

## MEYER PLC

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

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## **MEYER PLC**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR 3RD QUARTER ENDED 30TH SEPTEMBER, 2021.**

# MEYER PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

	Note	GROUP		COMPANY	
		30/09/2021 N'000	30/09/2020 N'000	30/09/2021 N'000	30/09/2020 N'000
<b>Continuing operations</b>					
Revenue	5	759,157	566,511	759,157	566,511
Cost of sales	5.1	(504,702)	(360,414)	(504,702)	(360,414)
<b>Gross profit</b>		<b>254,455</b>	<b>206,097</b>	<b>254,455</b>	<b>206,097</b>
Other operating income	7	35,902	25,745	35,902	25,745
Selling & Distribution expenses	8	(18,630)	(15,350)	(18,630)	(15,350)
Administrative expenses	9	(323,420)	(350,002)	(323,420)	(350,002)
<b>Profit/ (loss) from operating activities</b>		<b>(51,694)</b>	<b>(133,510)</b>	<b>(51,694)</b>	<b>(133,510)</b>
Finance Income	10(i)	67,048	42,307	67,048	42,307
Finance costs	10(ii)	(1,820)	(7,201)	(1,820)	(7,201)
<b>Profit/(Loss) before tax</b>		<b>13,534</b>	<b>(98,404)</b>	<b>13,534</b>	<b>(98,404)</b>
Taxation (Provision)	12	(4,060)	(2,124)	(4,060)	(2,124)
<b>Profit /(Loss) for the period</b>		<b>9,474</b>	<b>(100,528)</b>	<b>9,474</b>	<b>(100,528)</b>
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Remeasurement of Defined benefit obligation		-	-	-	-
Deferred tax credit		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>9,474</b>	<b>(100,528)</b>	<b>9,474</b>	<b>(100,528)</b>
Profit/Loss for the period attributable to:					
Owners of the Company		9,478	(100,528)	9,474	(100,528)
Non-controlling interests		(4)	(4)	-	-
		<b>9,474</b>	<b>(100,532)</b>	<b>9,474</b>	<b>(100,528)</b>
Total comprehensive (loss)/income for the period attributable to:					
Owners of the Company		9,478	(100,528)	9,474	(100,528)
Non-controlling interests		(4)	(4)	-	-
		<b>9,474</b>	<b>(100,532)</b>	<b>9,474</b>	<b>(100,528)</b>
<b>Earnings per share</b>					
Basic and diluted earnings per share	13	2	(20)	2	(20)

## MEYER PLC

### UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE (9) MONTHS ENDED 30TH SEPTEMBER, 2021


	GROUP				COMPANY			
	Three (3) Months Ended 30/09/2021 N'000	Nine (9) Months Ended 30/09/2021 N'000	Three (3) Months Ended 30/09/2020 N'000	Nine (9) Months Ended 30/09/2020 N'000	Three (3) Months Ended 30/09/2021 N'000	Nine (9) Months Ended 30/09/2021 N'000	Three (3) Months Ended 30/09/2020 N'000	Nine (9) Months Ended 30/09/2020 N'000
<b>Continuing operations</b>								
Revenue	273,696	759,157	172,547	566,511	273,696	759,157	172,547	566,511
Cost of sales	(173,240)	(504,702)	(107,554)	(360,414)	(173,240)	(504,702)	(107,554)	(360,414)
<b>Gross profit</b>	<b>100,456</b>	<b>254,455</b>	<b>64,993</b>	<b>206,097</b>	<b>100,456</b>	<b>254,455</b>	<b>64,993</b>	<b>206,097</b>
Other operating income	20,773	35,902	13,765	25,745	20,773	35,902	13,765	25,745
Selling & Distribution expenses	(7,032)	(18,630)	(4,525)	(15,350)	(7,032)	(18,630)	(4,525)	(15,350)
Administrative expenses	(114,454)	(323,420)	(123,569)	(350,002)	(114,454)	(323,420)	(123,569)	(350,002)
<b>Profit/ (loss) from operating activities</b>	<b>(258)</b>	<b>(51,694)</b>	<b>(49,336)</b>	<b>(133,510)</b>	<b>(258)</b>	<b>(51,694)</b>	<b>(49,336)</b>	<b>(133,510)</b>
Finance Income	21,889	67,048	16,654	42,307	21,889	67,048	16,654	42,307
Finance costs	(590)	(1,820)	(6,466)	(7,201)	(590)	(1,820)	(6,466)	(7,201)
<b>Profit/(Loss) before tax</b>	<b>21,041</b>	<b>13,534</b>	<b>(39,148)</b>	<b>(98,404)</b>	<b>21,041</b>	<b>13,534</b>	<b>(39,148)</b>	<b>(98,404)</b>
Taxation (Provision)	(2,240)	(4,060)	(647)	(2,124)	(2,240)	(4,060)	(647)	(2,124)
<b>Profit /(Loss) for the period</b>	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>
<b>Other comprehensive income, net of income tax</b>								
<b>Items that will not be reclassified subsequently to profit or loss:</b>								
Remeasurement of Defined benefit obligation	-	-	-	-	-	-	-	-
Deferred tax credit	-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>
<b>Profit/ (Loss) for the period attributable to:</b>								
Owners of the Company	18,801	9,474	(39,795)	(100,528)	18,801	9,474	(39,795)	(100,528)
Non-controlling interests	-	-	-	-	-	-	-	-
	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>
<b>Total comprehensive Income/(Loss) for the period attributable to:</b>								
Owners of the Company	18,801	9,474	(39,795)	(100,528)	18,801	9,474	(39,795)	(100,528)
Non-controlling interests	-	-	-	-	-	-	-	-
	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>18,801</b>	<b>9,474</b>	<b>(39,795)</b>	<b>(100,528)</b>
<b>Earnings per share</b>								
Basic and diluted earnings per share	4	2	(8)	(20)	4	2	(8)	(20)

