(1,258,390)	-	-
Total equity		**2,825,187**	4,691,250	**8,918,250**	9,379,852

The consolidated and separate financial statements were approved by the Board of Directors and authorised for issue on **01 June 2021** and signed on its behalf by:

Paul A. Jegede
Chairman
FRC/2013/IODN/00000002328

Akinloye Daniel Oladapo
Group Managing Director
FRC/2016/CIS/00000014722

Funmilola Omodamori
ED Finance and Planning
FRC/2017/ICAN/00000016769

The accompanying notes form an integral part of these consolidated and separate financial statements.

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	**2020**	2019
	Note	**N'000**	N'000	**N'000**	N'000
Continuing operations					
Revenue	9.1.1	**689,643**	725,472	**185,203**	85,853
Direct costs	10	**(1,007,732)**	(1,668,865)	**(459,840)**	(1,054,492)
Gross loss		**(318,089)**	(943,393)	**(274,637)**	(968,639)
Other income	12	**610,401**	43,816,132	**330,905**	43,706,115
Administrative expenses	13	**(1,118,749)**	(635,838)	**(488,665)**	(771,585)
Operating (loss)/profit		**(826,437)**	42,236,901	**(432,397)**	41,965,891
Net finance costs	15.2	**(3,249)**	(1,208,147)	**(3,261)**	(1,208,147)
(Loss)/profit before taxation		**(829,686)**	41,028,754	**(435,658)**	40,757,744
Income tax expense	16.1	**(167,059)**	(111,457)	**(1,337)**	(69,870)
(Loss)/profit from continuing operations		**(996,745)**	40,917,297	**(436,995)**	40,687,874
Discontinued operations					
Loss from discontinued operations net of tax	14.2	**(185,104)**	-	**(21,384)**	-
(Loss)/profit for the year		**(1,181,849)**	40,917,297	**(458,379)**	40,687,874
		(1,181,849)	40,917,297	**(458,379)**	40,687,874
(Loss)/profit for the year attributable to:					
Owners of the Company		**(1,181,849)**	40,917,297	**(458,379)**	40,687,874
Non-controlling interest		**-**	-	**-**	-
		(1,181,849)	40,917,297	**(458,379)**	40,687,874
Other comprehensive gain/(loss)					
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translation of foreign operations		**-**	(648,455)	**-**	-
Items that will not be reclassified subsequently to profit or loss					
Fair value (loss)/gain on investment-FVTOCI		**(3,223)**	8,252	**(3,223)**	8,252
Total other comprehensive (loss)/income		**(3,223)**	(640,203)	**(3,223)**	8,252
Total comprehensive (loss)/income for the year		**(1,185,072)**	40,277,094	**(461,602)**	40,696,126
Total comprehensive (loss)/income attributable to:					
Owners of the parents		**(1,185,072)**	40,594,837	**(461,602)**	40,696,126
Non-controlling interest		**-**	(317,743)	**-**	-
		(1,185,072)	40,277,094	**(461,602)**	40,696,126
(Loss)/earnings /per share	17	**(19)**	653	**(7)**	650

The accompanying notes form an integral part of these consolidated and separate financial statements.

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the Company						
Group	**Share capital**	**Share premium**	**Loss sustained**	**Re-measurement reserve**	**Fair value reserve**	**Foreign exchange reserve**	**Non-controlling interest**	**Total equity**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January 2019	**3,131,350**	**16,440,679**	**(55,775,131)**	**(195)**	**3,581**	**1,600,426**	**(940,647)**	**(35,539,937)**
Changes in equity for 2019:								
Profit for the year	-	-	40,917,297	-	-	-	-	40,917,297
Other comprehensive income								
Fair value gain on investment-FVTOCI	-	-	-	-	8,252	-	-	8,252
Exchange loss on foreign operations	-	-	-	-	-	(330,712)	(317,743)	(648,455)
Total comprehensive income for the year	-	-	**40,917,297**	-	**8,252**	**(330,712)**	**(317,743)**	**40,277,094**
Transactions with owners, recorded directly in equity								
Adjustment	-	-	**(45,907)**	-	-	-	-	(45,907)
At 31 December 2019	**3,131,350**	**16,440,679**	**(14,903,741)**	**(195)**	**11,833**	**1,269,714**	**(1,258,390)**	**4,691,250**
At 1 January 2020	**3,131,350**	**16,440,679**	**(14,903,741)**	**(195)**	**11,833**	**1,269,714**	**(1,258,390)**	**4,691,250**
Changes in equity for 2020:								
Loss for the year	-	-	**(1,181,849)**	-	-	-	-	**(1,181,849)**
Other comprehensive income								
Fair value loss on investment - FVTOCI	-	-	-	-	**(3,223)**	-	-	**(3,223)**
Exchange loss on foreign operations	-	-	-	-	-	**(1,939,381)**	**1,258,390**	**(680,991)**
Total comprehensive loss for the year	-	-	**(1,181,849)**	-	**(3,223)**	**(1,939,381)**	**1,258,390**	**(1,866,063)**
Transactions with owners, recorded directly in equity								
Adjustment		-	-	-	-	-	-	-
At 31 December 2020	**3,131,350**	**16,440,679**	**(16,085,590)**	**(195)**	**8,610**	**(669,667)**	-	**2,825,187**

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

- - - -

Company	Attributable to owners of the Company						
	Issued share capital	Share premium	Loss sustained	Re-measurement reserve	Fair value reserve	Foreign exchange reserve	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2019	**3,131,350**	**16,440,679**	**(50,222,194)**	**(22)**	**3,581**	**(669,668)**	**(31,316,274)**
Changes in equity for 2019:							
Profit for the year	-	-	40,687,874	-	-	-	40,687,874
Other comprehensive income							
Fair value loss on investment - FVTOCI	-	-	-	-	8,252	-	8,252
Total comprehensive income for the year	-	-	**40,687,874**	-	**8,252**	-	**40,696,126**
Transactions with owners, recorded directly in equity							
Dividends paid in the year	-	-		-	-	-	-
At 31 December 2019	**3,131,350**	**16,440,679**	**(9,534,320)**	**(22)**	**11,833**	**(669,668)**	**9,379,852**
At 1 January 2020	**3,131,350**	**16,440,679**	**(9,534,320)**	**(22)**	**11,833**	**(669,668)**	**9,379,852**
Changes in equity for 2020:							
Loss for the year	-	-	**(458,379)**	-	-	-	**(458,379)**
Other comprehensive income							
Fair value loss on investment - FVTOCI	-	-	-	-	**(3,223)**	-	**(3,223)**
Total comprehensive loss for the year	-	-	**(458,379)**	-	**(3,223)**	-	**(461,602)**
Transactions with owners, recorded directly in equity							
Dividends paid in the year	-	-	-	-	-	-	-
At 31 December 2020	**3,131,350**	**16,440,679**	**(9,992,699)**	**(22)**	**8,610**	**(669,668)**	**8,918,250**

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	**2020**	2019
	Notes	**N'000**	N'000	**N'000**	N'000
Cash flows from operating activities					
Cash receipts from customers		**7,079,318**	1,507,632	**8,220,629**	595,555
Payment to suppliers and employees		**(6,903,586)**	(1,378,883)	**(7,861,116)**	(594,769)
Cash generated from operations		**175,732**	128,749	**359,513**	786
Payment for employee benefit obligations	26.1	**(6,721)**	**-**	**(8,106)**	**-**
Current income tax paid	16.2	**(125,929)**	**-**	**(57,105)**	-
Net cash from operating activities	30	**43,082**	128,749	**294,302**	786
Cash flows from investing activities					
Purchase of property, plant and equipment	18.1	**(67,096)**	(140)	**(36,408)**	(140)
Purchase of assets under finance lease	19	**-**	(5,000,000)	**-**	(5,000,000)
Proceed on disposal of property, plant and equipment	13.3	**633,159**	-	**189,410**	-
Net cash from/(used in) investing activities		**566,063**	(5,000,140)	**153,002**	(5,000,140)
Cash flows from financing activities					
Additions to finance lease in the year	28.2	**-**	5,000,000	**-**	5,000,000
Settlement of finance lease facility	28.2	**(432,250)**	-	**(432,250)**	-
Net cash (used in)/from financing activities		**(432,250)**	5,000,000	**(432,250)**	5,000,000
Net increase in cash and cash equivalents		**176,895**	128,609	**15,054**	646
Cash and cash equivalents at 1 January		**(125,402)**	373,524	**1,028**	382
Effect of foreign exchange on foreign operation		**-**	(627,535)	**-**	-
Cash and cash equivalents at 31 December	24	**51,493**	(125,402)	**16,082**	1,028

The accompanying notes form an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. The Entity

1.1. Legal form

Japaul Gold & Ventures Plc (formerly Japaul Oil & Maritime Services Plc) was incorporated on 29 June 1994 as a private limited liability company and commenced business in January 1997. The name of the Company was changed to Japaul Gold and Ventures Plc on 29 July 2020. The Company's shares were listed on the Nigerian Stock Exchange (NSE). As at year end, the Company has three subsidiaries, namely:

Japaul Shipping & Offshore Services Limited
Japaul Mines & Products Limited
Japaul Dredging Services Limited

The Registered office address of the company is Japaul House, Plot 8, Dr. Nurudeen Olowopopo Avenue, Central Business District (CBD), Agidingbi, Ikeja, Lagos, Nigeria.

1.2. Principal activities

The principal activities of the group is to carry on the business of exploring, prospecting, boring, drilling, and mining for precious metals, mining for minerals generally, undertaking technology based mining activities, providing technology solutions for mining technology and operation genarally, technological business activities and services to other companies or through partnership and acquisition.

2. Basis of preparation

2.1. Statement of compliance

The consolidated and separate financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB. Additional information required by local regulators has been included where appropriate.

The consolidated and separate financial statements comprise of the consolidated and separate statement of comprehensive income, the consolidated and separate statement of financial position, the consolidated and separate statement of changes in equity, the consolidated and separate statement of cashflows and notes to the consolidated and separate financial statements.

2.2. Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets (liabilities) which were measured at fair value. The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the total of the plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses while the plan assets for defined benefit obligations are measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the group’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the group’s financial statements present the financial position and results fairly.

2.3. Going concern considerations

The Group had been making persistent losses over the years and at 31 December 2020, the Group made a net loss from operation of N1.182 billion, while the Company made a loss of N458 million. The Group had a working capital deficiency of N2.2 billion (2019: N1.7 billion). The company suffered substantial losses from its operations in the year from curtailed activities, which had raised doubt about its ability to continue as a going concern.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Group's continued existence as a going concern is dependent on the following:
- Full exploration and production of gold through mechanised mining using today's technology;
- Sustaining and expanding our existing quarrying business;
- Refurbishing and upgrading of existing equipment for hiring purposes;
- Advancing into smart real estate through high and blockchain technologies;
- Positioning for the dredging and reclamation of Lekki-Height Project;
- Sustaining and growing our recent effort in retail sand mining operations at various sites across the count
- Arranging for private equity investment/funding.

Upon due consideration of the uncertainties described above, the Directors have a reasonable expectation that the Group have adequate resources to continue in operation for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements at 31 December 2020.

2.4. Functional and presentation currency

This consolidated and separate financial statements are presented in Naira, which is the Group’s presentational currency. The consolidated and separate financial statements are presented in the currency of the primary economic environment in which the Group operates (its functional currency). For the purpose of the consolidated and separate financial statements, the consolidated and separate results and financial position are expressed in Naira, which is the functional currency of the Group, and the presentational currency for the financial statements.

2.5. Basis of consolidation

This consolidated and separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December, 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using the same accounting policies.

All inter-group balances, transactions, dividends, unrealised gains on transactions within the Group are eliminated on consolidation. Unrealised losses resulting from inter-group transactions are eliminated, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.6 Changes in accounting policies and disclosures and Standards Issued

2.6.1 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020.

Several standards amendments and interpretations apply for the first time in 2020 but did not have an impact on the financial statements of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

2.6.1a Amendment to IFRS 3 - Business Combinations

The amendments are effective for business combinations for which the acquisition date is on or after the

beginning of the first annual reporting periods beginning on or after 1 January, 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.
The Standards outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

The amendment relates to the definition of a "business" and they:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

- Narrow the definitions of a business and of outputs by focus ng on goods and services provided to customers and by removing the reference to an ability to reduce costs.

- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired.

- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

- Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

These amendments did not have any impact on the Company's financial statements.

2.6.1b Amendment to IAS 1 - Presentation of financial statements and IA6 8 Accounting policies, changes in accounting estimates and errors

The amendments are effective for annual reporting periods beginning on or after 1 January 2020, although earlier application was permitted. The purpose for the amendment is to expand on the definition of materiality and bring more clarity to its characteristics.

The revised definition of "Material" is quoted below:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendment emphasises five ways material information can be obscured:
- If the language regarding a material item, transaction or other event is vague or unclear.
- If information regarding a material item, transaction or other event is scattered in different places in the financial statements.
- If dissimilar items, transactions or other events are inappropriately aggregated.
- If similar items, transactions or other events are inappropriately disaggregated.
- If material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendment expands the definition to include:

Obscuring

Obscuring material information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1.

