

UNION DICON SALT PLC
UNAUDITED FINANCIAL STATEMENTS
30TH SEPTEMBER 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH SEPTEMBER 2021

	Notes	3RD QTR	3RD QTR	YEAR TO DATE		YEAR TO DATE	
		2021	2020	2021	2020	2021	2020
		N'000	N'000	N'000	N'000	N'000	N'000
Revenue	7			0	0		0
Cost of sales	8			0	0		0
Gross profit				0	0		0
Other operating income	9	25500	23675	56529	38445		
Administrative expenses	10	-39368.12	-26868.65	-78476.25	-78995.13		
Profit/(Loss) before tax		-13868.12	-3193.65	-21947.25	-40550.13		
Current tax expense				0	0		0
Loss for the Period		-13868.11655	-3193.65	-21947.25	-40550.13		
Other comprehensive income				0	0		
Total comprehensive loss		-13868.11655	-3193.65	-21947.25	-40550.13		

The accompanying notes on pages 6 to 24 and other national disclosures on pages 25 and 26 form an integral part of these financial statements.

	Notes	N'000	2021	N'000	2020
Assets					
Non-current					
Property, plant and equipment	14		44036		44036
Investment in subsidiary	15		53981		53981
			98017		98017
Current					
Trade and other receivables	16		410		410
Cash and cash equivalents	21		6676		12334
			7086		12744
Current liabilities					
Trade and other payables	17		1361566.25		1345276
Current tax liabilities	13(iii)		62263		62263
			1423829.25		1407539
Net current liabilities			-1416743.25		-1394795
Total assets less current liabilities			-1318726.25		-1296778
Non-current liabilities					
Employee benefit liabilities	18		158010		158010
Deferred tax liabilities	13(v)		39591		39591
			197601		197601
Net liabilities			-1516327.25		-1494379
Equity					
Share capital	19(a)		136673		136673
Share premium	19(b)		250638		250638
Actuarial Valuation reserve			-15917		-15917
Revenue reserve	20		-1887721.25		-1865774
Total equity			-1516327.25		-1494380

The financial statements were approved by the Board of Directors on..... , 2021 and signed on its behalf by:



(i) LT. General T.Y Danjuma (RTD), GCON

Chairman

FRC/2013/IODN/00000003130



(ii) Florence Iroye

Ag. Managing Director

FRC/2021/002/00000023527



(iii) Lateef Akanbi

Ag. Financial Controller

FRC/2014/ICAN/00000006105

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STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER, 2021

	Share Capital N'000	Share Premium N'000	Reserve for Actuarial Valuation N'000	Retained Earnings N'000	Total Equity N'000
Balance at 1 January 2021 as previously stated	136673	250638	-15917	-1865774	-1494380
Correction of prior year errors	0	0		0	0
	136673	250638	-15917	-1865774	-1494380
Comprehensive income for the year:					
Profit/(Loss) for the year/period	0	0	0.00	-21947.25	-21947.25
Other comprehensive income	0	0	0	0	0
Total comprehensive loss for the year	0	0		-21947.25	-21947.25
Transactions with owners recorded directly in equity					
Balance at 30 September, 2021	0	0		0	0
	136673	250638	-15917	-1887721.25	-1516327.25
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2020	136673	250638	-33377	-2549647	-2195713
Comprehensive income for the year					
Profit/(Loss) for the year	0	0		683873	683873
Other comprehensive income	0	0	17460	0	17460
Total comprehensive Profit/(Loss) for the year	0	0	17460	683873	701333
Transactions with owners, recorded directly in equity:					
Balance at 31 December 2020	0	0		0	0
	136673	250638	-15917	-1865774	-1494380

The accompanying notes on pages 6 to 24 and other national disclosures on pages 25 and 26 form an integral part of these financial statements.

STATEMENT OF CASHFLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER, 2021

		2021	2020
	Notes	N'000	N'000
Cash flows from operating activities			
Profit/(Loss) for the year/period		-21947.25	683873
Adjustments for non cash items:			
Depreciation of property, plant and equipment	14	0	648
Actuarial gains/(loss)			17460
Impairment of property, plant and equipment	14	0	0
Write back of investment in subsidiary			0
Income tax expense	13(i)	0	2088
		-21947.25	704069
Changes in working capital			
Decrease in trade and other receivables		0	8293
Increase/(decrease) in employee benefit liabilities		0	7652
Increase in trade and other payables		16290.25025	-718292
Tax paid			
			-342
Cash generated from/(used in) operations		-5656.99975	1380
Cash flow from Investing Activities			
Purchase of property, plant and equipment		0	-780
		0	0
Net cash generated from/(used in) operating activities		-5656.99975	600
Net increase/(decrease) in cash and cash equivalents			
		-5656.99975	600
Cash and cash equivalents at the beginning of the period		12334	11734
Cash and cash equivalents at the end of the period	21	6677.00025	12334

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1) Corporate information and principal activities

Dicon Salt Limited and Union Salt Limited were incorporated as private limited liability companies on 11 October 1984 and 30 May 1991 respectively. The Companies merged and simultaneously converted into a public limited liability company on 7 May 1993 to become Union Dicon Salt Plc. The Company became listed on the official listing of the Nigerian Stock Exchange on 23 September, 1993.