MEYER PLC  
STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

	Note	GROUP		COMPANY	
		30/09/2021	31/12/2020	30/09/2021	31/12/2020
		N'000	N'000	N'000	N'000
<b>Non-current assets</b>					
Property, plant and equipment	14	279,782	264,661	279,782	264,661
Right of use	14	70,787	121,895	70,787	121,895
Deffered tax assets	12	5,503	5,503	5,503	5,503
<b>Total non-current assets</b>		<b>356,072</b>	<b>392,059</b>	<b>356,072</b>	<b>392,059</b>
<b>Current assets</b>					
Inventories	17	68,183	95,150	68,183	95,150
Trade and other receivables	18	205,680	175,705	169,054	139,283
Other assets	15	6,459	-	6,459	-
Cash and cash equivalents	19	1,412,311	2,388,772	1,412,127	2,388,588
<b>Total current assets</b>		<b>1,692,633</b>	<b>2,659,627</b>	<b>1,655,823</b>	<b>2,623,021</b>
<b>Total assets</b>		<b>2,048,705</b>	<b>3,051,686</b>	<b>2,011,895</b>	<b>3,015,080</b>
<b>Current liabilities</b>					
Trade and other payables	22a	496,183	584,880	511,233	600,134
Short term borrowings	20b	6,613	21,128	6,613	21,128
Current tax liabilities	12	5,010	651,338	4,725	651,053
<b>Total current liabilities</b>		<b>507,806</b>	<b>1,257,346</b>	<b>522,571</b>	<b>1,272,315</b>
<b>Net Current Assets</b>		<b>1,184,827</b>	<b>1,402,281</b>	<b>1,133,252</b>	<b>1,350,706</b>
<b>Total assets less current liabilities</b>		<b>1,540,899</b>	<b>1,794,340</b>	<b>1,489,324</b>	<b>1,742,765</b>
<b>Non-Current Liabilities</b>					
Decommissioning cost	22ai	9,600	9,600	9,600	9,600
Employment benefits	21	20,766	17,089	20,766	17,089
		<b>30,366</b>	<b>26,689</b>	<b>30,366</b>	<b>26,689</b>
<b>Net Assets</b>		<b>1,510,533</b>	<b>1,767,651</b>	<b>1,458,958</b>	<b>1,716,076</b>
<b>Equity</b>					
Share capital	23	248,864	248,864	248,864	248,864
Share premium account	24	53,173	53,173	53,173	53,173
Revenue reserve	25	1,206,048	1,463,166	1,156,921	1,414,039
<b>Total equity attributable to owners of the company</b>		<b>1,508,085</b>	<b>1,765,203</b>	<b>1,458,958</b>	<b>1,716,076</b>
Non-controlling interest	26i	2,448	2,448	-	-
<b>Total Equity</b>		<b>1,510,533</b>	<b>1,767,651</b>	<b>1,458,958</b>	<b>1,716,076</b>

The financial statements and notes to the financial statements were approved by the Board of directors on October 8, 2021 and signed on its behalf by:

ROTIMI ALASHE..... Managing Director



FRC/2013/ICAN/00000002335

OLUTOYIN OKEOWO....Director



FRC/2013/IODN/00000002638

MEYER PLC  
STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021  
The Group

	Share capital	Share premium	Retained Earnings	Non controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000
Balance at 1st January 2021	248,864	53,173	1,463,166	2,448	1,767,651
Dividend paid	-	-	(746,591)	-	(746,591)
Profit/(Loss) for the period	-	-	9,474	-	9,474
Adjustment for Non-controlling interest	-	-	-	-	-
Reversal of tax provision not required	-	-	480,000	-	480,000
Other comprehensive loss for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>489,474</b>	-	<b>489,474</b>
contributions by and distributions to owners:					
Issued Share Capital	-	-	-	-	-
Share premium	-	-	-	-	-
<b>Balance as at 30th September 2021</b>	<b>248,864</b>	<b>53,173</b>	<b>1,206,048</b>	<b>2,448</b>	<b>1,510,533</b>
<b>Balance as at 1st January 2020</b>	<b>248,864</b>	<b>53,173</b>	<b>345,156</b>	<b>2,452</b>	<b>649,645</b>
<b>Comprehensive income for the year</b>					
Profit/(Loss) for the period	-	-	1,118,010	-	1,118,010
Adjustment for Non-controlling interest	-	-	-	(4)	(4)
Other comprehensive loss for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>1,118,010</b>	<b>(4)</b>	<b>1,118,006</b>
contributions by and distributions to owners:					
Issued Share Capital	-	-	-	-	-
Share premium	-	-	-	-	-
<b>Balance at 31st December 2020</b>	<b>248,864</b>	<b>53,173</b>	<b>1,463,166</b>	<b>2,448</b>	<b>1,767,651</b>

MEYER PLC  
STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021  
The Company

	Share capital	Share premium	Retained Earnings	Non controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000
Balance at 1st January 2021	248,864	53,173	1,414,039	-	1,716,076
Dividend paid	-	-	(746,591)	-	(746,591)
Loss for the period	-	-	9,474	-	9,474
Reversal of tax provision not required	-	-	480,000	-	480,000
Other comprehensive loss for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>489,474</b>	-	<b>489,474</b>
Contribution by and Distribution to owners:					
Issued Share Capital	-	-	-	-	-
Share premium	-	-	-	-	-
<b>Balance as at 30th September 2021</b>	<b>248,864</b>	<b>53,173</b>	<b>1,156,922</b>	-	<b>1,458,958</b>
<b>Balance as at 1st January 2020</b>	<b>248,864</b>	<b>53,173</b>	<b>305,533</b>	-	<b>607,570</b>
Profit/(Loss) for the period	-	-	1,108,506	-	1,108,506
<b>Total comprehensive income for the period</b>	-	-	<b>1,108,506</b>	-	<b>1,108,506</b>
Contribution by and Distribution to owners:					
Issued Share Capital	-	-	-	-	-
Share premium	-	-	-	-	-
<b>Balance at 31st December 2020</b>	<b>248,864</b>	<b>53,173</b>	<b>1,414,039</b>	-	<b>1,716,076</b>

MEYER PLC  
CASHFLOW STATEMENT  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

	GROUP		COMPANY	
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
Cash flow from operating activities				
Profit/(Loss) for the period	9,474	1,118,107	9,474	1,108,506
<b>Adjusted for:</b>				
Depreciation of property, plant and equipment	41,718	34,456	41,718	34,456
Finance cost	1,820	9,268	1,820	9,268
Finance income	(67,048)	(71,125)	(67,048)	(71,125)
income tax expenses	4,060	520,374	4,060	520,374
Profit on disposal of property, plant and equipment	(1,578)	(3,317)	(1,578)	(3,317)
Profit from disposal of old Meyer factory	-	(1,781,828.00)	-	(1,781,828)
Decommissioning cost	-	9,600	-	9,600
Impairment of Investment in Subsidiary	-	-	-	9,600
<b>Operating cash flows before movements in working capital</b>	<b>(11,554)</b>	<b>(164,465)</b>	<b>(11,554)</b>	<b>(164,466)</b>
(Increase)/decrease in inventories	26,967	12,449	26,967	12,449
Decrease/(increase) in trade and other receivables	(29,974)	179,179	(29,769)	179,179
(Increase)/decrease in other assets	(6,459)	-	(6,459)	-
Increase/(decrease) in trade and other payables	(88,674)	(2,516,598)	(88,901)	(2,516,598)
Increase/(decrease) in finance lease	(823)	-	(800)	-
Increase/(decrease) in employee benefit	3,677	(10,305)	3,677	(10,305)
	<b>(106,840)</b>	<b>(2,499,740)</b>	<b>(106,839)</b>	<b>(2,499,741)</b>
Income taxes paid	(170,388)	(6,422)	(170,388)	(6,422)
<b>Net cash generated by operating activities</b>	<b>(277,228)</b>	<b>(2,506,162)</b>	<b>(277,227)</b>	<b>(2,506,163)</b>
<b>Cashflow from investing activities</b>				
Purchase of property, plant and equipment	(16,029)	(4,648)	(16,029)	(4,648)
Proceeds from sale of Property, plant and equipment	12,675	3,318,494	12,675	3,318,494
Finance income	67,048	71,124	67,048	71,125
<b>Net cash generated by investing activities</b>	<b>63,694</b>	<b>3,384,970</b>	<b>63,694</b>	<b>3,384,971</b>
<b>Cashflow from financing activities</b>				
Repayment of short term borrowings	(14,515)	(11,810)	(14,515)	(11,810)
Borrowing	-	51,128	-	51,128
Finance charges	(1,820)	(9,268)	(1,821)	(9,268)
Dividend paid	(746,591)	-	(746,591)	-
<b>Net cash generated by financing activities</b>	<b>(762,926)</b>	<b>30,050</b>	<b>(762,927)</b>	<b>30,050</b>
Net cash and cash equivalents for the period	<b>(976,460)</b>	<b>908,858</b>	<b>(976,460)</b>	<b>908,858</b>
Cash and cash equivalents at beginning of the year	2,388,772	1,479,914	2,388,588	1,479,730
Cash and cash equivalents at end of the period	<b>1,412,311</b>	<b>2,388,772</b>	<b>1,412,128</b>	<b>2,388,588</b>

**MEYER PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021**

**1. The Group**

The group comprises Meyer Plc (the Company) and its subsidiary - DNM Construction Limited.