Could reasonably be expected to influence

The existing definition referred to 'could influence' which the IASB felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote.

Primary users

The existing definition referred only to 'users' which again the IASB feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose.

The amendments to the definition of material did not have a significant impact on the Company's financial statements.

2.6.1c Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

These amendments are effective for annual reporting periods beginning on or after 1 January 2020.

The adoption of phase 1 of the IBOR reform did not lead to a change in the Company's accounting policies and do not have any interest hedge accounting. The Company is currently assessing the impact of the phase 2 amendments.

Amendments to IFRS 9

The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Application of the reliefs is mandatory. The first three reliefs provide for:

- The assessment of whether a forecast transaction (or component thereof) is highly probable.
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss.
- The assessment of the economic relationship between the hedged item and the hedging instrument.

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows are based (whether or not contractually specified) and/or, for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform. The fourth relief provides that, for a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship.

Where hedging instruments and hedged items may be added to or removed from an open portfolio in a continuous hedging strategy, the separately identifiable requirement need only be met when hedged items are initially designated within the hedging relationship.

To the extent that a hedging instrument is altered so that its cash flows are based on an RFR, but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due to differences in their changes in fair value. The reliefs continue indefinitely in the absence of any of the events described in the amendments.

When an entity designates a group of items as the hedged item, the requirements for when the reliefs cease are applied separately to each individual item within the designated group of items. The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.

Amendments to IAS 39

The corresponding amendments are consistent with those for IFRS 9, but with the following differences:

- For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

- For the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.

- For a hedge of a benchmark portion (rather than a risk component under IFRS 9) of interest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge.

2.6.1d Revised Conceptual Framework for Financial Reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting;
- reinstating prudence as a component of neutrality;
- defining a reporting entity, which may be a legal entity , or a portion of an entity;
- revising the definitions of an asset and a liability;
- removing the probability threshold for recognition and adding guidance on derecognition;
- adding guidance on different measurement basis; and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020.

The conceptual framework did not have any material impact on the Company's financial statements.

2.6.1e Amendments to IAS 1 and IAS 8 - Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material did not have a significant impact on the Company's financial statements.

2.6.2 Standards issued and effective on or after 1 January 2020

2.6.2a IFRS 17 Insurance contracts

A comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required.

However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

IFRS 17 is a comprehensive standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows).
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period).
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period.
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period.
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in profit or loss, but are recognised directly on the statement of financial position.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 will have no impact on the Company, as it does not issue insurance contract.

2.6.2b Amendments to IAS 1 - Classification of liabilities as current or non-current

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions' to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

The effective date is 1 January 2022 (possibly deferred to 1 January 2023).

The impact of this amendment on the Company financial statements is currently under assessment.

2.6.2c Amendments to IAS 16 - Proceeds before intended use

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Early application is permitted. It amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The Company does not expect these amendments to have impact on its financial statements when it becomes effective.

2.6.2d Amendments to IAS 37 - Onerous contracts - Cost of fulfilling a contract

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Early application is permitted.

The changes in Onerous Contracts - Cost of Fulfilling a Contract specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Company will not be affected by these amendments on the date of transition.

2.6.2e Amendments to IFRS 16 - COVID-19-related rent concessions

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2020. The amendment is also available for interim reports. The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to:

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

The main change from the proposal in the exposure draft is that the IASB had proposed that the practical expedient should only be available for lease payments originally due in 2020. However, after having considered the feedback to the exposure draft, the IASB decided to extend this period to June 2021 to also capture rent concessions granted now and lasting for 12 months.

The Company does not expect these amendments to have impact on its financial statements when they becomes effective.

2.6.2f Amendments to IFRS 3 - Reference to the conceptual framework

Minor amendments were made to IFRS 3 Business Combinations to update the reference to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provision. Contingent Liabilities and Contingent Asset and interpretations 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

The effective date is 1 January 2022.

The amendment will have no material effect on the Company's financial statements.

2.6.2g Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

The Company will apply these amendments when they become effective.

2.6.2h Annual improvement to IFRS Standards 2018 - 2020

The following Improvements were finalised in May 2020:

- IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases - To remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The effective date is 1 January 2022.

3. Summary of significant accounting policies

The significant accounting policies set out below have been applied in preparing the financial statements unless otherwise indicated.

3.1. Investments in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost and adjusted for any impairment losses in subsequent periods in separate financial statements. If the group's share of losses of an associate exceeds its interest in the associate, the group discontinues recognizing its share of further losses.

3.2. Investment in subsidiaries

Investments in subsidiaries are carried at cost. The consolidated financial statements include the financial statements of the holding company and its subsidiaries. A subsidiary is one in which the group has controlling interest and controls the operation/decision making of the subsidiary.

3.3. Intangible assets

3.3.1. Intangible assets acquired separately

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses.

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually.

Amortization periods and methods are reviewed annually and adjusted if appropriate.

	%
Computer software	20

3.4. Property, plant and equipment

3.4.1. Initial recognition

All property, plant and equipment assets are stated at cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

3.4.2. Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3.4.3. Depreciation of property, plant and equipment

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Land	-
Buildings	2
Furniture and fittings	25
Computer equipment	25
Motor vehicles	25
Office equipment	25
Marine equipment	5
Plant and machinery	10
Survey equipment	25
Heavy duty vehicles	$16^{2}/_{3}$

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

The group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

3.4.4.Derecognition

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement under operating income. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

Reclassification

When the use of a property changes from owner-occupier to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in the income statement.

3.5. Discontinued operations and non-current assets held for sale

Discontinued operations and non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Discontinued operations and non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This is the case, when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and the sale is considered to be highly probable.

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Furthermore, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one-year from the date that it is classified as held for sale.

3.6. Inventories

Inventories are valued at the lower of cost and net realisable value on a first in first out basis. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity levels.

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

3.7. Impairment of non-financial assets

The group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

3.8. Financial instruments

Financial instruments carried in the statement of financial position includes financial assets at fair value through other comprehensive income, cash and cash equivalents and borrowings. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. The various classifications of financial instruments, their measurement subsequent to initial recognition, reclassifications and derecognition are stated as follows:

Financial assets and liabilities

3.8.1 Financial assets

a) Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

Financial instruments carried at fair value through profit or loss are initially recognised at fair value with transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, being recognised immediately through profit or loss. Financial instruments that are not carried at fair value through profit or loss are plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments initially measured at fair value.

When the transaction price differs from the fair value of other observable current market, transactions in the same instrument or based on a valuation technique whose variables include only data observable from markets, the company immediately recognises the difference between the transaction price and the fair value (a 'Day 1' profit or loss) in' Net gains/(losses) on financial instruments classified as held for trading'. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in the income statement when the inputs become observable, or when the instrument is derecognized.

b) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

c) Classification

Subsequent to initial recognition, all financial assets within the Group are measured at:

i. amortised cost;
ii. fair value through other comprehensive income (FVOCI); or
iii. fair value through profit or loss (FVTPL)

The Group's financial assets are subsequently measured at amortised cost if they meet both of the following criteria:

- **Business model test -** The asset is held within a business model whose objective is to hold the financial asset in other to collect contractual cash flows; and
- S**PPI contractual cash flow characteristics test -** The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date. Interest in this context is the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Debt instruments are measured at fair value through other comprehensive income (FVOCI) by the Group if they meet both of the following criteria:

- Business model test: The asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset; and

- SPPI contractual cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets (equity investments) are measured at fair value.

Financial asset is classified and measured at fair value through profit or loss (FVTPL) by the Group if the financial asset is:

- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity investment which the Group has not elected to classify as at FVOCI;
- A financial asset where the Group has elected to measure the asset at FVTPL under the fair value option

d) De-recognition

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or when it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognized as a separate asset or liability. The entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The group enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include securities lending and repurchase transactions.

In transactions in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the entity continues to recognise the asset to the extent of its continuing involvement, determined by extent to which it is exposed to changes in the value of the transferred asset. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the entity continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

3.8.2 Financial liabilities

The Group's holding in financial liabilities is in financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished.

3.8.2.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

3.8.2.2 Other liabilities measured at amortised cost
Financial liabilities that are not classified at fair value through profit or loss fall into this category, and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the liabilities using the effective interest method. Financial liabilities measured at amortised cost are notes and commercial papers, balance on client accounts.

3.8.4 Fair value measurement
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market price or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer or significant increase in the bid- offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR,LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

In cases where the fair value of the unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to Company’s and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into credit quality, liquidity and costs. The fair values of contingent liabilities and irrecoverable loan commitments correspond to their carrying amounts.

The best evidence of fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data observable from markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument initially measured from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or instrument is closed out.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

3.8.4 Reclassification of financial assets and liabilities

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held for trading category if the financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to reoccur in the near-term.

In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the entity has the intention and ability to hold these financial assets for the foreseeable future until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

3.8.5 Identification and measurement of impairment of financial assets

3.8.4.1 Assets carried at amortised cost

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument’s fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

3.8.4. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.9. Trade and other receivables

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

3.10. Cash and cash equivalents

Cash equivalents comprises of 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. An investment with a maturity of three months or less is normally classified as being short-term.

For the purpose of presenting the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts.

3.11. Leases

Policy subsequent to 1 January 2019,

The group and the Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group and the Company as a lessee

The group and the Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The group and the Company recognises lease liabilities to make lease Payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The group and the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and Impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Leases

Policy prior to 1 January 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the Inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified an arrangement.

The group/ the Company as a lessee

Finance leases that transfer to the Group and the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value the leased property or, If lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the lability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

3.12. Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due with one year or less. If not, they are presented as non-current liabilities.

Other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

3.13. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

3.14. Employee benefits

3.14.1. Defined contribution pension plan

The group runs a defined contribution plan. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under the defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses 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.

3.14.2. Defined benefit pension plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the group's obligation and that are denominated in the currency in which the benefit are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected credit unit method.

The group recognizes all actuarial gains or losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

The group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fair value of the plan asset, any change in the present value of defined benefit obligation, any related actuarial gains or losses and past services cost that had not previously been recognised.

3.14.3. Termination benefit

Termination benefit are recognized as an expense when the group is demonstrably committed without realistic possible withdrawal , to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefit for voluntary redundancies is recognized as expenses if the group has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.13.4. Short term employee benefits

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.15. Taxation

3.15.1. Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

3.15.2. Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss), it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss.

3.16. Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.16.1 Warranty

A provision for warranty is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated possibilities.

3.16.2 Restructuring

A provision for restructuring is recognized when the group has approved a formal detail restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

3.16.3 Onerous contract

Provision for onerous contracts is recognized when the expected benefit to be derived by the group from a contract are lower than the unavoidable costs of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

3.17. Equity instruments

Equity instruments issued by the group are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any group purchases the group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the group's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the group's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

3.18. Compound instruments
At the issue date, the fair value of the liability component of a compound instrument is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon conversion or at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument. This is recognised in equity, net of income tax effects, and is not subsequently remeasured.

3.19. Revenue recognition

3.19.1. Sale of goods or services
Revenue from the sale of goods in the ordinary course of business is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence persists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of consideration is probable, the associated cost and possible return of goods can be estimated reliably, there is no continuing involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

3.19.2. Investment return
Investment return includes dividend income, interest and rent receivable, movement in amortized cost on debt securities and other loan and receivables, realized gains and losses, and unrealized gains and losses on fair value of the financial assets.

3.19.3. Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

3.19.4. Rental income
Rental income is recognized on an accrued basis.

3.19.5. Realised gains and losses
The realised gains or losses on the disposal of an asset is the difference between proceeds received, net of transaction costs and its original or amortised costs as appropriate.

3.20. Foreign currencies

3.20.1. Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of the entities within the group. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Nonmonetary items carried at fair value that are denominated in foreign

currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs , where those interest costs qualify for capitalization to assets under construction;
- Exchange differences on transactions entered into to hedge foreign currency risks;
- Exchange differences on loans to or form a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.20.2. Foreign operations

The functional currency of the parent Company and the presentation currency of the financial statements is Nigerian Naira. The assets and liabilities of the Group's foreign operations are translated to Naira using exchange rates at the year end. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rate on transaction date is used. Goodwill acquired in business combinations of foreign operations are treated as assets and liabilities of that operation and translated at the closing rate.

Exchange differences are recognised in other comprehensive income and accumulated in a separate category of equity.

3.21. Segment reporting

The Group's operating segments are organized by the nature of the operations and further by geographic location into geographical regions; local and foreign to highlight the contributions of foreign operations to the Group. Due to the nature of the Group, Japaul Oil's Executive Committee regularly reviews operating activity on a number of bases, including by geographical region, customer Group and business activity by geographical region.

A segment is a distinguishable component of the Group that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's operating segments were determined in a manner consistent with the internal reporting provided to the Executive Committee, which represents the chief operating decision-maker, as this is the information CODM uses in order to make decisions about allocating resources and assessing performance.

All transactions between business segments are conducted on an arm's length basis, with intersegment revenue and costs being eliminated in Head office. Income and expenses directly associated with each segment are included in determining business segment performance.

4. Critical accounting estimates and judgement

The group makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both.

The estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities in the next financial statements are discussed below:

a.) Defined benefit obligation
The present value of defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the defined benefit obligation include the discount rate, the group determines the discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimate future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high- quality corporate bond that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the defined benefit obligation.

b.) Impairment of available-for-sale equity financial assets
The group determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.
Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c.) Impairment of property, plant and equipment and intangible assets
Management is required to make judgement concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate impairment exist.

d.) Others are:
i. Residual values of items of property, plant and equipment;
ii. Estimated useful lives of item of property, plant and equipment;
iii. Impairment of doubtful receivables.

5. Risk management framework
The primary objective of the group's risk management framework is to protect their stakeholders from

events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The group has established a risk management function with clear terms of reference from the board of Directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

The group's principal significant risks are assessed and mitigated under three broad headings:
Strategic risks – This specifically focused on the economic environment, the products offered and market. The strategic risks arose from a group's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inability to adapt to changes in its business environment.

Operational risks – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

Financial risks – Risk associated with the financial operation of the group, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The board of directors approves the group’s risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the group’s identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

5.1. Strategic risks
The following capital management objectives, policies and approach to managing the risks which affect its capital position are adopted by the group.

i. To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
ii. To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
iii. To retain financial flexibility by maintaining strong liquidity.
iv. To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
v. To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

Approach to capital management
The group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and customers.

The group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis.

The group's primary source of capital in 2016 is funding from the banks and foreign lenders.

There has been no significant changes to its capital structure during the past year from previous years.

5.2. Operational risks

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 such as provider tariffs, medical costs, premium review for adequacy, prompt premium payments and collections. Others are 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 unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- training and professional development.
- ethical and business standards.

5.3. Financial risks

The group has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Market risks

a Credit risks

Credit risks arise from a customer payment delays or outright default; inability to fully meet contractual obligations to providers. Exposure to this risk results from financial transactions with a customer.

The group has policies in place to mitigate its credit risks.

The group’s Enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the group. Compliance with the policy is monitored and exposures and breaches are reported to the group’s management. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Exposure to risk

The carrying amount of the group's financial instruments represents the maximum exposure to credit risk.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
Financial assets				
Fair value through other comprehensive income	**22,563**	25,786	**22,564**	25,787
Trade and other receivables	**4,862,434**	10,638,524	**10,473,879**	18,173,064
Cash and cash equivalents net of overdraft	**51,493**	255,716	**16,082**	1,028

	4,936,490	10,920,026	**10,512,525**	18,199,879

The debtors' age analysis is also evaluated on a regular basis for potential doubtful debts, where this is considered necessary. The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The group allows an average debtors period of 45 days after invoice date. It is the group's policy to assess debtors for recoverability on an individual basis and to make provision where it is considered necessary. In assessing recoverability the group takes into account any indicators of impairment up until the reporting date. The application of this policy generally results in debts between 46 and 60 days not being provided for unless individual circumstances indicate that a debt is impaired. Whilst 100% of debtors balances over 365 days are provided for.

The largest individual debtor corresponds to % of the total balance (2019: 29%) . Historically these debtors have always paid balances when due, unless the balance or the quality of goods or services delivered is disputed. No debtors'balances have been renegotiated during the year or in the prior year.

b Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The group employs policies and procedures to mitigate the it's exposure to liquidity risk.

c Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The group's principal transactions are carried out in naira and dollar and its financial assets are primarily denominated in the Naira. Although it has foreign operations. its exposure to foreign exchange risk is minimal as it also has liabilities denominated in foreign currencies to help mitigate risks that may arise.

6. Capital management

In the management of its capital, the group has certain objectives which it intends to achieve, these include:

- the safeguarding of the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and the provision of an adequate return to shareholders by pricing products and services commensurately with the level of risk.

- consistency with others in the industry, the group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital:
- net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. ordinary shares, share premium, retained earnings, and other reserves).

The net debt-to-capital ratios at **31 December 2020 and at 31 December 2019** were as follows:

	Group	Company

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
Total liabilities	**12,781,184**	18,680,827	**9,858,507**	17,557,226
Less: Cash and cash equivalents	**51,493**	255,716	**16,082**	1,028
Net debt	**12,729,691**	18,425,111	**9,842,425**	17,556,198
Total equity	**2,825,187**	5,949,640	**8,918,250**	9,379,852
Debt-to-capital ratio	**4.51**	3.10	**1.10**	1.87

The decrease in the debt-to-capital ratio during 2020 resulted primarily from the offset of borrowings a resultant effect of the settlement between the Company and Access Bank.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Financial instruments and fair values

As explained in Note 3.7, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or comprehensive income. These categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, amortized cost or fair value through profit or loss.

7**.1.** The fair value of financial assets together with the carrying amounts shown in the statement of financial position are as follows:

	Financial assets		Financial liabilities			
	Fair value through profit or loss N'000	Fair value through other comprehensive income N'000	Amortised cost N'000	Fair value through profit or loss N'000	Total carrying amount N'000	Fair value N'000
At 31 December 2020						
Assets						
Fair value through other comprehensive income	**-**	**22,563**	**-**	**-**	**22,563**	**22,563**
Trade and other receivables	**-**	**-**	**4,862,434**	**-**	**4,862,434**	**4,862,434**
Cash and cash equivalents	**51,493**	**-**	**-**	**-**	**51,493**	**51,493**
	51,494	**22,563**	**4,862,434**	**-**	**4,936,490**	**4,936,490**
Liabilities						
Trade and other payables	**-**	**-**	**6,734,804**		**6,734,804**	**6,734,804**
Loans and borrowings	**-**	**-**	**-**		**-**	**-**
Lease liability	**-**	**-**	**4,567,750**		**4,567,750**	**4,567,750**
Bank overdrafts	**-**	**-**		**-**	**-**	**-**
	-	**-**	**11,302,554**	**-**	**11,302,554**	**11,302,554**
At 31 December 2019						
Assets						
Available for sale assets	-	25,786	-	-	25,786	25,786
Trade and other receivables	-	-	10,638,524	-	10,638,524	10,638,524
Cash and cash equivalents	255,716	-	-	-	255,716	255,716
	255,716	25,786	10,638,524	-	10,920,026	10,920,026
Liabilities						
Trade and other payables	-	-	11,866,734	-	11,866,734	11,866,734
Loans and borrowings	-	-	-	-	-	-
Lease liability	-	-	5,000,000	-	5,000,000	5,000,000
Bank overdrafts	-	-		381,118	381,118	381,118
	-	-	16,866,734	381,118	17,247,852	17,247,852

7.2. Maturity profile of financial liabilities

7.2.1. Group - Maturity profile of financial liabilities

	Due within 1 year N'000	Due within 1-5 years N'000	Total N'000
31 December 2020			
Bank overdrafts	**-**	**-**	**-**
Trade and other payables	**6,734,804**	**-**	**6,734,804**
Lease liability	**-**	**4,567,750**	**4,567,750**
Bank term loans	**-**	**-**	**-**
	6,734,804	**4,567,750**	**11,302,554**

7.2.1. Group - Maturity profile of financial liabilities

	Due within 1 year N'000	Due within 1-5 years N'000	Total N'000
31 December 2019			
Bank overdrafts	381,118	-	381,118
Trade and other payables	11,866,734	-	11,866,734
Lease liability	-	5,000,000	5,000,000
	12,247,852	5,000,000	17,247,852

7.2.2. Company - Maturity profile of financial liabilities

	Due within 1 year N'000	Due within 1-5 years N'000	Total N'000
31 December 2020			
Trade and other payables	**4,164,875**	**-**	**4,164,875**
Lease liability	**-**	**4,567,750**	**4,567,750**
	4,164,875	**4,567,750**	**8,732,625**
31 December 2019			
Trade and other payables	11,377,803	-	11,377,803
Lease liability	-	5,000,000	5,000,000
	11,377,803	5,000,000	16,377,803

7.3. Fair valuation methods and assumptions

Cash and cash equivalents, trade receivables, trade payable and short term borrowings are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains in a separate component of equity at the end of the reporting year.

7.4. Fair value measurements recognised in the statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: for equity securities not listed on an active market and for which observable market data exist that the Group can use in order to estimate the fair value;
Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group maintains quoted investments in Access Bank Plc. valued at N22.6 million (2019 : N25.8 million) which are categorised as level 1, because the securities are listed on the floor of a recognised Exchange. There are no financial instruments in the level 2 and 3 categories for the year.

8. Operating Segment

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different service, and are managed separately. For each of the strategic business units, the Group's CEO reviews internal management reports on at least monthly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment	Description
Vessels' rental	This segment is responsible focus on carrying out Marine and Offshore Operations.
Chippings and crushing	This segment carries out Quarry, crushing and haulage services
Dredging	This segment is into dredging and sand mining services
Equipment rental	This segment rents equipment

The accounting policies of the reportable segments are the same as described in Notes 3.21.

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Information regarding the results of each reportable segment is included below.

9. Revenue

The following is an analysis of the Company's and Group's revenue for the year from continuing operations (excluding other incomes).

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
9.1.1 Categories of revenue:				
Chippings and crushing	**127,830**	126,680	-	-
Dredging	**183,754**	85,853	**183,754**	85,853
Equipment rental	**378,059**	512,939	**1,449**	**-**
	689,643	725,472	**185,203**	**85,853**

10. Direct Costs

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
Vessels' crew salaries and wages and maintenance	**11,722**	9,164	**-**	-
Dredging	**319,197**	165,091	**166,591**	38,089
Equipment repairs and maintenance	**98,617**	140,978	**67,054**	88,705
Other direct costs	**-**	2,703	**-**	-
Depreciation (Note 10.1)	**578,196**	1,350,929	**226,195**	927,698
	1,007,732	1,668,865	**459,840**	1,054,492
10.1. Depreciation expenses				
Owned plant and equipment	**578,197**	1,147,649	**226,195**	724,418
Leased equipment (Note 19)	-	203,280	-	203,280
	578,197	1,350,929	**226,195**	927,698
Gross loss	**(318,089)**	(943,393)	**(274,637)**	(968,639)
Gross loss margin	**-46%**	-130%	**-148%**	-1128%

10.2. The Company makes use of vessel hire services from Afrikdelta Marine Services Limited.

11. Operational segment

The group has four reportable segments. These segments engage in the provision of the following services: Dredging, Quarry, Offshore and Construction services and their results for the year as well as the comparative year are reported as follows:

	31-Dec-20					
	Dredging Services	Offshore Services	Quarry Services	Construction Services	Consolidation adjustments	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
11.1. Statement of profit or loss and other comprehensive income:						
Revenue:						
External revenue	185,203	376,610	127,830	-	-	689,643
Inter-segment revenue	-	-	-	-	-	-
Total Segment revenue	185,203	376,610	127,830	-	-	689,643
Direct cost	(459,840)	(293,462)	(254,430)	-	-	(1,007,732)
Other income	330,905	178,647	100,849	-	-	610,401
Operating (loss)/profit	(435,658)	(321,278)	(72,750)	-	-	(829,686)
Reportable segment (loss)/profit before income tax	(435,658)	(321,278)	(72,750)	-	-	(829,686)
Income tax expense	(1,337)	(160,521)	(5,201)	-	-	(167,059)
Loss from discontinued operation					(185,104)	(185,104)
Reportable segment (loss)/profit after income tax	(436,995)	(481,799)	(77,951)	-	-	(1,181,849)
Depreciation	(227,088)	(181,058)	(175,708)	-	-	(583,854)
11.2. Statement of financial position						
Operating assets	18,776,757	3,961,101	(1,688,453)	7,185,563	(12,628,597)	15,606,371
Operating liabilities	9,858,507	4,062,967	1,275,371	7,979,040	(10,394,701)	12,781,184

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	31-Dec-19					
	Dredging Services	**Offshore Services**	**Quarry Services**	**Construction Services**	**Consolidation adjustments**	**Total**
	₦'000	**₦'000**	**₦'000**	₦'000	**₦'000**	**₦'000**
11.3. Statement of profit or loss and other						
Revenue:						
External revenue	85,853	512,939	126,680	-	-	725,472
Inter-segment revenue	-	-	-	-	-	-
Total Segment revenue	85,853	512,939	126,680	-	-	725,472
Direct cost	(447,201)	(971,912)	(249,752)	-	-	(1,668,865)
Other income	43,339,892	438,366	37,874	-	-	43,816,132
Operating loss	40,757,744	387,512	(121,802)	-	5,300	41,028,754
Reportable segment profit/(loss) before income tax	40,757,744	387,512	(121,802)	-	5,300	41,028,754
Income tax expense	(69,870)	(41,587)	-	-	-	(111,457)
Reportable segment loss after income tax	40,687,874	345,925	(121,802)	-	5,300	40,917,297
Depreciation and amortisation	(227,088)	-	-	-	-	(227,088)
11.4. Statement of financial position						
Operating assets	27,201,753	3,950,116	(1,739,725)	7,185,563	(13,225,630)	23,372,077
Operating liabilities	19,204,511	3,570,332	1,152,572	7,979,040	(16,300,084)	15,606,371

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11.4. Geographical segment

The group operates both within and outside Nigeria and the results based on each geographical location are as follows:

	31-Dec-20				31-Dec-19			
	Within Nigeria	Outside Nigeria	Consolidation adjustments	Total	Within Nigeria	Outside Nigeria	Consolidation adjustments	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
11.4.1. Statement of profit or loss and other comprehensive income:								
Revenue:								
External revenue	**689,643**	**-**	**-**	**689,644**	725,472	-	**-**	725,472
Inter-segment revenue	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Segment revenue	**689,643**	**-**	-	689,644	725,472	-	-	725,472
Direct cost	**(1,007,732)**	**-**	**-**	**(1,007,732)**	(1,668,865)	-		(1,668,865)
Other income	**610,401**	**-**	**-**	**610,401**	43,816,132	-		43,816,132
Operating loss	**(826,437)**	**-**	**-**	**(826,437)**	42,236,901	-		42,236,901
Reportable segment loss before income tax	**(829,686)**	**-**	**-**	**(829,686)**	41,028,754	-	-	41,028,754
Taxation	**(167,059)**	**-**	**-**	**(167,059)**	(11,457)	-	-	(11,457)
Reportable segment loss after income tax	**(996,745)**	**-**	**-**	**(996,745)**	41,017,297	-	-	41,017,297
Depreciation and amortisation	**5,658**	**-**	**-**	**-**	19,118	-	-	19,118
11.4.2 Statement of financial position								
Operating assets	**15,606,371**	**-**	**-**	**15,606,371**	23,372,077			23,372,077
Operating liabilities	**12,781,184**	**-**	**-**	**12,781,184**	18,680,827			18,680,827

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
12. Other income				
Rent received from property	**51,708**	30,253	**51,708**	30,253
Provision and accruals no longer required	**430,627**	729,220	**278,982**	656,244
Effect of settlement (Note 12.1)	**-**	43,017,686	**-**	43,017,686
Foreign exchange gain	**113,166**	37,973	**15**	932
Sundry income	**14,900**	1,000	**200**	1,000
	610,401	43,816,132	**330,905**	43,706,115

12.1. In prior year, land, building and marine equipment pledged as collateral securities for various loans obtained by the company from Access Bank were ceded and debt waived. Ownership of some finance leases (Marine vessel, Continental 1 and Asha deep) were duly transferred to the Bank and associated debts (due and not due) were pardoned based on executed terms of settlement before the Federal High Court directive on suit no: FHC/L/CS/1222/2018. See Note 16,17,25 and 26 for details.

	Group		Company	
	2020	2019	**2020**	2019
13. Administration expenses	**N'000**	N'000	**N'000**	N'000
Personnel expenses (Note 13.1)	**149,055**	131,462	**112,721**	96,386
Director's remuneration	**55,811**	63,715	**55,811**	63,715
Bank charges	**998**	4,540	**297**	2,597
Travelling and accommodation	**44,954**	54,078	**36,026**	42,269
Repairs and maintenance	**5,114**	8,382	**5,114**	8,228
Security and cleaning	**80,896**	56,264	**55,202**	31,159
Insurance	**10,768**	6,499	**1,995**	1,349
Motor running	**12,301**	10,608	**10,661**	9,325
Diesel and electricity	**6,722**	5,117	**6,722**	5,117
Printing and stationery	**9,654**	7,328	**8,545**	6,694
Professional and legal fees	**53,003**	268,320	**51,988**	266,072
Auditors' remuneration	**7,288**	6,500	**6,988**	6,500
Board and AGM expenses	**16,679**	14,247	**16,679**	14,247
Licenses, rates and fees	**24,241**	14,316	**17,758**	8,516
Subscription and donation	**5,968**	3,594	**5,910**	3,509
Entertainment, advertisement and public relations	**8,785**	20,180	**7,588**	9,801
Depreciation and amortisation (Note 13.2)	**5,658**	19,118	**893**	12,574
Loss on disposal of property, plant and equipment (Note 13.3)	**620,628**	-	**87,541**	-
Bad and uncollectible debt	-	28,019	**-**	15
Impairment loss (Note 13.4)	**76**	(106,021)	**76**	163,940
Other office expenses	**150**	19,572	**150**	19,572
	1,118,749	635,838	**488,665**	771,585

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
13.1. Personnel expenses				
Salaries, wages and allowances	**131,300**	101,850	**98,060**	71,724
Contributions to pension fund scheme (Note 27.1)	**11,541**	25,585	**9,647**	22,002
Training, recruitment and canteen expenses	**1,864**	2,030	**1,277**	1,765
Medical expenses	**1,139**	1,997	**526**	895
Other personnel expenses	**3,211**	-	**3,211**	-
	149,055	131,462	**112,721**	96,386
13.2. Depreciation and amortisation expenses				
Depreciation of property, plant and equipment	**5,658**	19,118	**893**	12,574
13.3. (Loss)/gain on sale of property, plant and equipment				
Proceeds from sale	**633,159**	-	**189,410**	-
Gross value	**2,346,530**	-	**733,035**	-
Accumulated depreciation (Note 18)	**(1,092,742)**	-	**(456,083)**	-
Carrying amount	**1,253,788**	-	**276,952**	-
(Loss)/gain on disposal	**(620,629)**	-	**(87,542)**	-
13.4. Impairment loss				
Trade and other receivables (Note 24.1)	**-**	195,675	-	195,675
Inventories' written off	**-**	4,973	**-**	-
Impairment write back	**-**	(275,008)		
Impairment of investment in associates (Note	**-**	-	-	5,300
Impairment of bank balances (Note 24)	**76**	(31,661)	**76**	(37,035)
	76	(106,021)	**76**	163,940

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Discontinued operations

14.1. Disposal of Japaul Gulf Electro Mech Group

At the Board Meeting held on the 28 October 2020, the directors announced the plans to discontinue operation of Japual Gulf Electro Mech Group (Dubai/Omah). The discontinuation of operation is in light of the cease of business activities by the company in Dubai. The Group had earlier recognised a full impairment loss on investment in Japual Gulf Electro Mech business. The company's liabilities had been settled with the company's assets and the remaining assets written off before the reporting period.

14.2. Analysis of assets and liabilities of the disposed Japual Gulf Electro Mech Group

	Group		Company	
	2020 N'000	2020 N'000	**2020 N'000**	2020 N'000
Asset				
Total assets	**7,055,467**	-	-	-
Total assets	**7,055,467**	-	-	-
Liabilities				
Total liabilities	(7,848,944)	-	-	-
Equity				
Share capital	(158,788)	-	-	-
Non controlling interest:				
Opening retained earnings	(170,402)	-	-	-
Foreign Exchange Reserve A/C	1,286,387	-	-	-
	957,197	-	-	-
Total equity and liabilities	**(6,891,747)**	-	-	-
Net asset disposed	**163,720**	-	-	-
Expenses relating to the disposal				
Travelling expenses	**11,426**		11,426	
Closure of bank accounts	**(2,475)**		(2,475)	
Write off of bad debt	**12,433**		12,433	
Total expenses	**21,384**	-	**21,384**	-
Net Proceed amount received	-	-	-	-
Loss on disposal included in the profit for the year from discontinued operations	**185,104**	-	**21,384**	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
15. Finance cost and finance income				
15.1. Finance costs				
Finance lease interest	**9,096**	320,883	**9,096**	320,883
Operating lease interest	**-**	887,264	**-**	887,264
	9,096	1,208,147	**9,096**	1,208,147
15.2. Finance income				
Interest income	**(5,848)**	-	**(5,836)**	-
Net finance costs	**3,249**	1,208,147	**3,261**	1,208,147

15.3. Interest income represents income earned on bank deposits while interest expense represents charges paid on trade finance, loans and overdraft facilities utilised during the year.

16. Taxation

	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 N'000
16.1. Tax expense				
Income tax	**161,782**	81,931	**1,337**	47,355
Education tax	**5,277**	29,526	**-**	22,515
	167,059	111,457	**1,337**	69,870
Deferred tax (Note 16.4)	**-**	-	**-**	-
	167,059	111,457	**1,337**	69,870
16.2. Current income tax liability				
At 1 January	**198,580**	49,816	**78,620**	8,750
Tax paid	**-**	-	**-**	-
Current year charge (Note 16.1)	**167,059**	148,764	**1,337**	69,870
Withholding tax credit notes utilised	**(125,929)**	-	**(57,105)**	-
Under provision in prior years	**-**	-	**-**	-
At 31 December	**239,710**	198,580	**22,852**	78,620

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date and the Education Tax Act, CAP E4, LFN 2004.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
16.3. Reconciliation of effective tax rate				
Loss/(profit) before tax	**(829,686)**	41,028,754	**(435,658)**	40,757,744
Income tax expense	**167,059**	111,457	**1,337**	69,870
Effective tax rate	**(20%)**	0%	**(0%)**	0%
Tax calculated using the domestic corporation tax rate of 30% (31 December 2018 : 30%)	**-**	12,308,626	**-**	12,227,323
Non-deductible expenses	**-**	(1,974,985)	**-**	1,809,618
Effect of minimum tax	**161,782**	8,750	**1,337**	8,750
Effect of capital allowance	**-**	-	**-**	-
Balancing charge	**-**	-	**-**	-
Effect of education tax levy	**5,277**	29,526	**-**	22,515
Effect of unrelieved loss	**-**	-	**-**	-
Effect of Under provision in prior years	**-**	-	**-**	-
	167,059	10,371,917	**1,337**	14,068,206
16.4. Deferred tax liability				
At 1 January	**966,376**	958,111	**909,886**	909,886
Adjustment	-	8,265	**-**	-
Charge in the year (Note 16.1)	**-**	**-**	**-**	-
At 31 December	**966,376**	966,376	**909,886**	909,886

16.4.1. Deferred taxation is computed using the liability method in accordance with IAS 12 on "Income taxes". The deferred tax computation resulted in deferred tax assets of N7,030,615,904 (company N5,697,036,786) which has not been recognised in these consolidated financial statements on account of prudence.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
17. (Loss) /profit per share				
(Loss)/profit after taxation	**(1,181,849)**	40,917,297	**(458,379)**	40,687,874
Number of issued shares	**6,262,702**	6,262,702	**6,262,702**	6,262,702
Weighted average number of issued shares	**6,262,702**	6,262,702	**6,262,702**	6,262,702
(loss)/profit per share (kobo)	**(19)**	653	**(7)**	650

17.1. (loss)/profit per share (basic) have been computed for each year on the (loss)/profit after tax attributable to ordinary shareholders and divided by the weighted average number of issued and fully paid up to N0.50k ordinary share during the year.

18. Property, plant and equipment

18.1. The Group

The movement on this account during the year was as follows:

	Freehold and Leasehold Land	Buildings	Plant and machinery	Equipment, fixtures and fittings	Auto trucks and equipment	Motor vehicles	Marine equipment	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Costs:									
At 1 January 2019	**3,626,014**	**925,090**	**2,856,750**	**129,556**	**305,312**	**217,645**	**19,748,725**	**204,940**	**28,014,032**
Additions	-	-	-	140	-	-	-	-	140
Ceded assets	(1,439,654)	(651,063)	-	(5)	-	-	(10,043,014)	-	(12,133,736)
Write off	-	-	-	-	-	(22,864)	-	(204,940)	(227,804)
Translation difference	-	-		(7,131)	-	-	-	-	(7,131)
At 31 December 2019	**2,186,360**	**274,027**	**2,856,750**	**122,560**	**305,312**	**194,781**	**9,705,711**	**-**	**15,645,501**
At 1 January 2020	**2,186,360**	**274,027**	**2,856,750**	**122,560**	**305,312**	**194,781**	**9,705,711**	**-**	**15,645,501**
Additions				**1,181**		**1,900**	**-**	**64,015**	**67,096**
Disposal	**(105,920)**		**(124,377)**			**(3,843)**	**(2,112,390)**		**(2,346,530)**
Write off									**-**
Translation difference	**-**	**-**	**-**	**(40,500)**	**-**	**(109,991)**	**-**	**-**	**(150,491)**
At 31 December 2020	**2,080,440**	**274,027**	**2,732,373**	**83,241**	**305,312**	**82,847**	**7,593,321**	**64,015**	**13,215,576**
Accumulated depreciation :									
At 1 January 2019	**166,757**	**211,866**	**2,457,478**	**124,738**	**305,312**	**215,848**	**6,517,933**	**204,940**	**10,204,872**
Charge for the year	40	16,092	188,928	1,577	-	1,409	958,721	-	1,166,767
Ceded assets	-	(115,377)	-	-	-	-	(2,796,172)	-	(2,911,549)
Write off	-	-	-	-	-	(22,863)	-	(204,940)	(227,803)
Translation difference	-	-	-	(6,720)	-	-	-	-	(6,720)
At 31 December 2019	**166,797**	**112,581**	**2,646,406**	**119,595**	**305,312**	**194,394**	**4,680,482**	**-**	**8,225,567**
				-		-			
At 1 January 2020	**166,797**	**112,581**	**2,646,406**	**119,595**	**305,312**	**194,394**	**4,680,482**	**-**	**8,225,567**
Charge for the year	**40**	**4,141**	**182,622**	**616**	**-**	**861**	**395,574**	**-**	**583,854**
Disposal	**-**	**-**	**(119,866)**	**-**	**-**	**(3,843)**	**(969,033)**	**-**	**(1,092,742)**
Translation difference	**-**	**-**	**(6,426)**	**(38,161)**	**-**	**(109,989)**	**-**	**-**	**(154,576)**
At 31 December 2020	**166,837**	**116,722**	**2,702,736**	**82,050**	**305,312**	**81,423**	**4,107,023**	**-**	**7,562,103**
Carrying amount:									
At 31 December 2019	2,019,563	161,446	210,344	2,965	-	387	5,025,229	-	7,419,934
At 31 December 2020	**1,913,603**	**157,305**	**29,637**	**1,191**	**-**	**1,424**	**3,486,298**	**64,015**	**5,653,473**

a. Depreciation charge of N578.2 million (2019: N1.351 billion) for the vessels and other equipment are included in direct cost in the statement of profit or loss and other comprehensive income for the Group.

b. Depreciation charge of N5.7 million (2019: N19.1 billion) is included in administrative expenses in the statement of profit or loss and other comprehensive income.

c. Capital work in progress balance of N64 million refers to the capital expenditure incurred on items of property, plant and equipment. This expenditure is on the construction of Lekki Height project. The agreement is between Japaul Oil and Maritime services Plc. and Lagos state government.

d. There were no borrowing costs related to the acquisition of plant and equipment during the year (Dec 2019: Nil).

e. None of the assets of the Company has been pledged as security for borrowings.