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 Standards Board (IASB) and in compliance with the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004 and Financial Reporting Council of Nigeria Act No 6, 2011.

The financial statements were authorised for issue by the Board of Directors on

b Basis of measurement

The financial statements have been prepared under the historical cost concept except for certain financial instruments which were measured at fair value as mentioned in the accounting policies below.

c Functional and presentation currency

The Company's functional and presentation currency is the Nigerian naira. The financial statements are presented in Nigerian Naira and have been rounded up to the nearest thousand except where 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.

3) Changes in accounting policies

a New standards, interpretations and amendments effective from 1 January 2018

New standards impacting the Company that will be adopted in the annual financial statements for the period ended 31 March 2019, and which have given rise to changes in the Company's accounting policies are:

- IFRS 9 Financial Instruments; and
- IFRS 15 Revenue from Contracts with Customers.

Details of the impact on these two standards are given in note 27 below. Other new and amended standards and interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

b New standards, interpretations and amendments 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. The most significant of these is:

- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019).
- IFRIC 23 Uncertainty over Income Tax Positions (effective 1 January 2019).
- Prepayment features with Negative Compensation-Amendments to IFRS
- Plan Amendment, Curtailment or Settlement-Amendments to IAS 19.

Title	Key requirements	Effective Date
IFRS 16 Leases	<p>IFRS 16 will affect primarily the accounting by leases and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.</p> <p>The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additional, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.</p> <p>Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.</p> <p>The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contain, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p>	1 January 2019 Early ado

Interpretation 23: Uncertain knowledge of all related information, ie that detection risk should be ignored	<p>The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:</p> <ul style="list-style-type: none"> • how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty • that the entity should assume a tax authority will examine the uncertain tax treatments and have full 	1 January 2019
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- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
 - that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and
 - that the judgments and estimates made must be reassessed whenever circumstance have changed or there is new information that affects the judgements.
- While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgments and estimates made in preparing the financial statements.

The narrow-scope amendments made to IFRS 9 Financial Instruments in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.

To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Prepayment Features with N

1 January 2019

The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change
- any reduction in a surplus should be recognized immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognized in profit or loss even if that surplus was not previously recognized because of the impact of the asset ceiling.
- separately recognize any changes in the asset ceiling through other comprehensive income.

Plan Amendment, Curtailme

1 January 2019

4) Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as well 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 estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is legal proceedings and it is discussed below:

i) Legal proceedings

The Company reviews outstanding legal cases following developments in the legal proceedings and 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 Company's management as to how it will respond to the litigation, claim or assessment.

ii) Income and deferred taxation

The Company incurs corporate tax liability and recognises 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.

iii) Impairment of property, plant and equipment and intangible assets

The Company 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 Company'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.

iv) Estimates of useful lives and residual value

The estimates of useful lives and residual values of property, plant and equipment impact the annual depreciation charge. The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

5) Summary of significant accounting policies

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

a) Foreign currency transactions

In preparing the financial statements of the Company, 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 and any exchange differences arising are included in the income statement of the reporting period.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

All foreign exchange gains and losses recognised in the income statement are presented net in the Income statement within other operating income and operating expenses respectively. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

b) Revenue

The Company supplies salt in the wholesale market. Sales are recognized when control of the goods has transferred, being when the goods are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the goods. Delivery occurs when the goods have been transported to the specific location of the wholesaler and either the wholesaler has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

The goods is often sold with volume discounts based on aggregate sales value over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other receivables) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The company's obligation to replace expired goods under the standard warranty terms is recognized as a provision.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

c) Finance income and finance expense

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 the asset's net carrying amount in the income statement.

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

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets and impairment losses recognised on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement.

d) Property, plant and equipment
i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Items of property, plant and equipment under construction are disclosed as capital work in progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is then derecognised. The costs of the day-to-day servicing and maintenance of an item of property, plant and equipment are recognised in the income statement during the period in which they are incurred.

iii) Depreciation

Depreciation is calculated on items of property, plant and equipment to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on items of property, plant and equipment until they are brought into use.