Meyer Plc (previously called DN Meyer Plc) is a manufacturing Company incorporated in Nigeria on the 20th of May 1960. The name was changed by a special resolution and the authority of the Corporate Affairs Commission on the 1st of July 2016. The Company manufactures and markets paints. The shares of the Company are held as follows: 31.43% by Greenwich Capital Limited, 30.93% by Bosworth Investments & Services Limited, 5.42% by Mr. Osa Osunde, 5.06 by Mr. Kayode Falowo and 27.16% by Nigerian citizens.

Its registered office is at No 32, Billings way, Oregun Industrial Estate, Alausa Ikeja, Lagos.

**2 Basis of preparation**

**a Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting and Assurance Standards Board (IAASB) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

The financial statements were authorised for issue by the Board of Directors on 8th October 2021

**Basis of measurement**

- b. The group financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value

**c. Functional and presentation currency**

The Company and group functional and presentation currency is the Nigerian naira. The financial statements are presented in Nigerian Naira and have been rounded to the nearest thousand except otherwise stated.

**d. Use of estimates and judgement**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

**2(e) New standards, interpretations and amendments effective from 1 January 2020**

New standards that were adopted in the financial statements for the period ended 30 September 2021, but had no significant effect or impact on the group are:

- IAS 1 Presentation of Financial Statements and
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Disclosure Initiative - Definition of Material); and
- Revisions to the Conceptual Framework for Financial Reporting.
- Definition of a Business (Amendments to IFRS 3);
- Interest Rate Benchmark Reform - IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

**(f) New standards, interpretations and amendments issued not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.



### 3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

i) Meyer Plc annually incurs significant amounts of income taxes payable, and also recognises significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

#### ii) Impairment of property, plant and equipment

The Group assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Group's estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions and represent management's best estimates of the range of economic conditions that will exist over the remaining useful life of the cash flow generating assets.

#### iii) Legal proceedings

The Group reviews outstanding legal cases following developments in the legal proceedings at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

### 3a Consolidation

#### (i) Subsidiary

The financial statements of the subsidiary are consolidated from the date the Company acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the company has control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

The size of The Company's voting rights relative to both the size and dispersion of other parties who hold voting rights; Substantive potential voting rights held by The Company and by other parties and other contractual arrangements

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity instruments issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

#### (ii) Changes in ownership interests in subsidiary without change of control

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share

#### (iii) Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

#### (iv) Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as financial asset at fair value through other comprehensive income (FVOCI) depending on the level of influence retained.

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**4 Summary of significant accounting policies**

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

**a Going concern**

The directors assess the Company and its subsidiary's future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead. For this reason, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

**b Foreign currency**

**Foreign currency transactions**

In preparing the financial statements of the Group, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit. Non-monetary items that are measured in terms of cost in a foreign currency are translated using the exchange rate at the end of the period.

**c Revenue recognition**

Revenue represents the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the Group's activities and is stated net of value-added tax (VAT), rebates and discounts.

**(i) Sale of goods and rendering of services**

Revenue is recognized when the entity satisfies a performance obligation by transferring a promised goods or service to a customer. The goods or services are transferred when the customer acquires control over the asset, which may happen either over time or at a particular point in time. Under the five-step process an entity must complete the following steps before revenue can be recognized: Identify contracts with customers, identify performance obligations, determine the transaction price, allocate the transaction price to each of the separate performance obligations, and finally recognize the revenue as

**(ii) Other income**

This comprises profit from sale of financial assets, property, plant and equipment, foreign exchange gains, fair value gains of non financial assets measured at fair value through profit or loss and impairment loss no longer required written back.

Income arising from disposal of items of financial assets, plant and equipment and scraps is recognised at the time when proceeds from the disposal has been received by the Group. The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets. The Group recognised impairment no longer required as other income when the Group received cash on an impaired receivable or when the value of an impaired investment increased and the investment is realisable.

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**d Expenditure**

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of comprehensive income is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

The Group classifies its expenses as follows:

- Cost of sales;
- Administration expenses;
- Selling and distribution expenses; and
- Other allowances and amortizations

**Finance income and finance costs**

Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in profit or loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised 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 that asset's net carrying amount on initial recognition.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration. losses on disposal of available for sale financial assets. impairment losses on

**e Borrowing costs**

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other

**f Income tax expenses**

Income tax expense comprises current income tax, education tax and deferred tax.

**g Earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### h Property, plant and equipment

Items of property, plant and equipment are measured at cost and less accumulated depreciation and impairment losses. The cost of property plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment and are depreciated accordingly. Subsequent costs and additions are included in the asset's carrying amount or are 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 costs are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

#### Depreciation

Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method on the following bases:

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhaul.

Building	36-76 years
Furniture and Fixtures	4 years
Motor Vehicles	4 years
Plant and Machinery	8 years
Office Equipment	4 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss component of the statement of comprehensive income within 'Other income' in the year that the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

## **i Intangible Assets**

### **Computer software**

Computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over the useful life of the asset.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Computer software	5 years
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### **Derecognition of intangible assets**

An intangible assets is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

## **j Impairment of non-financial assets**

Non-financial assets other than inventories are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they have separately identifiable cash flows (cash-generating units).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

## **k Leases**

The standard covers the recognition of leases and related disclosure information in the financial statements.

The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In the financial statement of lessees, IFRS 16 requires recognition in the statement of financial position for each contract that meets its definition of a lease as right-of-use (RoU) asset and a lease liability, while lease payments are reflected as interest expense and a reduction of lease liabilities. The RoU assets are depreciated over the shorter of each contract's term and the assets useful life.

Upon implementation of IFRS 16, the following main implementation and application policy choices were made by the group:

- Short term leases (12 months or less) and leases of low value assets are not reflected in the statement of profit or loss and other comprehensive income but are expensed or (if appropriate) capitalised as incurred, depending on the activity in which the leased asset is used
- Non-lease components within lease contracts will be accounted for separately for all underlying classes of assets and reflected in the relevant expense category or (if appropriate) capitalised as incurred, depending on the activity involved.

At the commencement of the lease period, the following shall be recognised:

- A lease liability equal to the net present value of the non-variable lease payments over the lease term, including any lease incentives and residual value guarantees expected to be paid under the contract
- A RoU asset equal to the lease liability, with the addition of any lease pre-payments, initial direct costs and costs of dismantling or restoration.