18.2. Company

The movement on this account during the year was as follows:

	Freehold Land	Buildings	Plant and machinery	Equipment, fixtures and fittings	Motor vehicles	Marine equipment	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Costs:								
At 1 January 2019	**2,958,419**	**718,107**	**366,443**	**64,219**	**50,311**	**14,839,958**	**204,940**	**19,202,397**
Additions	-	-	-	140	-	-	-	140
Ceded assets (Note 15.2c)	(1,439,654)	(651,063)	-	(5)	-	(10,043,014)	-	(12,133,736)
Write off (Note 15.2d)	-	-	-	-	-	-	(204,940)	(204,940)
At 31 December 2019	**1,518,765**	**67,044**	**366,443**	**64,354**	**50,311**	**4,796,944**	**-**	**6,863,861**
At 1 January 2020	**1,518,765**	**67,044**	**366,443**	**64,354**	**50,311**	**4,796,944**	**-**	**6,863,861**
Additions	**-**	**-**	**-**	**905**	**1,900**	**-**	**33,603**	**36,408**
Disposal	(105,920)	-	(70,292)	-	(3,843)	(552,980)	-	**(733,035)**
Write off (Note 15.2d)	-	-	-	-	-	-	-	**-**
Revaluation/Impairment	-	-	-	-	-	-	-	**-**
At 31 December 2020	**1,412,845**	**67,044**	**296,151**	**65,259**	**48,368**	**4,243,964**	**33,603**	**6,167,234**
Accumulated depreciation and impairment:								
At 1 January 2019	**-**	**170,469**	**328,307**	**63,277**	**50,310**	**4,747,268**	**204,940**	**5,564,571**
Charge for the year	-	11,952	10,341	622	-	714,078	-	736,993
Ceded assets		(115,377)	-	-	-	(2,796,172)	-	(2,911,549)
Write off					1		(204,940)	(204,939)
At 31 December 2019	**-**	**67,044**	**338,648**	**63,899**	**50,311**	**2,665,174**	**-**	**3,185,076**
At 1 January 2020	**-**	**67,044**	**338,648**	**63,899**	**50,311**	**2,665,174**	**-**	**3,185,076**
Charge for the year	-	-	11,084	418	475	215,111	-	**227,088**
Disposal	-	-	(65,781)	-	(3,843)	(386,459)	-	**(456,083)**
Write off (Note 15.2d)	-	-	-	-		-	-	**-**
Revaluation/Impairment	-	-	-	-	-	-	-	**-**
At 31 December 2020	**-**	**67,044**	**283,951**	**64,317**	**46,943**	**2,493,826**	**-**	**2,956,081**
Carrying amount:								
At 31 December 2019	1,518,765	-	27,795	455	-	2,131,770	-	3,678,785
At 31 December 2020	**1,412,845**	**-**	**12,200**	**942**	**1,425**	**1,750,138**	**33,603**	**3,211,153**

a. Depreciation charge of N226.2 million (2019: N928 million) for the vessels and other equipments are included in direct cost in the statement of profit or loss and other comprehensive income for the Company .

b. Depreciation charge of N893 million(2019: N12.6 billion) is included in administrative expenses in the statement of profit or loss and other comprehensive income.

c. Capital work in progress balance of N33.6 million refers to as capital expenditure incurred on a construction of Lekki height between Japaul Oil and Maritime services in conglomeration with other companies as a party and Lagos state government as the other party.

d. Capital borrowing costs related to the acquisition of plant and equipment during the year was Nil (Dec 2019: Nil)

e. None of the assets of the Company has been pledged as security for borrowings.

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. Right-of-use assets

The movement on this account during the year is as follows:

	Group		Company	
	Marine equipment	Total	Marine equipment	Total
	N'000	N'000	N'000	N'000
Costs:				
At 1 January 2019	5,539,590	5,539,590	5,539,590	5,539,590
Additions	5,000,000	5,000,000	5,000,000	5,000,000
Ceded assets (Note 19.a)	(5,539,590)	(5,539,590)	(5,539,590)	(5,539,590)
31 December 2019	5,000,000	5,000,000	5,000,000	5,000,000
Adjusted balance at 1 January 2020	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**
	-	-	-	-
Addition	-	-		-
31 December 2020	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**
Accumulated depreciation:				
At 1 January 2019	1,863,897	1,863,897	1,863,897	1,863,897
Charge for the year	203,280	203,280	203,280	203,280
Ceded assets (Note 19.a)	**(2,067,177)**	(2,067,177)	**(2,067,177)**	(2,067,177)
31 December 2019	-	-	-	-
At 1 January 2020	-	-	-	-
Charge for the year	-	-	-	-
Ceded assets (Note 16.c)	-	-	-	-
31 December 2020	-	-	-	-
Carrying amount:				
At 31 December 2019	5,000,000	5,000,000	5,000,000	5,000,000
At 31 December 2020	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**

19.a In prior year, land, building and marine equipment pledged as collateral securities for various loans obtained by the Group from Access/Diamond Bank and accumulated finance lease obligations on Continental 1 through Marine Delivery PTE were waived through a debt pardon, and a return of associated assets to the owner (Charter) was mutually agreed by both parties to settle all obligations to the Bank based on duly executed terms of settlement before the Federal High Court directive in suit no: FHC/L/CS/1222/2018.

In the year 2019, marine equipment pledged as collateral securities for various loans obtained by the company from Access Bank were mutually agreed for take over to settle all obligations to the bank based on duly executed terms of settlement before the Federal High Court directive on suit no: FHC/L/CS/1222/2018.

Two dregers (JD xii & JD xiii with registration number SR 2525 & SR 2526 respectively) from the mutually agreed terms of settlement between the Company and Access Bank were leased backed to the company for a period of 6 years with a 1 year morantorium. The assets were leased for N5 billion.

Depreciation was not charged in the year because of the moratorium on the leased assets payment for one year, with depreciation and corresponding liability commencing from next year.

20. Subsidiaries Information

20.a. Investment in subsidiaries

Investment in subsidiaries comprise:

	Held by (Units) In thousand	% voting power	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 N'000
Japaul Shipping & Offshore Services Ltd (Note 20.1)	100%	100%	-	-	**25,000**	25,000
Japaul Mine & Products Ltd (Note 20.2)	100%	100%	-	-	**5,000**	5,000
Japaul Dredging Services Ltd (Note 20.3)	100%	100%	-	-	**10,000**	10,000
Japaul Gulf Electromechanical	49%	49%	-	-	-	79,820
			-	-	**40,000**	119,820
Impairment on investment in subsidiaries			-	-	-	(79,820)
			-	-	**40,000**	40,000

20.b. Subsidiaries undertaking

All shares in subsidiaries undertakings are ordinary shares.

Subsidiaries	Principal activity	Country of incorporation	Percentage held	Statutory year end
Japaul Shipping & Offshore Services Limited	Marine and offshore services	Nigeria	100%	31 December
Japaul Mine & Products Ltd	Quarry, crushing and haulage	Nigeria	100%	31 December
Japaul Dredging Services Ltd	Dredging and sand mining services	Nigeria	100%	31 December

20.1. Japaul Shipping & Offshore Services Limited

Japaul Shipping And Offshore Services Limited is an indigenous company, Incorporated in 2012 under the Nigerian Companies and Allied Matters Decree of 1990. The company was formed from the Offshore and Marine Division of Japaul Gold & Ventures Plc to be a self-sustained company with the focus on carrying out Marine and Offshore Operations.

20.2. Japaul Mines & Products Limited

Japaul Mines & Products Limited is a company incorporated in June 2007. It is domiciled in Nigeria and its principal operations are provision of quarry services, crushing and haulage of materials for construction companies and other end users of crushed granite. It is a wholly owned subsidiary of Japaul Gold & Ventures Plc.

20.3. Japaul Dredging Services

Japaul Dredging Services Limited is formerly a division of Japaul Gold & Ventures Plc but became a company incorporated in May 2011. It is domiciled in Nigeria and its principal operations are provision of dredging services to the oil majors, equipment fabrications, sand mining and reclamation activities. It is a wholly owned subsidiary of Japaul Gold & Ventures Plc.

20.4. Condensed financial statements of consolidated entities

The consolidated results of the consolidated entities of Japaul Gold & Ventures Plc are shown in Note 20.4.1a.
The Japaul Oil & Maritime Group in the condensed results includes the results of the underlisted entities:
- Japaul Shipping & Offshore Services Ltd
- Japaul Mine & Products Ltd
- Japaul Dredging Services Ltd

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20.4.1a. Condensed result of consolidated entities-2020
Summarised consolidated financial position

31 December 2020	Parent- Japaul Gold & Ventures Plc	Japaul Shipping & Offshore Services Ltd	Japaul Dredging Services Ltd	Japaul Mines & Products Ltd	Japaul Gulf Electro Mechenical	Electro Gabrro Quarries	Total	Elimination	Japaul Gold & Ventures Plc Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets									
Property, plant and equipment	3,211,153	1,738,433	703,886	-	2,338	-	5,655,810	(2,338)	5,653,472
Assets under finance lease	5,000,000	-	-	-	-	-	5,000,000	-	5,000,000
Investment in subsidiaries	40,000	-	-	-	-	-	40,000	(40,000)	-
Fair value through other comprehensive income	22,563	-	-	-	-	-	22,563	-	22,563
Inventories	-	-	-	-	12,527	-	12,527	(12,527)	-
Trade and other receivables	10,486,959	2,222,667	(2,392,339)	9,986	7,170,699	-	17,497,972	(12,619,132)	4,878,840
Cash and bank balances	16,082	35,129	14	268	251,021	-	302,514	(251,021)	51,493
Total assets	18,776,757	3,996,229	(1,688,439)	10,254	7,436,585	-	28,531,386	(12,925,018)	15,606,368
Liabilities									
Bank overdrafts	-	-	-	-	(381,118)	-	(381,118)	381,118	-
Trade and other payables	4,166,977	3,797,541	-	1,223,448	7,848,944	-	17,036,910	(10,300,005)	6,736,905
Defined contribution pension plan	147,753	18,886	30,408	-	-	-	197,047	-	197,047
Loans and borrowings	-	-	-	-	-	-	-	-	-
Finance lease facilities	4,567,750	-	-	-	-	-	4,567,750	-	4,567,750
Current income tax liability	22,852	208,601	8,257	-	-	-	239,710	-	239,710
Defined benefit plan	43,289	16,580	13,526	-	-	-	73,395	-	73,395
Deferred tax liability	909,886	56,490	-	-	-	-	966,376	-	966,376
Total liabilities	9,858,507	4,098,098	52,191	1,223,448	7,467,826	-	22,700,070	(9,918,887)	12,781,183
Net assets/(liabilities)	8,918,250	(101,869)	(1,740,630)	(1,213,194)	(31,241)	-	5,831,316	(3,006,131)	2,825,185
Equity									
Share capital	3,131,350	25,000	5,000	10,000	158,788	-	3,330,138	(198,788)	3,131,350
Share premium	16,440,679	-	-	-	-	-	16,440,679	-	16,440,679
Net loss sustained	(9,992,699)	(106,488)	(2,989,032)	-	334,122	-	(12,754,097)	(3,331,494)	(16,085,591)
Remeasurement reserve	(22)	(20,381)	20,208	-	-	-	(195)	-	(195)
AFS fair value reserve	8,610	-	-	-	-	-	8,610	-	8,610
Foreign exchange reserve	(669,668)	-	-	-	-	-	(669,668)	-	(669,668)
Non-controlling interest	-	-	-	-	(1,286,387)	-	(1,286,387)	1,286,387	-
Total equity	8,918,250	(101,869)	(2,963,824)	10,000	(793,477)	-	5,069,080	(2,243,895)	2,825,185

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Condensed result of consolidated entities-2020