## **l Financial instruments**

### **Financial Assets**

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

### **i) Financial assets at fair value through other comprehensive income**

**Financial assets at fair value through other comprehensive income (FVOCI) consist of:**

- Non-trading equity investments designated by management at initial recognition. Once designated, they cannot be reclassified into any other category
- Financial assets held with the objective of both collecting contractual cash flows and selling the financial assets and the assets cash flows are solely payment of principal and interest.

## ii) Financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The group financial assets are trade receivables, other receivables and cash and cash equivalents.

## iii) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

## iv) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payment within three years from the end of the reporting period.

## v) Cash and cash equivalent

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## vi) Derecognition of financial asset

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

## vii) Impairment of financial instruments

The Company has trade receivables for the sales of inventory that is subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivable are reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 360 days before 31 March 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

**m a) Financial liabilities**

Financial liabilities are initially recognised at fair value when the Company becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Company financial liabilities include trade and other payables.

Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

**i) Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**ii) Borrowings**

Borrowings are recognized initially at their issue proceeds and subsequently stated at cost less any repayments. Transaction costs where immaterial, are recognized immediately in the statement of comprehensive income. Where transaction costs are material, they are capitalized and amortised over the life of the loan. Interest paid on borrowing is recognized in the statement of comprehensive income for the period.

**iii) De-recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss and other comprehensive income.

**(b) Inventories**

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**Cost is determined as follows:-**

**Raw materials**

Raw materials which includes purchase cost and other costs incurred to bring the materials to their location and condition are valued at actual cost.

**Work in progress**

Cost of work in progress includes cost of raw materials, labour, production and attributable overheads based on normal operating capacity.

**Finished goods**

Cost is determined using standard costing method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.



### **Spare parts and consumables**

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged inventory.

### **(n) Provisions**

A provision is recognized only if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. The Group's provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

### **(c) Employee benefits**

The Group operates the following contribution and benefit schemes for its employees:

#### **(i) Defined contribution pension scheme**

In line with the provisions of the Nigerian Pension Reform Act, 2014, Meyer Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Group at the rate of 8% by employees and 10% by the Group of basic salary, transport and housing allowances invested outside the Group through Pension Fund Administrators (PFAs) of the employees choice.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by Meyer Plc to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available

#### **(ii) Short-term benefits**

Short term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed by Meyer Plc in the income statement as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(e) Income Taxes - Company income tax and deferred tax liabilities**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

The tax currently payable is based on taxable results for the year. Taxable results differs from results as reported in the income statement because it includes not only items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

**(f) Share capital and Share premium**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

**(g) Dividend on ordinary shares**

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the shareholders. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date.

**(h) Retained earnings**

General reserve represents amount set aside out of profits of the Group which shall at the discretion of the directors be applied to meeting contingencies, repairs or maintenance of any works connected with the business of the Group, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the Group may lawfully be applied.

**(i) Contingent liability**

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period being audited except in the extremely rare circumstances where no reliable estimate can be made.

**(j) Related party transactions or insider dealings**

Related parties include the related companies, the directors, their close family members and any employee who is able to exert significant influence on the operating policies of the Group. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly, including any director (whether executive or otherwise) of that entity. The Group considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Where there is a related party transactions within the Group, the transactions are disclosed separately as to the type of relationship that exists within the Group and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

**(K) Effective Interest Method**

The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cashflows (including all fees and points paid or received that form an integral part of the effective interest rate, translation costs and other premiums or discounts) through the expected life of the debt instruments, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(l) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Finance Director (being the Chief Operating Decision Maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

**(a) Determination of fair value**

A number of the Group's accounting policies and disclosures require the determination of fair value for the both financial and non-financial assets and liabilities. Fair values have been determined for measurement and /or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that assets or liabilities.

**i Property, plant and equipment**

The fair value of items of plant and machinery, fixtures and fittings, motor vehicles and Land and buildings is based on depreciated replacement cost and comparison approaches. "Depreciated replacement cost" reflects the current cost of reconstructing the existing structure together with the improvements in today's market adequately depreciated to reflect its physical wear and tear, age, functional and economic obsolescence plus the site value in its existing use as at the date of inspection while "Comparison Approach" that is the analysis of recent sale transactions or similar properties in the neighbourhood. The figure thus arrived at represents the best price that the subsisting interest in the property will reasonably be expected to be sold if made available for sale by private treaty between a willing seller and buyer under competitive market conditions.

**ii Valuation of financial assets at fair value through other comprehensive income (FVOCI)**

The fair value of investments in equity are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed is the net asset per share basis.

**iii Fair value hierarchy**

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instrument Disclosure'.

Level 1 : quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities values using models where all significant inputs are observable.

Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

## **b Financial risk management**

### **i General**

Pursuant to a financial policy maintained by the Board of Directors, the Group uses several financial instruments in the ordinary course of business. The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts and trade and other payables.

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

- Credit risk
- Liquidity risk
- Market risk, consisting of: currency risk, interest rate risk and price risk

#### **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from Group's receivables from customers. It is the Group's policy to assess the credit risk of new customers before entering into contracts.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management.

The Management determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are grouped as "high risk" are placed on a restricted customer list, and future credit services are made only with approval of the

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

The maximum credit risk as per statement of financial position, without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	GROUP	
	30/09/2021	30/09/2020
	N'000	N'000
Trade receivables (Note 18)	120,379	99,840
Cash and cash equivalents (Note 19)	1,412,311	2,388,772
	<u>1,532,691</u>	<u>2,488,612</u>

As at the reporting date there was no concentration of credit risk with certain customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

Cash is held with the following banks and other financial institutions:-

	2021	2020
	N'000	N'000
Access Bank Plc	14,051	437,521
Diamond Bank Plc	7	101
Eco Bank Plc	3	13
First City Monument Bank Limited	55	76
Guaranty Trust Bank Plc	1,110	1,887
Stanbic IBTC Bank Limited	1	18
First Bank of Nigeria Limited	3	2
Zenith Bank Plc	4	473
Sterling Bank Plc	13	8
Union Bank of Nigeria Plc	99	99
Skye Bank (Polaris Bank Limited)	13	279
Heritage Bank Limited	4	4
United Bank for Africa Plc	455	340
Wema Bank Plc	98	8
Providus Bank Limited	566,032	262,636
Greenwich Asset Management Limited	830,060	787,578
	<u>1,412,008</u>	<u>1,491,043</u>

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. The following are the contractual maturities of financial liabilities:

As at 30th September 2021	=N=000	=N=000	=N=000	=N=000
Book value		Contractual cashflow	One year or less	1-5 years
Borrowings	1,813	-	-	1,813
Trade and other payables	496,183	-	496,183	-
	<u>497,995</u>	<u>-</u>	<u>496,183</u>	<u>1,813</u>

	Book value N'000	Contractual cashflow	One year or less N'000	1-5 years
Borrowings	1,813	-	1,813	-
Trade and other payables	496,183	-	496,183	-
	<b>497,996</b>	<b>-</b>	<b>497,996</b>	<b>-</b>

### Market risk

Market risk concerns the risk that Group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

### Foreign exchange risk

The functional currency of the Group is the Nigerian naira.