	Parent-Japaul Gold & Ventures Plc	Japaul Shipping & Offshore Services Ltd	Japaul Dredging Services Ltd	Japaul Mines & Products Ltd	Japaul Gulf Electro Mechanical	Electro Gabrro Quarries	Total	Elimination	Japaul Gold & Ventures Plc Group
31 December 2020	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Summarised statement profit or loss and other comprehensive income									
Revenue	**185,203**	**376,610**	-	**127,830**	**-**	**-**	**689,643**	**-**	**689,643**
Direct cost	**(459,840)**	**(293,462)**	**-**	**(254,430)**	**-**	**-**	**(1,007,732)**	**-**	**(1,007,732)**
Gross (loss)/profit	**(274,637)**	**83,148**	**-**	**(126,600)**	**-**	**-**	**(318,089)**	**-**	**(318,089)**
Other income	**330,905**	**178,647**	**-**	**100,849**	**-**	**-**	**610,401**	**-**	**610,401**
Administrative expenses	**(488,665)**	**(574,734)**	**-**	**(59,498)**	**-**	**-**	**(1,122,897)**	**4,148**	**(1,118,749)**
Operating (loss)/profit	**(432,397)**	**(312,938)**	**-**	**(85,249)**	**-**	**-**	**(830,585)**	**4,148**	**(826,437)**
Net finance (costs)/income	**(3,261)**	**12**	**-**	**-**	**-**	**-**	**(3,249)**	**-**	**(3,249)**
Profit/(loss) before taxation	**(435,658)**	**(312,926)**	**-**	**(85,249)**	**-**	**-**	**(833,834)**	**4,148**	**(829,686)**
Income tax expense	**(1,337)**	**(160,521)**	**-**	**(5,201)**	**-**	**-**	**(167,059)**	**-**	**(167,059)**
(Loss)/profit/ for the year	**(436,995)**	**(473,447)**	**-**	**(90,450)**	**-**	**-**	**(1,000,892)**	**4,148**	**(996,744)**
31 December 2020		(321,278)		(72,750)					
Summarised statement of cash flows									
Net cash from operating activities	**294,302**	**(268,739)**	**-**	**17,519**	**-**	**-**	**43,082**	**-**	**43,082**
Net cash from investing activities	**153,002**	**430,958**	**-**	**(17,912)**	**-**	**-**	**566,048**	**-**	**566,048**
Net cash used in financing activities	**(432,250)**	**-**	**-**	**-**	**-**		**(432,250)**	**-**	**(432,250)**
Net cash and cash equivalents	**15,054**	**162,219**	**-**	**(393)**	**-**	**-**	**176,880**	**-**	**176,880**
Cash and cash equivalents at 1 January	**1,028**	**(127,091)**	**-**	**661**	**-**	**-**	**(125,402)**	**-**	**(125,402)**
Cash and cash equivalents at 31 December	**16,082**	**35,128**	**-**	**268**	**-**	**-**	**51,478**	**-**	**51,478**

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20.4.1b. Condensed result of consolidated entities-2019
Summarised consolidated financial position

31 December 2019	Parent- Japaul Gold & Ventures Plc N'000	Japaul Shipping & Offshore Services Ltd N'000	Japaul Dredging Services Ltd N'000	Japaul Mines & Products Ltd N'000	Japaul Gulf Electro Mechanical N'000	Total N'000	Elimination N'000	Japaul Gold & Ventures Plc Group N'000
Assets								
Property, plant and equipment	3,678,785	2,896,053	-	842,758	2,338	7,419,934	-	7,419,934
Right-of-use Assets	5,000,000	-	-	-	-	5,000,000	-	5,000,000
Investment in subsidiaries	40,000	-	-	-	-	40,000	(40,000)	-
Available for sale financial assets	25,786	-	-	-	-	25,786	-	25,786
Inventories	-	-	-	-	12,527	12,527		12,527
Trade and other receivables	18,191,479	1,054,064	10,000	(2,582,482)	7,170,699	23,843,760	(13,185,646)	10,658,114
Cash and bank balances	1,028	2,993	-	674	251,021	255,716	-	255,716
Total assets	26,937,078	3,953,110	10,000	(1,739,050)	7,436,585	36,597,723	(13,225,646)	23,372,077
Liabilities								
Bank overdrafts	-	-	-	-	381,118	381,118	-	381,118
Trade and other payables	11,379,904	3,365,309	-	1,108,676	7,848,944	23,702,833	(11,833,016)	11,869,817
Defined contribution pension plan	146,212	18,741	-	27,274	-	192,227	-	192,227
Loans and borrowings	-	-	-	-	-	-	-	-
Finance lease facilities	5,000,000	-	-	-	-	5,000,000	-	5,000,000
Current income tax liability	78,620	116,206	-	3,754	-	198,580	-	198,580
Defined benefit plan	42,604	16,579	-	13,525	-	72,708	-	72,708
Deferred tax liability	909,886	56,490	-	-	-	966,376	-	966,376
Total liabilities	17,557,226	3,573,325	-	1,153,229	8,230,062	30,513,842	(11,833,016)	18,680,826
Net (liabilities)/assets	9,379,852	379,785	10,000	(2,892,279)	(793,477)	6,083,881	(1,392,630)	4,691,251
Equity								
Share capital	3,131,350	25,000	10,000	5,000	158,788	3,330,138	(198,788)	3,131,350
Share premium	16,440,679	-	-	-	-	16,440,679	-	16,440,679
Net loss sustained	(9,534,320)	375,164	-	(2,917,505)	334,122	(11,742,539)	(3,161,202)	(14,903,741)
Remeasurement reserve	(22)	(20,380)	-	20,207	-	(195)	-	(195)
AFS fair value reserve	11,833	-	-	-	-	11,833	-	11,833
Foreign exchange reserve	(669,668)	-	-	-	(968,644)	(1,638,312)	2,908,026	1,269,714
Non-controlling interest	-	-	-	-	(317,743)	(317,743)	(940,646)	(1,258,389)
Total equity	9,379,852	379,784	10,000	(2,892,298)	(793,477)	6,083,861	(1,392,610)	4,691,251

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

31 December 2019	Parent- Japaul Oil & Maritime Plc	Japaul Shipping & Offshore Services Ltd	Japaul Dredging Services Ltd	Japaul Mines & Products Ltd	Japaul Gulf Electro Mechanical	Total	Elimination	Japaul Oil & Maritime Group
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Summarised statement profit or loss and other comprehensive income								
Revenue	85,853	512,939	-	126,680	-	725,472	-	725,472
Cost of sales	(1,054,492)	(364,622)	-	(249,751)	-	(1,668,865)	-	(1,668,865)
Gross (loss)/profit	(968,639)	148,317	-	(123,071)	-	(943,393)	-	(943,393)
Other income	43,706,115	35,101	-	74,916	-	43,816,132	-	43,816,132
Administrative expenses	(771,585)	204,094	-	(73,647)	-	(641,138)	5,300	(635,838)
Operatingprofit/(loss)	41,965,891	387,512	-	(121,802)	-	42,231,601	5,300	42,236,901
Net finance costs	(1,208,147)	-	-	-	-	(1,208,147)	-	(1,208,147)
Profit/(Loss) before taxation	40,757,744	387,512	-	(121,802)	-	41,023,454	5,300	41,028,754
Income tax expense	(69,870)	(41,286)	-	(301)	-	(111,457)	-	(111,457)
Profit/Loss) for the year	**40,687,874**	**346,226**	**-**	**(122,103)**	**-**	**40,911,997**	**5,300**	**40,917,297**

31 December 2019	Parent- Japaul Oil & Maritime Plc	Japaul Shipping & Offshore Services Ltd	Japaul Dredging Services Ltd	Japaul Mines & Products Ltd	Japaul Gulf Electro Mechanical	Total	Elimination	Japaul Oil & Maritime Group
Summarised statement of cash flows								
Net cash from operating activities	786	134,564	-	(6,601)	-	128,749	-	128,749
Net cash used in investing activities	(5,000,140)	-	-	-	-	(5,000,140)	-	(5,000,140)
Net cash used in financing activities	5,000,000	-	-	-	-	5,000,000	-	5,000,000
Net cash and cash equivalents	646	134,564	-	(6,601)	-	128,609	-	128,609
Cash and cash equivalents at 1 January	382	5,118	-	9,595	-	15,095	-	15,095
Effect of foreign exchange on foreign operation	(772,838)	-	-	-	-	-	-	-
Cash and cash equivalents at 31 December	(771,810)	139,682	-	2,994	-	143,704	-	143,704

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
21. Investment in associates				
Japaul Infrastructure Limited (Note 21.1)	**-**	-	**1,000**	1,000
Japaul Energy Limited (Note 21.2)	**-**	-	**4,300**	4,300
	-	-	**5,300**	5,300
Impairment on investment in associates (Note 21.4)	**-**	-	**(5,300)**	**(5,300)**
	-	-	**-**	-
Japaul Infrastructure Limited				
At 1 January	**1,000**	1,000	**1,000**	1,000
Share of loss in associate	**(1,000)**	**(1,000)**	**-**	**-**
At 31 December	**-**	-	**1,000**	1,000
Japaul Energy Limited				
At 1 January	**4,300**	4,300	**4,300**	4,300
Share of loss in associate	**(4,300)**	**(4,300)**	**-**	-
At 31 December	**-**	-	**4,300**	4,300

21.1. Japaul Infrastructure Limited

Japaul Infrastructures Limited is a company incorporated in July 2012. It is domiciled in Nigeria and its principal operations is road and building construction. It is an associate of JAPAUL GOLD & VENTURES PLC as the company has 10% of its shareholding and controls its finance and operational policies therefore has significant influence in it.

21.2. Japaul Energy Limited

Japaul Energy Limited is a company incorporated in April 2011. It is domiciled in Nigeria and its principal operations are downstream operations of petroleum products and allied products. It is an associate of JAPAUL GOLD & VENTURES PLC as the company has 43% of its shareholding and therefore has significant influence in it.

21.3. Associates undertakings

Summarised financial information of the Group's principal associates are as follows:

	Total assets	Total liabilities	Gross profit/(loss)	Profit /(Loss) before tax
	N'000	N'000	N'000	N'000
31 December 2020				
Japaul Infrastructure Limited	**10,021**	**801,686**	-	-
Japaul Energy Limited	**3,284,503**	**3,939,742**	-	-
31 December 2019				
Japaul Infrastructure Limited	10,021	801,686	119,944	16,540
Japaul Energy Limited	3,284,503	3,939,742	(105,890)	(377,507)

21.4. The investment in the two associate companies have been defunct. Thus, no operations in the year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
22. Financial assets fair value through other comprehensive income				
Access Bank Plc (Note 22.1)	**22,563**	25,786	**22,563**	25,786
	22,563	25,786	**22,563**	25,786
22.1. Access Bank Plc				
Ordinary shares (2,578,699 units) fair value	**25,786**	17,534	**25,786**	17,534
Fair value (loss)/gain (Note 29.6)	**(3,223)**	8,252	**(3,223)**	8,252
Market value at year end	**22,563**	25,786	**22,563**	25,786
23. Inventories				
Quarry/Aggregates	-	12,527	**-**	**-**
	-	12,527	**-**	-

a.) Inventories to the value of Nil (Dec 2019: Nil) are carried at net realisable value.

b.) During the year, Nil (2019: Nil) of inventory was sold and recognised as direct costs in the statement of profit or loss and other comprehensive income (Note 10).

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
24. Trade and other receivables				
Trade receivables	**337,206**	686,140	**35,182**	39,220
Lease rental receivable	**44,739**	-	**44,739**	-
Receivables from related parties (Note 31.1.2)	**2,964,075**	8,706,489	**8,978,137**	16,800,283
Prepayments	**16,408**	19,590	**13,080**	18,415
Staff debtors	**2,858**	5,281	**2,857**	2,882
Withholding tax recoverable	**237,130**	132,346	**82,284**	-
Other debit balances (Note 24.2)	**1,524,020**	2,034,095	**1,524,020**	1,524,019
	5,126,436	11,583,941	**10,680,299**	18,384,819
Impairment allowance (Note 24.1)	**(247,594)**	(925,827)	**(193,340)**	(193,340)
	4,878,842	10,658,114	**10,486,959**	18,191,479
24.1. Impairment allowance movement:				
At 1 January	**925,827**	1,970,744	**193,340**	644,451
Translation difference	**-**	(393,806)	**-**	-
Write off	**(678,233)**	(846,786)	**-**	(646,786)
Write back in the year	**-**	(423,761)	**-**	**-**
Charge in the year (Note 13.5)	**-**	619,436	**-**	195,675
At 31 December	**247,594**	925,827	**193,340**	193,340

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
24.2. Other debit balances				
Investment- Bsmec Offshore Nig Ltd	**8,880**	84,356	**8,880**	8,880
Access Bank Working Capital	**1,500,000**	1,500,000	**1,500,000**	1,500,000
Other Non Trade Debtors	**12,940**	447,539	**12,940**	12,939
Pacific Maritime	**2,200**	2,200	**2,200**	2,200
	1,524,020	2,034,095	**1,524,020**	1,524,019
25. Cash and bank balances				
Cash in hand	**16,856**	2,394	**16,564**	663
Cash at banks	**72,317**	290,926	**30,830**	31,601
	89,173	293,320	**47,394**	32,264
Impairment on dormant current accounts (Note 25.2)	**(37,680)**	(37,604)	**(31,312)**	(31,236)
	51,493	255,716	**16,082**	1,028
25.1. Bank overdrafts (Note 25.1a)	**-**	(381,118)	**-**	-
Cash and cash equivalents in the statement of cash flows	**51,493**	(125,402)	**16,082**	1,028

25.1a. This represents the overdrawn current account from Commercial bank of Dubai.

	Group 2020	Group 2019	Company 2020	Company 2019
25.2. Impairment on dormant current accounts				
At 1 January	**37,604**	69,265	**31,236**	68,271
Write back in the year	**-**	(37,035)	**-**	(37,035)
Charge in the year (Note 13.4)	**76**	5,374	**76**	**-**
At 31 December	**37,680**	37,604	**31,312**	31,236

	Group 2020	Group 2019	Company 2020	Company 2019
26. Trade and other payables				
Trade payables	**752,832**	901,918	**589,014**	662,496
Payables to related parties (Note 32.2.2)	**1,990,570**	7,537,144	**2,731,108**	9,834,880
Other payables	**3,700,246**	2,247,996	**645,277**	713,502
Payment received on account of projects	**-**	838,674	**-**	-
Withholding tax, VAT, PAYE, etc.	**184,336**	290,640	**92,656**	116,564
Accruals	**2,102**	3,083	**2,102**	2,101
Advance rent received	**106,820**	50,362	**106,820**	50,361
	6,736,906	11,869,817	**4,166,977**	11,379,904

JAPAUL GOLD & VENTURES PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
27. Long term employee benefits				
Defined contribution plan (Note 27.1)	**197,047**	192,227	**147,753**	146,212
Defined benefit plan (Note 27.2)	**73,395**	72,709	**43,289**	42,604
	270,442	264,936	**191,042**	188,816
27.1. Movement in defined contribution pension plan:				
At 1 January	**192,227**	140,163	**146,212**	98,067
Deductions (Note 13.1)	**11,541**	52,064	**9,647**	48,145
Remittances	**(6,721)**	-	**(8,106)**	-
At 31 December	**197,047**	192,227	**147,753**	146,212
27.2. Movement in defined benefit plan:				
At 1 January	**72,709**	72,709	**42,604**	42,604
Re-measurement loss	**686**	-	**685**	-
At 31 December	**73,395**	72,709	**43,289**	42,604
Present value of defined benefit obligation	**73,395**	72,709	**43,289**	42,604
Fair value of plan assets	**-**	-	**-**	-
Unrecognised past service costs	**-**	-	**-**	-
Unrecognised actuarial gains/losses	**-**	-	**-**	-
Analysis:				
27.2a. At 1 January	**72,709**	72,709	**42,604**	42,604
Curtailment and settlement	**-**	**-**	**-**	-
At 31 December	**72,709**	72,709	**42,604**	42,604
27.2b. Amount recognised in the statement of profit or loss and other comprehensive income is as follows:				
Current service costs	**-**	-	**-**	-
Gain/loss on curtailment	**-**	-	**-**	-
	-	-	**-**	-
The principal actuarial assumptions used were:				
Discount rate	**0%**	14%	**0%**	14%
Inflation rate	**0%**	12%	**0%**	12%
Future salary increases	**0%**	12%	**0%**	12%

Assumptions regarding future mortality experiences are set based on actuarial advices, published statistics and experience in each territory.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
28. Lease liability				
Access Bank Plc. (Note 28.2)	**4,567,750**	5,000,000	**4,567,750**	5,000,000
	4,567,750	5,000,000	**4,567,750**	5,000,000

28.1. Access Bank Plc.

As part of the settlement agreement entered into by the Company with Access bank in 2019, two dredgers JDXII & JDX III with registration number SR 2525 & SR 2526 respectively taken over by the bank are to be released back to the Company for 6 years with 1 year moratorium on rental payment on or before 31 January 2021 to 30 January 2026 with equal annual repayment of N1 billion each.

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
28.2. Movement in finance lease facilities				
At 1 January	**5,000,000**	11,466,648	**5,000,000**	11,466,648
Addition in the year	**-**	5,000,000	**-**	5,000,000
Settlements	**(432,250)**	(11,466,648)	**(432,250)**	(11,466,648)
At 31 December	**4,567,750**	5,000,000	**4,567,750**	5,000,000
28.3. Analysed of finance lease facilities				
Current portion	**-**	-	**-**	-
Non-current	**4,567,750**	5,000,000	**4,567,750**	5,000,000
	4,567,750	5,000,000	**4,567,750**	5,000,000
29. Share capital and reserves				
Ordinary shares				
29.1. Authorised:				
7,000,000,000 ordinary shares of 50k each	**3,500,000**	3,500,000	**3,500,000**	3,500,000
29.2. Issued and fully paid:				
6,262,701,716 ordinary shares of 50k each				
At 31 December	**3,131,350**	**3,131,350**	**3,131,350**	3,131,350

29.2.1. In line with the Company's regulations of 2020 released by the Coprorate Affairs Commision in December 2020, a company that has unissued shares in its capital shall, not later than 30th June 2021, fully issued such shares.

29.3. Share premium				
At 31 December	**16,440,679**	**16,440,679**	**16,440,679**	16,440,679

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
29.4. Loss sustained				
At 1 January	**(14,903,741)**	(55,775,131)	**(9,534,320)**	(50,222,194)
Adjustment	**-**	(45,907)	**-**	-
(Loss)/profit for the year	**(1,181,849)**	40,917,297	**(458,379)**	**40,687,874**
At 31 December	**(16,085,590)**	(14,903,741)	**(9,992,699)**	(9,534,320)

29.4.1. Loss sustained represent the carried forward recognised loss net of expenses plus current year profit/(loss) attributable to shareholders.

	Group		Company	
29.5. Remeasurement reserve				
At 1 January	**(195)**	(195)	**(22)**	(22)
Actuarial loss on defined benefit plan	**-**	**-**	**-**	-
At 31 December	**(195)**	(195)	**(22)**	(22)

29.5.1. Remeasurement reserves represent the carried forward recognised in other comprehensive income/(loss) on actuarial gain/(loss) plus current year
.

	Group		Company	
29.6. Fair value reserve				
At 1 January	**11,833**	3,581	**11,833**	3,581
Fair value (loss)/gain for the year(Note 22.1)	**(3,223)**	8,252	**(3,223)**	**8,252**
At 31 December	**8,610**	11,833	**8,610**	11,833

29.6.1. Fair value reserves represent the carried forward recognised other comprehensive income/(loss) on fair value gain/(loss) and less tax plus current year.

	Group		Company	
29.7. Foreign currency translation reserve				
At 1 January	**1,269,714**	1,600,426	**(669,668)**	(669,668)
Loss for the year	**(1,939,381)**	(330,712)	**-**	-
At 31 December	**(669,667)**	1,269,714	**(669,668)**	(669,668)

29.7.1. This represents net exchange difference arising from translation of foreign operations.

	Group		Company	
29.8. Non-controlling interest				
At 1 January	**(1,258,390)**	(940,647)	**-**	-
Loss for the year	**-**	-	**-**	-
Exchange loss on foreign operations	**1,258,390**	(317,743)	**-**	-
At 31 December	**-**	(1,258,390)	**-**	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
30. Reconciliation of net cash from operating activities				
Net (loss)/profit after tax	**(1,181,849)**	40,917,297	**(458,379)**	40,687,874
Adjustments to reconcile net(loss)/profit to net cash provided by operating activities:				
Depreciation of property, plant and equipment	**583,854**	1,166,767	**227,088**	736,992
Depreciation of leased assets	**-**	203,280	**-**	203,280
Adjustment to property, plant and equipment	**(4,085)**	(825)	**-**	-
Impairment loss on investment in associate companies	**-**	**-**		5,300
24)	**(678,233)**	195,675	**-**	195,675
Foreign currency translation reserve	**(1,939,381)**	-	**-**	
Changes in non-controlling interest	**1,258,390**	-	**-**	
Recovery and written off on trade and other receivables	**-**	(1,270,547)	**-**	(646,786)
Inventories written off	**-**	4,973	**-**	**-**
Defined contribution charged	**4,820**	52,065	**1,541**	48,145
Current service costs	**686**	**-**	**685**	-
Effect of settlement (Note 12.1)		(43,017,686)		(43,017,686)
equipment	**620,629**	-	**87,541**	-
Provision no longer required		384,201		387,503
Changes in assets and liabilities:				
Changes in inventories	**12,527**	7,178	**-**	-
Changes in trade and other receivables	**6,457,505**	(6,260,480)	**7,704,520**	(7,997,422)
Changes in trade and other payables	**(5,132,911)**	7,627,129	**(7,212,926)**	9,328,041
Changes in current income tax liability	**41,130**	111,457	**(55,768)**	69,870
Changes in deferred tax liability	**-**	8,265	**-**	-
Total adjustments	**1,224,931**	(40,788,548)	**752,681**	(40,687,088)
Cash flows from operating activities	**43,082**	128,749	**294,302**	786

31. Related party transactions/balances

During the year, the Group had significant business dealings with other companies that have common directors with the Company and those that are members of the Group. Details of these are described below:

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
31.1. Amount due from related companies:				
31.1.1. Amount due from subsidiary companies				
Japaul Shipping & Offshore Services Ltd	**577,673**	487,986	**4,144,361**	11,965,322
Japaul Mines & Products Limited	**1,279,167**	79,449	**4,659,795**	4,660,980
Japaul Dredging	**9,986**	9,986	**-**	-
Emirates Gabbro Quarry LLC, U.A.E.	**-**	7,028,103	**-**	-
	1,866,826	7,605,524	**8,804,156**	16,626,302

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
31.1.2 Amount due from associate companies				
Japaul Infrastructure Limited	**897,290**	900,949	**-**	-
Japaul Energy Limited	**199,959**	200,016	**173,981**	173,981
	1,097,249	1,100,965	**173,981**	**173,981**
Total amount due from related companies	**2,964,075**	8,706,489	**8,978,137**	16,800,283
31.2 Amount due to related companies:				
31.2.1 Amount due to subsidiary companies				
Japaul Shipping & Offshore Services Ltd	**1,153,324**	6,853,693	**1,881,746**	1,177,398
Japaul Mines & Products Limited	**165,449**	101,736	**163,199**	162,793
Japaul Dredging	**547,936**	457,854	**582,302**	582,302
	1,866,709	7,413,283	**2,627,247**	1,922,493
31.2.2 Amount due to associate companies				
Japaul Infrastructure Limited	**-**	**-**	**-**	-
Japaul Energy Limited	**123,861**	**123,861**	**103,861**	103,861
Japaul - Investment Dubai Office	**-**	**-**	**-**	7,808,527
	123,861	123,861	**103,861**	7,912,388
Total amount due to related companies	**1,990,570**	7,537,144	**2,731,108**	9,834,881

31.3 Analysis of related party transactions Company only

Name	Nature of transaction	**2020**	2019
		N'000	N'000
Japal Offshore & Shipping Ltd	Intercompany receivables	**2,262,615**	10,787,924
Japaul Mines & Products Ltd	Intercompany receivables	**4,496,596**	4,498,187
Japaul Energy Ltd	Intercompany receivables	**70,120**	70,120

	Group		Company	
	2020	2019	**2020**	2019
	N'000	N'000	**N'000**	N'000
32 Information regarding directors and employees				
32.1 Directors' emoluments comprise:				
Fees:				
- Chairman	**3,000**	3,000	**3,000**	3,000
- Other Directors	**6,360**	3,938	**6,360**	3,938
Other emoluments as executives	**46,451**	56,777	**46,451**	56,777
	55,811	63,715	**55,811**	63,715
Chairman	**3,000**	3,000	**3,000**	3,000
Highest paid director	**-**	-	**-**	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	Number	Number	**Number**	Number
32.2 Employees				
Average number of persons employed during the year:				
Management	**15**	**18**	**14**	13
Administration	**52**	**74**	**42**	48
Others	**65**	**117**	**39**	46
	132	209	**95**	107
32.3 The number of employees with gross emoluments within the following bands were:				
N N				
1,000,001 - 2,000,000	**98**	162	**66**	76
2,000,001 - 3,000,000	**15**	20	**14**	15
3,000,001 - 4,000,000	**6**	7	**4**	4
4,000,001 - 5,000,000	**5**	6	**5**	5
5,000,001 - 6,000,000	**3**	4	**2**	2
6,000,001 and above	**5**	10	**4**	5
	132	209	**95**	107
	N'000	N'000	**N'000**	N'000
32.4 Employees' costs:				
Salaries, wages and allowances	**131,300**	101,850	**98,060**	71,724
Contributions to pension fund scheme	**11,541**	25,585	**9,647**	22,002
Training, recruitment and canteen expenses	**1,864**	2,030	**1,277**	1,765
Medical expenses	**1,139**	1,997	**526**	895
Other personnel expenses	**3,211**	-	**3,211**	-
	149,055	131,462	**112,721**	96,386

33 Events after statement of financial position date

The Directors are of the opinion that no other events or transactions have occurred since the reporting date, which would have had a material effect on the financial statements as at that date or which needs to be mentioned in the financial statements in the interests of fair presentation of the company's financial position as at the reporting date or its result for the year then ended.