### Interest rate risk

The Group has fixed interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate. The effective interest rates and the maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

As at 30th September 2021	Effective interest rate	one year or less N'000	1-5 years N'000	Total N'000
Cash and cash equivalents	-	1,412,008	-	1,412,008
Borrowings	-	1,813	-	1,813
	<b>-</b>	<b>1,413,821</b>	<b>-</b>	<b>1,413,821</b>

### Fair Value

Financial instruments accounted for under assets and liabilities are cash and cash equivalents, receivables, and current and non-current liabilities. The fair value of most of the financial instruments does not differ materially from the book value.

# MEYER PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

### 5 Revenue

	GROUP		COMPANY	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	N'000	N'000	N'000	N'000
Paints	755,290	551,986	755,290	551,986
Application of paints	3,867	14,525	3,867	14,525
	<u>759,157</u>	<u>566,511</u>	<u>759,157</u>	<u>566,511</u>

### 5.1 Cost of sales

An analysis of the group company's cost of sales is as follows:

	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	N'000	N'000	N'000	N'000
Paints	501,938	353,208	501,938	353,208
Application of paints	2,764	7,206	2,764	7,206
	<u>504,702</u>	<u>360,414</u>	<u>504,702</u>	<u>360,414</u>

# MEYER PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

### 6 Segment Revenue and results

	GROUP		COMPANY	
	30/09/2021 N'000	30/09/2020 N'000	30/09/2021 N'000	30/09/2020 N'000
Paints	755,290	551,986	755,290	551,986
Application of paints	3,867	14,525	3,867	14,525
	<u>759,157</u>	<u>566,511</u>	<u>759,157</u>	<u>566,511</u>

### Segment Results

	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	N'000	N'000	N'000	N'000
Other Income	35,902	25,745	35,902	25,745
Finance costs	(1,820)	(7,201)	(1,820)	(7,201)
Profit/(Loss) before tax	13,534	(98,404)	13,534	(98,404)
Tax (Provision)	(4,060)	(2,124)	(4,060)	(2,124)
Profit /(Loss) for the period	<u>9,474</u>	<u>(100,528)</u>	<u>9,474</u>	<u>(100,528)</u>

### Segment Accounting

The accounting policies of the reportable segments are the same as the company's accounting policies described in note. Segment profit represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other gains and losses as well as finance costs.

This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

### Business and geographical segments

The company operates in all geographical areas in the country.

### Segment assets and liabilities

All assets and liabilities are jointly used by the reportable segments.



# MEYER PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

### 7 Other Operating Income

	GROUP		COMPANY	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	N'000	N'000	N'000	N'000
Profit on disposal of property, plant and equipment	1,578	3,149	1,578	3,149
Rental income	805	2,445	805	2,445
Sundry income	31,590	18,310	34,274	18,310
Sale of empty drums	1,929	1,841	1,929	1,841
	<u>35,902</u>	<u>25,745</u>	<u>38,586</u>	<u>25,745</u>

### 8 Selling and distribution expenses

	GROUP		COMPANY	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	N'000	N'000	N'000	N'000
Carriage outward	14,594	12,792	14,594	12,792
Sales Promotion/Commission	1,545	1,033	1,545	1,033
Dev, & Product Testing	1,475	1,525	1,475	1,525
Delivery Van Expenses	1,017	-	1,017	-
	<u>18,630</u>	<u>15,350</u>	<u>18,630</u>	<u>15,350</u>

**MEYER PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021**

	GROUP		COMPANY	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	N'000	N'000	N'000	N'000
<b>9 Administrative expenses</b>				
Basic	64,110	82,579	64,110	82,579
Overtime	700	340	700	340
Fringe costs	30,524	39,276	30,524	39,276
Christmas bonus	4,258	6,106	4,258	6,106
NSITF	577	868	577	868
Pension scheme	6,003	8,685	6,003	8,685
Casual labour	6,385	3,451	6,385	3,451
Staff Canteen Expenses	11,448	9,149	11,448	9,149
Medical expenses	3,758	5,144	3,758	5,144
Training Local	569	798	569	798
Uniform & Laundry	308	(98)	308	(98)
Long Service Award	454	456	454	456
Maintenance Mechanical	1,922	1,142	1,922	1,142
Maintenance Electrical	235	1,223	235	1,223
Security Expenses	3,262	5,479	3,262	5,479
Computer Rental Expenses	1,211	2,295	1,211	2,295
Building Rents and rates	2,500	7,666	2,500	7,666
Light & Water Offices	2,103	1,839	2,103	1,839
Site & Office Cleaning	1,634	1,211	1,634	1,211
Factory Relocation Expense	1,532	14,117	1,532	14,117
Repair & Maintenance General	2,349	514	2,349	514
Depreciation Land & Building	38	38	38	38
Depreciation Right of Use	29,375	5,603	29,375	5,603
Depreciation Vehicles	8,438	10,754	8,438	10,754
Depreciation Office Equipment	1,754	1,947	1,754	1,947
Depreciation F & F	60	40	60	40
General Quality Assurance Expense	2,157	1,212	2,157	1,212
Advert & Publicity Expenses	1,767	2,031	1,767	2,031
Free Goods & Sample	724	460	724	460
Fuel Lubricant	6,139	5,823	6,139	5,823
Vehicle Expense	6,720	6,449	6,720	6,449
Travelling Expenses	4,102	6,252	4,102	6,252
Fork lift truck expense	353	351	353	351
Directors and Board Expenses	12,893	12,263	12,893	12,263
Insurance Expenses	3,055	4,247	3,055	4,247
Legal & Professional Expenses	11,354	10,039	11,354	10,039
Stationary	466	277	466	277
Printing and Publication	1,536	4,360	1,536	4,360
Telephone Expenses	2,204	2,569	2,204	2,569
AGM Expenses	2,250	1,882	2,250	1,882
Courier & Postage	14	30	14	30
Audit Fees	3,736	3,810	3,736	3,810
Performance Cost	24,835	35,207	24,835	35,207
Subscription	2,880	3,677	2,880	3,677
Licence Renewal	5,955	3,477	5,955	3,477
General Stores & Consumables	2,092	1,565	2,092	1,565
Entertainment	2,278	1,515	2,278	1,515
Stock taking expenses	275	1,114	275	1,114
Redundancy Payment	906	1,586	906	1,586
Management Fees	39,167	28,842	39,167	28,842
Staff Recruitment	60	343	60	343
	<b>323,420</b>	<b>350,002</b>	<b>323,420</b>	<b>350,002</b>

# MEYER PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

10 <u>Finance income and Cost</u>	GROUP		COMPANY	
	30/09/2021 N'000	30/09/2020 N'000	30/09/2021 N'000	30/09/2020 N'000
(i) <b>Finance income:</b>				
Interest received on bank deposit	<u>67,048</u>	<u>42,307</u>	<u>67,048</u>	<u>42,307</u>
(ii) <b>Finance Cost</b>				
Interest on bank overdraft and loans	817	1,391	817	1,391
Interest on finance lease	<u>1,003</u>	<u>5,810</u>	<u>1,003</u>	<u>5,810</u>
Total interest expenses	<u>1,820</u>	<u>7,201</u>	<u>1,820</u>	<u>7,201</u>
<b>Profit /(Loss)for the period has been arrived at after charging/(crediting) the followings:</b>				
11	30/09/2021 N'000	30/09/2020 N'000	30/09/2021 N'000	30/09/2020 N'000
<b>Depreciation and amortisation expense:</b>				
Depreciation of property, plant and equipment	41,060	18,381	41,060	18,381
Amortisation of intangible assets (included in cost of sales)	-	-	-	-
	<u>41,060</u>	<u>18,381</u>	<u>41,060</u>	<u>18,381</u>
<b>Employee benefits expense:</b>				
Defined contribution plans	6,003	8,920	6,003	8,920
Termination benefits	-	-	-	-
	<u>6,003</u>	<u>8,920</u>	<u>6,003</u>	<u>8,920</u>
Profit on disposal of property, plant and equipment	1,578	3,149	1,578	3,149
Auditors remuneration	3,736	3,810	3,736	3,810
Staff cost	137,959	177,517	137,959	177,517
Director's remuneration and allowance	12,893	12,263	12,893	12,263
Interest on loans and overdrafts	<u>1,820</u>	<u>7,201</u>	<u>1,820</u>	<u>7,201</u>