33.1 Impact of Covid-19 on the Company's operations

The impact of COVID-19 continues, but becoming less impactful on our business, particularly with near complete easing n Nigeria. Compulsory tests for travellers and access to some major locations including discovery, development and dispensing of COVID treatment drugs across the world is limiting its impact on further spread or a third wave of the pandemic. The impact on human loss, economic, business and commercial consequence will continue to ease by our by our projection. We project complete easing by the end of third quarter of 2021.

However, key areas of impact on our business are on the importation of spare parts and access to technical support for our regular and high technology equipment. Others include travel restriction and associated frustration for our technical personnel. Business operations at our various sites are still operating with high precaution and intermittent shutdown to enforce compliance with the NCDC procedures.

Nonetheless, our current assessment and projection of the situation giving considerations to WHO (World Health Organisation's) monitoring report, NCDC briefings and directives and global government action on the pandemic, including our internal operational impact assessment, the pandemic does not pose any going concern issues to our business, except for the loss of income, creating imbalance with recurrent expenditures. We have had to continue maintaining and running the marine craft which must be manned at all times, retain all our personnel and continue to pay salaries of employees, keep in touch with employees to ensure necessary safety precautions as advised by NCDC are followed to the latter.

In keeping our operations running, we have fully trained our personnel and activated the online streaming on various technology enabled mobile application for meetings, briefings, on-site inspections, spare parts and operation assessments. We continue to provide masks for all employees, hand washing, temperature gauge (to screen potentially infected people), maintaining social distancing and mandatory use of sanitizers before entering into the office or having contact with anyone. We have also encouraged employees and contractors to keep in touch with the daily public address of the Presidential task force and WHO on COVID-19 for proactive actions when necessary.

34. Contingent liabilities

There were contingent liabilities at 31 December 2020 amounting to N80 million (31 December 2019 : Nil) in respect of legal claims made against the group. The Board of Directors are of the opinion that the liabilities will not crystallise, and therefore no provision is made in these consolidated financial statements.

35. Comparative figures

Certain comparative figures in these financial statements have been restated to give a more meaningful comparison.

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Other National Disclosures

JAPAUL GOLD & VENTURES PLC

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2020

	The Group				The Company			
	31-Dec-20		31-Dec-19		31-Dec-20		31-Dec-19	
	₦'000	%	₦'000	%	₦'000	%	₦'000	%
Turnover	**689,643**		725,472		**185,203**		85,853	
Other income	**616,249**		43,816,132		**336,741**		43,706,115	
	1,305,892		44,541,604		**521,944**		43,791,968	
Bought-in-material and services:								
- Local	**(1,578,676)**		(803,194)		**(630,080)**		(789,418)	
- Imported	**-**		-		**-**		-	
Value (eroded)/added	**(272,785)**	**(100)**	43,738,410	(100)	**(108,137)**	(100)	43,002,550	(100)
Applied as follows:-								
To pay employees:								
- Salaries, wages and other staff costs	**149,055**	**55**	131,462	-	**112,721**	**105**	96,386	-
To pay Government:								
- Corporate income tax	**167,059**	**61**	111,457	-	**1,337**	**1**	69,870	**-**
To pay providers of capital:								
- Interest on borrowings	**9,096**	**3**	1,208,147	(3)	**9,096**	**8**	1,208,147	(3)
To provide for replacement of assets dividend to shareholders and development of business								
- Depreciation of property, plant and equipment	**583,854**	**214**	1,166,767	(3)	**227,088**	**210**	736,993	(2)
- Depreciation of assets under finance lease	**-**	**-**	203,280	-	**-**	**-**	203,280	-
- Deferred tax on property, plant and equipment	**-**	**-**	-	-	**-**	**-**	-	-
- (Loss)/profit/ for the year	**(1,181,849)**	**(433)**	40,917,297	(94)	**(458,379)**	**(424)**	40,687,874	(95)
Value (eroded)/added	**(272,785)**	**(100)**	43,738,410	(100)	**(108,137)**	**(100)**	43,002,550	(100)

Value (eroded)/ added represents the additional wealth which the Group has been able to (utilised)/create by its own and its employees effort. The statements shows the allocation of that wealth among the employees, capital providers, Government and that retained for creation of more wealth.

JAPAUL GOLD & VENTURES PLC

FINANCIAL SUMMARY - GROUP

31 DECEMBER	2020	2019	2018	2017	2016
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Non-current assets					
Property, plant and equipment	**5,653,473**	7,419,934	17,809,160	21,165,811	22,329,166
Assets under finance lease	**5,000,000**	5,000,000	3,675,694	3,946,734	4,223,714
Investment in associates	**-**	-	-	-	-
Fair value through other comprehensive income	**22,563**	25,786	17,535	26,947	15,137
Total non-current assets	**10,676,036**	12,445,720	21,502,388	25,139,492	26,568,017
Current assets					
Inventories	**-**	12,527	19,705	58,678	42,339
Trade and other receivables	**4,878,842**	10,658,114	1,693,898	1,901,049	2,439,276
Cash and bank balances	**51,493**	255,716	822,404	902,346	898,530
Total current assets	**4,930,335**	10,926,357	2,536,007	2,862,073	3,380,145
Liabilities					
Current liabilities					
Bank overdrafts	**-**	381,118	448,880	760,799	21,945
Trade and other payables	**6,736,906**	11,869,817	7,583,871	5,755,392	5,999,646
Loans and borrowings	**-**	192,227	140,162	748,334	634,728
Finance lease facility	**-**	-	777,163	4,167,850	3,645,379
Defined contribution pension plan	**197,047**	-	4,357,326	113,588	81,577
Current income tax liability	**239,710**	198,580	49,816	130,509	452,272
Total current liabilities	**7,173,663**	12,641,742	13,357,218	11,676,472	10,835,547
Net current (liabilities)/assets	**(2,243,328)**	(1,715,385)	(10,821,211)	(8,814,399)	(7,455,402)
Non-current liabilities					
Defined benefit plan	**73,395**	72,709	72,709	72,709	109,968
Finance lease facility	**4,567,750**	-	38,080,973	6,800,177	5,947,723
Loans and borrowings	**-**	5,000,000	7,109,322	36,668,346	31,101,680
Deferred income tax liability	**966,376**	966,376	958,111	958,111	978,817
Total non-current liabilities	**5,607,521**	6,039,085	46,221,115	44,499,343	38,138,188
Net assets/(liabilities)/assets	**2,825,187**	4,691,250	(35,539,938)	(28,174,250)	(19,025,573)
Equity					
Share capital	**3,131,350**	3,131,350	3,131,351	3,131,351	3,131,351
Share premium	**16,440,679**	16,440,679	16,440,679	16,440,679	16,440,679
Loss sustained	**(16,085,590)**	(14,903,741)	(55,775,130)	(49,181,498)	(36,048,513)
Re-measurement reserve	**(195)**	(195)	(195)	(195)	(20,188)
AFS fair value reserve	**8,610**	11,833	3,579	12,992	1,182
Foreign exchange reserve	**(669,667)**	1,269,714	1,600,425	1,974,120	(2,057,468)
Non-controlling interest	**-**	(1,258,390)	(940,647)	(551,699)	(472,616)
	2,825,187	4,691,250	(35,539,938)	(28,174,250)	(19,025,573)
Statement of profit or loss and other comprehensive income					
Turnover	**689,643**	725,472	936,282	1,900,966	10,572,215
Gross (loss)/profit	**(318,089)**	(943,393)	(1,026,975)	(714,345)	2,230,584
Other income	**610,401**	43,816,132	111,870	659,977	89,764
Administrative expenses	**(1,118,749)**	(635,838)	(2,497,293)	(8,418,039)	(6,362,851)
Operating (loss)/profit	**(826,437)**	42,236,901	(3,412,398)	(8,472,407)	(4,042,503)
Net finance costs	**(3,249)**	(1,208,147)	(3,170,885)	(4,609,188)	(3,856,553)
Share of loss of associate	**-**	-	-	-	-
(loss)/profit before taxation	**(829,686)**	41,028,754	(6,583,282)	(13,081,595)	(7,899,056)
Income tax expense	**(167,059)**	(111,457)	(10,352)	(127,152)	-
(Loss)/profit for the year	**(996,745)**	40,917,297	(6,593,634)	(13,208,747)	(7,899,056)
Per share data:					
Basic loss	**(19)**	(105)	(210)	(137,867)	(126)
Net assets/(liabilities)/assets	**45**	75	(567)	(450)	(304)

(Loss)/Earnings per share are based on (loss)/profit after tax attributable to ordinary shareholders divided by the issued and fully paid ordinary shares at the end of each financial year.

Net assets/(liabilities)/assets per share are based on net (liabilities)/ assets divided by the issued and fully paid ordinary shares at the end of each financial year.

JAPAUL GOLD & VENTURES PLC

FINANCIAL SUMMARY - COMPANY

31 DECEMBER	2020	2019	2018	2017	2016
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Non-current assets					
Property, plant and equipment	**3,211,153**	3,678,785	13,637,825	16,454,951	17,027,088
Assets under finance lease	**5,000,000**	5,000,000	3,675,693	3,946,734	4,223,714
Investment in subsidiaries	**40,000**	40,000	40,000	40,000	119,820
Investment in associates	**-**	-	5,300	5,300	5,300
Fair value through other comprehensive income	**22,563**	25,786	17,534	26,947	15,137
Total non-current assets	**8,273,716**	8,744,571	17,376,352	20,473,932	21,391,059
Current assets					
Inventories	**-**	-	-	34,000	-
Trade and other receivables	**10,486,959**	18,191,479	8,242,946	8,462,546	17,328,314
Cash and bank balances	**16,082**	1,028	1,032	83,701	308,641
Total current assets	**10,503,041**	18,192,507	8,243,978	8,580,247	17,636,955
Liabilities					
Current liabilities					
Bank overdrafts	**-**	-	650	312,569	21,289
Trade and other payables	**4,166,977**	11,379,904	5,551,863	4,582,701	11,099,307
Current portion of long term borrowings	**-**	-	777,163	748,334	634,728
Defined contribution pension plan	**147,753**	146,212	98,067	79,697	60,140
Current income tax liability	**22,852**	78,620	8,750	8,067	194,246
Total current liabilities	**4,337,582**	11,604,736	6,436,493	5,731,368	12,009,710
Net current assets	**6,165,459**	6,587,771	1,807,485	2,848,879	5,627,245
Non-current liabilities					
Defined benefit pension plan	**43,289**	42,604	42,604	42,604	80,410
Finance lease facility	**4,567,750**	5,000,000	11,466,648	10,968,027	9,593,102
Long term borrowings	**-**	-	38,080,973	36,668,346	31,101,688
Deferred income tax liability	**909,886**	909,886	909,886	909,886	909,886
Total non-current liabilities	**5,520,925**	5,952,490	50,500,111	48,588,863	41,685,086
Net assets/(liabilities)/assets	**8,918,250**	9,379,852	(31,316,275)	(25,266,052)	(14,666,782)
Equity					
Share capital	**3,131,350**	3,131,350	3,131,351	3,131,351	3,131,351
Share premium	**16,440,679**	16,440,679	16,440,679	16,440,679	16,440,679
Loss sustained	**(9,992,699)**	(9,534,320)	(50,222,194)	(44,181,384)	(33,536,706)
Remeasurement reserve	**(22)**	(22)	(22)	(22)	(33,621)
AFS fair value reserve	**8,610**	11,833	3,579	12,992	1,183
Foreign exchange reserve	**(669,668)**	(669,668)	(669,668)	(669,668)	(669,668)
Total equity	**8,918,250**	9,379,852	(31,316,275)	(25,266,052)	(14,666,782)
Statement of profit or loss and other comprehensive income					
Turnover	**185,203**	85,853	191,383	649,144	5,434,086
Gross (loss)/profit	**(274,637)**	(968,639)	(956,633)	(980,652)	(1,080,639)
Other income	**330,905**	43,706,115	106,750	214,549	295,086
Administrative expenses	**(488,665)**	(771,585)	(2,011,277)	(5,214,673)	(18,903,851)
Operating (loss)/profit	**(432,397)**	41,965,891	(2,861,161)	(5,980,776)	(19,689,404)
Net finance costs	**(3,261)**	(1,208,147)	(3,170,899)	(4,609,141)	(2,062,591)
(loss)/Profit before taxation	**(435,658)**	40,757,744	(6,032,060)	(10,589,917)	(21,751,995)
Income tax expense	(1,337)	(69,870)	(8,750)	(54,761)	(8,639)
(Loss)/profit for the year	**(436,995)**	40,687,874	(6,040,810)	(10,644,678)	(21,760,634)
Per share data:					
Basic (loss)/earnings	**(7)**	650	(170)	(347)	(111)
Net assets/(liabilities)/assets	**142**	150	(500)	(403)	(234)

(Loss)/earnings per share are based on (loss)/profit after tax attributable to ordinary shareholders divided by the issued and fully paid ordinary shares at the end of each financial year.

Net assets/(liabilities)/assets per share are based on net (liabilities)/ assets divided by the issued and fully paid ordinary shares at the end of each financial year.