MEYER PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

	GROUP		COMPANY	
	30/09/2021 N'000	30/09/2020 N'000	30/09/2021 N'000	30/09/2020 N'000
<b>12 Tax expense</b>				
<b>12 Per profit and loss account</b>				
Income tax payable on the results for the period				
Current tax expense in respect of the current period:				
Income tax	4,060	2,124	4,060	2,124
Education tax	-	-	-	-
	4,060	2,124	4,060	2,124
In respect of prior period	-	-	-	-
	<b>4,060</b>	<b>2,124</b>	<b>4,060</b>	<b>2,124</b>
<b>Deferred tax</b>				
Current tax expense in respect of the current period:				
Deferred tax expense for current period	-	-	-	-
Write-downs (reversals of previous write downs) of	-	-	-	-
Total income tax expense recognised in current period for	<b>4,060</b>	<b>2,124</b>	<b>4,060</b>	<b>2,124</b>

	GROUP		COMPANY	
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
<b>12 Per statement of financial position</b>				
At 1 January	651,338	11,256	651,053	10,971
Charged for the period Capital gains tax	-	155,362	-	155,362
Payments during the period	(170,388)	(171)	(170,388)	(171)
Adjustments -withholding tax utilised	-	(6,251)	-	(6,251)
Adjustments - of income tax provision	(480,000)		(480,000)	
Provision for the period - income tax	4,060	491,142	4,060	491,142
	<b>5,010</b>	<b>651,338</b>	<b>4,725</b>	<b>651,053</b>

**12 Deferred taxation**

	GROUP		COMPANY	
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
Deferred tax liabilities	389,557	120,627	389,557	120,627
Deferred tax assets	(395,059)	(126,130)	(395,059)	(126,130)
	<b>5,503</b>	<b>5,503</b>	<b>5,503</b>	<b>5,503</b>

**Deferred taxation**

	GROUP		COMPANY	
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
Movement at a glance				
Deferred tax (liabilities)/assets:				
At 1 January	5,503	5,503	5,503	5,503
Recognised in profit or loss	-	-	-	-
At 30th June, 2021	<b>5,503</b>	<b>5,503</b>	<b>5,503</b>	<b>5,503</b>

The tax rate used is the corporate tax rate of 30% and 2% education tax payable by corporate entities in Nigeria on taxable profits under tax law in the country.

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**NOTES TO THE FINANCIAL STATEMENTS**

The Group makes full provision for the future cost of decommissioning and dismantling the leased warehouse based on estimated cost of decommissioning the plant, equipment and facilities. It relates to the removal of assets as well as their associated restoration costs. This obligation is recorded in the period in which the liability meets the definition of a “probable future sacrifice of economic benefits arising from a present obligation,” and in which it can be reasonably measured. The provision represents the estimated value of future expenditure to be incurred when the plant facilities will be dismantled or relocated to a new location. The estimate is reviewed regularly to take into account any material changes to the assumptions.

13 Share Capital	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Authorised Share capital</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
1,300,000,000 Ordinary shares of 50k each	650,000	650,000	650,000	650,000
<b>Issued and fully paid:</b>				
497,728,000 ordinary shares of 50k each	248,864	248,864	248,864	248,864
<b>Share Premium</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at the beginning and end of the period	53,173	53,173	53,173	53,173
<b>Revenue reserve</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at the beginning of the year	1,463,166	345,156	1,414,039	305,533
Transfer from statement of profit or loss	9,478	1,118,010	9,474	1,108,506
Dividend paid	(746,591)	-	(746,591)	-
Balance at the end of the period	726,052	1,463,166	676,921	1,414,039
<b>Non-controlling</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance as at 1 January	2,448	2,452	-	-
Transfer from profit or loss	(4)	(4)	-	-
Balance as at the end of period	2,444	2,448	-	-
<b>Basic earnings/(loss) per ordinary share</b>				
Basic earnings/ (loss) per ordinary share of ₦50k each is calculated on the Group's earnings/(loss) after taxation based on the number of shares in issue at the end of the period.				
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Profit/(loss) for the period attributable to shareholder	9,474	(100,528)	9,474	(100,528)
Basic earnings/ (loss) per share of ₦50k each	2	(20)	2	(20)
Diluted earnings/(loss) per share (kobo)	2	(20)	2	(20)

**Dividend**

The Board of Directors paid interim Dividend of N1.50K/ Share to the shareholders for the first half of 2021 financial year which amounts to ₦746,592,000. The dividend was paid less withholding tax to all members whose names appear in the Company's Register of Members as at the close of business on Friday August 13th, 2021.

**Reconciliation of statement of cash flows**

For the purpose of the statement of cash flows, cash comprises cash at bank and in hand, net of overdraft facilities. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	N'000	N'000	N'000	N'000
Cash and bank balances	1,412,311	2,388,772	1,412,127	2,388,588

MEYER PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021  
PROPERTY, PLANT & EQUIPMENT

The Group								
Cost	Buildings	Plant & machinery	Office equipment	Furniture & fittings	Motor vehicles	Capital Work -in-Progress	Right of use of Asset	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
14								
At 1 January 2020	2,529	210,586	41,566	14,138	151,505	244,549	-	664,874
Additions	-	-	735	128	34,309	1,535	112,834	149,541
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	(32,059)	-	32,059	-
Disposals	-	(644)	(3,022)	(2,512)	(15,243)	-	-	(21,421)
<b>At December 31st 2020</b>	<b>2,529</b>	<b>209,942</b>	<b>39,279</b>	<b>11,754</b>	<b>138,513</b>	<b>246,084</b>	<b>144,893</b>	<b>792,993</b>
At 1 January 2021	2,529	209,942	39,279	11,754	138,513	246,084	144,893	648,100
Additions	-	12,065	-	-	-	964	3,000	13,029
Transfers	-	2,499	-	-	-	(2,499)	-	-
Reclassification	-	-	-	-	32,059	-	(32,059)	-
Disposals	-	-	-	-	(15,956)	-	-	(15,956)
<b>At 30th September 2021</b>	<b>2,529</b>	<b>224,506</b>	<b>39,279</b>	<b>11,754</b>	<b>154,615</b>	<b>244,549</b>	<b>115,834</b>	<b>677,232</b>
<b>Accumulated depreciation and impairment</b>								
At 1 January 2020	1,055	205,487	34,354	14,015	138,492	-	-	393,403
Charge for the year	51	1,302	2,570	58	14,826	-	15,671	34,478
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	(7,327)	-	7,327	(7,327)
Disposals	-	(644)	(3,022)	(2,512)	(15,243)	-	-	(21,421)
<b>At December 31st 2020</b>	<b>1,106</b>	<b>206,145</b>	<b>33,902</b>	<b>11,561</b>	<b>130,748</b>	<b>-</b>	<b>22,998</b>	<b>406,460</b>
At 1 January 2021	1,106	206,145	33,902	11,561	130,748	-	22,998	406,460
Charge for the period	38	2,054	1,754	60	8,538	-	29,375	41,818
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	7,327	-	(7,327)	7,327
Eliminated on disposals	-	-	-	-	(5,782)	-	-	(5,782)
<b>At 30th September 2021</b>	<b>1,144</b>	<b>208,198</b>	<b>35,655</b>	<b>11,621</b>	<b>140,831</b>	<b>-</b>	<b>45,047</b>	<b>449,823</b>
Carrying amount								
At 30th September 2021	1,385	16,308	3,623	133	13,784	244,549	70,787	279,782
At 31st December 2020	1,423	3,797	5,377	193	7,765	246,084	121,895	264,661
		(279)						
Company								
Cost	Buildings	Plant & machinery	Office equipment	Furniture & fittings	Motor vehicles	Capital Work -in-Progress	Right of use of Asset	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	2,529	202,088	41,566	14,138	151,505	244,549	-	656,375
Additions	-	-	735	128	34,309	1,535	112,834	36,707
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	(32,059)	-	32,059	(32,059)
Disposals	-	(644)	(3,022)	(2,512)	(15,243)	-	-	(21,421)
<b>At December 31st 2020</b>	<b>2,529</b>	<b>201,444</b>	<b>39,279</b>	<b>11,754</b>	<b>138,513</b>	<b>246,084</b>	<b>144,893</b>	<b>784,495</b>
At 1 January 2021	2,529	201,444	39,279	11,754	138,513	246,084	144,893	639,602
Additions	-	12,065	-	-	-	964	3,000	13,029
Transfers	-	2,499	-	-	-	(2,499)	-	-
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(3,600)	-	(12,356)	(3,600)
<b>At 30th September 2021</b>	<b>2,529</b>	<b>216,007</b>	<b>39,279</b>	<b>11,754</b>	<b>134,913</b>	<b>244,549</b>	<b>135,537</b>	<b>649,031</b>
<b>Accumulated depreciation and impairment</b>								
At 1 January 2020	1,055	196,987	34,354	14,015	138,492	-	-	384,903
Charge for the year	51	1,302	2,570	58	14,826	-	15,671	14,185
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	(7,327)	-	7,327	(229,019)
Disposals	-	(644)	(3,022)	(2,512)	(15,243)	-	-	(21,877)
<b>At December 31st 2020</b>	<b>1,106</b>	<b>197,645</b>	<b>33,902</b>	<b>11,561</b>	<b>130,748</b>	<b>-</b>	<b>22,998</b>	<b>384,905</b>
At 1 January 2021	1,106	197,645	33,902	11,561	130,748	-	22,998	384,905
Charge for the period	38	2,054	1,754	60	8,538	-	28,959	8,790
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	(4,116)	-	4,116	13
Eliminated on disposals	-	-	-	-	(2,950)	-	(2,832)	(789)
<b>At 30th September 2021</b>	<b>1,144</b>	<b>199,699</b>	<b>35,656</b>	<b>11,621</b>	<b>132,220</b>	<b>-</b>	<b>53,241</b>	<b>392,919</b>
Carrying amount								
At 30th September 2021	1,385	16,309	3,622	133	2,692	244,549	82,297	268,690
At 31st December 2020	1,423	3,799	5,377	193	7,765	246,084	121,895	264,661
Group				Company				
15	Other Assets	30/09/2021	31/12/2020	30/09/2021	31/12/2020			
		N'000	N'000	N'000	N'000			
	PREPAYMENT	6,459	-	6,459	-			
		6,459	-	6,459	-			

i Assets pledged as security  
None of the Company's assets is pledged as collateral for loans (2021: Nil)

ii Contractual commitments  
At 30th September 2021, the Company had no contractual commitments for the acquisition of property, plant and equipment (2020: Nil).

## MEYER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

### 16 Investment in subsidiary

	GROUP		COMPANY	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
	N'000	N'000	N'000	N'000
Carrying amount at cost	-	-	-	-

Details of the Group subsidiary at the end of the reporting period is as stated below:

<u>Name of the company</u>	<u>Principal activity</u>	<u>Place of incorporation</u>	<u>Proportion of ownership interest and voting power held by the Group</u>	
			30/09/2021	31/12/2020
DNM Construction Limited	Construction and rehabilitation of building	Nigeria	96%	96%

The Group owns 96% of the DNM Construction Limited

The remaining 4% shares attributable to non-controlling interest is stated below:

	%	%
Mr. Kayode Falowo	1	1
Mr. Toyin Okeowo	1	1
Alhaji Ibrahim Suleman	1	1
Arc. Ayoola Onajide	1	1
	<u>4</u>	<u>4</u>

Two out of the four shareholders are Directors of Meyer Plc.

## MEYER PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

17 Inventories	Group		Company	
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
Raw materials	36,104	47,206	36,104	47,206
Work-in-progress	7,768	9,124	7,768	9,124
Finished Goods - Paints & Adhesives	24,146	38,769	24,146	38,769
Consumables	164	51	164	51
	<b>68,183</b>	<b>95,150</b>	<b>68,183</b>	<b>95,150</b>
Provision for obsolete spares and slow moving stock	-	-	-	-
	<b>68,183</b>	<b>95,150</b>	<b>68,183</b>	<b>95,150</b>

The carrying amount of the inventories is the lower of their costs and net realisable values as at the reporting dates.

18 Trade and other receivables	Group		Company	
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
Trade receivables	153,396	132,855	117,170	96,629
Allowance for doubtful debts	(33,016)	(33,015)	(33,016)	(33,016)
	<b>120,379</b>	<b>99,840</b>	<b>84,153</b>	<b>63,614</b>
<b>Other receivables</b>				
<b>Related party</b>		894		894
Insurance claim	-	-	-	-
WHT claimable	84,482	71,666	84,482	71,666
Prepayment	-	2,751	-	2,751
Sundry debtors	818	554	418	358
Due from related party	-	-	-	-
Provision for doubtful debts				
	<b>205,680</b>	<b>175,705</b>	<b>169,054</b>	<b>139,283</b>

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value



## MEYER PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

### 19 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Group		Company	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
	N'000	N'000	N'000	N'000
Cash and bank balances	16,219	3,828	16,035	3,644
Short-term investments ( see note 20a)	1,396,092	2,384,944	1,396,092	2,384,944
	<u>1,412,311</u>	<u>2,388,772</u>	<u>1,412,127</u>	<u>2,388,588</u>

#### 19a Short-Term Investments

These represent cash held in Fixed deposits in various banks. These investments are placed in short-term deposits and are continuously rolled over throughout the period

**MEYER PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**20a Short-term Investment**

These represents cash held in Fixed deposits in various banks. These investments are placed in short term deposits and are continuously rolled over throughout the period

	Group		Company	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
<b>20b Short Borrowing</b>				
	N'000	N'000	N'000	N'000
LPO Financing	1,813	1,813	1,813	1,813
Commercial Papers	-	-	-	-
Lease obligation	4,801	19,315	4,801	19,315
Term loan	-	-	-	-
<b>Total borrowings</b>	<b>6,613</b>	<b>21,128</b>	<b>6,613</b>	<b>21,128</b>
<b>Movement at a glance</b>				
Opening balance	21,128	1,813	21,128	1,813
Obtained during the year:	-	-	-	-
Term (interest capitalised)	-	-	-	-
Loan waived	-	-	-	-
RoU Lease	-	-	-	-
Lease obligation	-	31,250	-	31,250
Repayment of loan	( 14,515)	(11,935)	(14,515)	(11,935)
Amount due within one year	-	-	-	-
Closing balance	6,613	21,128	6,613	21,128

**21 Employment benefits**

	Group		Company	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
	N'000	N'000	N'000	N'000
Balance as at 1 January	17,089	27,396	17,089	27,396
Addition/(Payment) for the period	3,677	(10,307)	3,677	(10,307)
Balance as at 30th September 2021	20,766	17,089	20,766	17,089

MEYER PLC  
NOTES TO THE FINANCIAL STATEMENTS  
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22a Trade and other payables	GROUP		COMPANY	
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
Trade payable	209,576	157,394	203,741	151,559
Amount due to related parties	-	30,855	22,269	53,124
<b>Other payables:</b>				
lease liability	-	30,000	-	30,000
Value added tax	78,978	130,561	78,978	130,561
Withholding tax payable	57,271	52,530	57,228	52,488
Accruals	9,931	29,011	9,931	28,811
National housing fund	65	65	65	65
Rent receivable	-	805	-	805
Sundry creditors	75,059	73,971	73,742	73,033
Customer deposit	53,629	61,469	53,629	61,469
Technical Management fees	11,056	-	11,056	-
Industrial Training Fund pension	650	14,334	650	14,334
	-	1,383	-	1,383
	<b>496,183</b>	<b>584,880</b>	<b>511,257</b>	<b>600,134</b>

22a (l) Decommissioning cost	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Balance as at 1 January	9,600	-	9,600	-
Provision for the period	-	9,600	-	9,600
Balance as at 30th September	9,600	9,600	9,600	9,600

This represents the initial estimate of the cost of dismantling and removing items and restoring the site(Leased building) in respect of Right of use assets as disclosed

22b Deposit for AFS	-	-	-	-
<b>23 Share capital</b>				
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
<b>Authorised:</b>				
1,300,000,000 ordinary shares of 50k each	650,000	650,000	650,000	650,000
<b>Issued and fully paid:</b>				
497,728,000 ordinary shares of 50k each	248,864	248,864	248,864	248,864

The Company has one class of ordinary shares which carry no right to fixed income.

<b>24 Share premium</b>				
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
At 1 January	53,173	53,173	53,173	53,173
Balance as at 30th September 2021	53,173	53,173	53,173	53,173

<b>25 Retained earnings</b>				
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
At 1 January	1,463,166	345,156	1,414,039	305,533
Profit/(Loss) attributable to owners of the company	9,474	1,118,010	9,474	1,108,506
Reversal of tax provision not required	480,000	-	480,000	-
Dividend paid	(746,591)	-	(746,591)	-
Balance as at 30th September 2021	1,206,048	1,463,166	1,156,921	1,414,039

<b>26 (i) Non-controlling interest</b>				
	30/09/2021 N'000	31/12/2020 N'000	30/09/2021 N'000	31/12/2020 N'000
At 1 January	2,448	2,452	-	-
Adjustment during the period	-	-	-	-
Transfer from profit or loss	-	(4)	-	-
Balance as at 30th September 2021	2,448	2,448	-	-

MEYER PLC  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

27 DIRECTORS AND EMPLOYEES

27.1 DIRECTORS

	Group		Company	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
	N'000	N'000	N'000	N'000
<b>Emoluments:</b>				
Fees	1,250	5,120	1,250	5,120
Other remuneration and allowances including pension contribution	11,643	23,400	11,643	23,400
	<b>12,893</b>	<b>28,520</b>	<b>12,893</b>	<b>28,520</b>

The number of Directors whose gross emoluments were within the following ranges are:

Range (N)	Number	Number	Number	Number
10,000,000	1	1	1	1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

The aggregate payroll costs:

	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	131,133	163,826	131,133	163,826
Pension and social benefits	6,581	11,325	6,581	11,325
Staff training	90	1,372	90	1,372
	<b>137,804</b>	<b>176,523</b>	<b>137,804</b>	<b>176,523</b>

The number of higher paid employees with gross emoluments within the ranges below are:

Range (N)	Number	Number	Number	Number
500,001 - 2,000,000	48	48	48	48
2,000,001 - 3,000,000	9	9	9	9
3,000,001 and above	6	6	6	6
	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>

**MEYER PLC AND ITS SUBSIDIARY COMPANY  
FOR THE PERIOD ENDED 30TH SEPTEMBER 2021  
NOTES TO THE FINANCIALS STATEMENTS**

**28 LEGAL STATUS**

The Company commenced operations in Nigeria in 1960 after it was incorporated as a private limited liability company and was converted to a public company in 1979. The Company was listed on the Nigerian Stock Exchange in 1979.

**29 PRINCIPAL ACTIVITIES**

The principal activity of the Company is manufacturing and sale of paint products, coating, adhesives and flooring products.

Subsidiary	Principal Activities	Date of Incorporation	Percentage Holding
DNM Construction Ltd.	Building and Construction	20 July, 2007	96%

The financial results of the subsidiary have been consolidated in these financial statements.

**30 SUBSTANTIAL INTEREST IN SHARES**

List of shareholding with 5% and above as at 30th September 2021:

S/N	NAMES	SHAREHOLDINGS	%
1	Greenwich Capital Limited	156,419,326	31.43
2	Bosworth Investments & Service Limited	153,961,094	30.93
3	Mr. Osa Osunde	27,000,250	5.42
4	Mr. Kayode Falowo	25,170,582	5.06

No individual shareholder other than as stated above held more than 5% of the issued share capital of the Company as at 30th September 2021.

**Interests of Directors in Shares of the Company**

The interests of Directors in the issued shares of the company as stated in the Register of Members as at 30 September 2021 for the purposes of section 301 of the Companies and Allied Matters Act, 2020 are as follows :

S/N	Name of Director	Direct	Indirect	Direct	Indirect
		shareholding	shareholding	shareholding	shareholding
		2021	2021	2020	2020
1	Mr. Kayode Falowo	25,170,582	Nil	25,170,582	Nil
2	Mr. Osa Osunde	27,000,250	Nil	27,000,250	Nil
3	Erelu Angela Adebayo	Nil	Nil	Nil	Nil
4	Mr. Tony Uponi	3,298,804	Nil	3,298,804	Nil
5	Mr. Olutoyin Okeowo	2,080,482	Nil	2,080,482	Nil
6	Mrs. Vivienne Ochee-Bamgboye	384,998	Nil	384,998	Nil

**RESEARCH AND DEVELOPMENT**

In order to maintain and enhance skills and abilities, the Company's policy of continuously researching into new products and services was maintained.