The principal annual rates used for this purpose, which are consistent with those for the previous years, are as follows:

Type of asset	%
Building	2
Plant and machinery	10
Computer equipment	25
Furniture and fittings	20

The assets depreciable methods, useful lives and residual values are reviewed annually and adjusted if necessary. The 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.

iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gains 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 income statement within 'Other income or operating expenses' in the year that the asset is derecognised.

e) Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each reporting date for impairment or 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 cost 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 statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

f) Inventory

Inventory include salt, engineering items, bags and other consumables. Inventories are valued at the lower of cost and net realizable value. Cost includes the cost of the products, the landing cost and the expenses/charges associated with the conveyance of the inventory to the warehouse. Costs of the products are determined using the average cost methods. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Adequate provision is made for slow moving, obsolete and defective inventories to ensure that the value at which inventories is held at the reporting date is reflective of anticipated future sales patterns.

g) Financial instruments

a) 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) Classification as 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. Details about the Company's impairment policies and the calculation of the loss allowance are provided in the subsequent paragraph.

ii) Classification of financial assets at amortised cost

The Company classified 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.

iii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charge 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.

iv) Prepayments

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit and loss and other comprehensive income.

v) Cash and cash equivalents

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.

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, bank balances, investments in money market instruments with

vi) Derecognition of financial assets

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) Financial liabilities and equity instruments

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.

a) 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.

b) Dividends

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

c) 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 income statement.

h) Offsetting financial instruments

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

i) 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 a 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 36 month before 30 June 2019 or 1 July 2019 respectively 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.

j) Taxation

i) Current income tax

The income tax expense for the period comprises current and deferred tax expense. 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting date in Nigeria where the Company operates and generates taxable income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes 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 Company is subject to the following types of current income tax:

- . Company Income Tax - This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act, Cap C21, LFN 2004 as amended to date
- . Tertiary Education Tax - Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act, LFN 2011 (Amended)

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- . temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- . taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting values and their corresponding tax written down values. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

k) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The company recognises wages, salaries, bonuses and other allowances for current employees 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 company 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.

(ii) Defined contribution plans

The Company operates a defined contribution plan as stipulated in the Pension Reform Act, 2014. Under the defined contributory scheme, the Company contributes 10%, while its employees contribute 8% of their annual basic, housing and transport allowances to the scheme. Once the contributions have been paid, the Company retains no legal and constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognised in the income statement as administrative expenses (employee benefits) when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

(iii) Defined benefits plan

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability in respect of a defined benefit pension plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for un-recognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rate of government bond. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumption are charged or credited to equity in other comprehensive income in the period which they arise.

l) Provisions

A provision is recognized only if, as a result of a past event, the Company 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount is recognised as a finance cost.

m) Share capital, reserves and dividends

i) Share capital

Share capital represents the nominal value of shares that have been issued.

ii) Reserves

Reserves include all current and prior periods' retained earnings.

iii) Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the company's shareholders. Interim dividends are deducted from equity when they are declared. 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.

n) Related party transactions

Related parties include the related companies, the directors and any employee who is able to exert significant influence on the operating policies of the company. 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 or indirectly, including any director (whether executive or otherwise) of that entity.

The Company 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 with the company, the transactions are disclosed separately as to the type of relationship that exists with the company and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

6) Financial instruments - risk management

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Liquidity risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

ii) Financial instruments by category

Financial assets	Loans and receivables	
	2019 N'000	2018 N'000
Cash and cash equivalents	6676	12334
Trade and other receivables	410	410
Total financial assets	7086	12744
Total liabilities	Financial liabilities at amortised cost	
	2019 N'000	2018 N'000
Trade and other payables	<u>1361566.25</u>	<u>1345276</u>

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance department. The Board receives monthly reports from the Company's Accountant through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Company's Accountant also reviews the risk management policies and processes and reports his findings to the Board.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from rental income. The Company is not exposed to credit risk from sales of products as it is currently not trading.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company is currently experiencing difficulty in meeting its financial obligations as they fall due. However, efforts are being made by the Board to ensure that the Company can start the production and sales of salt in order to generate income for its working capital requirements.

Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company is currently experiencing difficulty in maintaining a positive working capital position. It made a loss before taxation of N19,350,000 during the period ended 31 March 2019, its current liabilities exceeded its current assets by N979,557,000 and had a negative shareholders' funds of N1,075,755,000.

Accordingly, there is an immediate need to address the impact of the negative working capital and net liabilities respectively. To facilitate this, the management is committed to engage in productive activities in the coming year with the approval by the Board to revive salt production and diversify into other business opportunities. As part of the measures to sustain the going concern, the amount due to the related parties will not be required for immediate repayment until the Company returns to profitable position.

The financial statements have therefore been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the actions being taken by the directors as explained above will yield positive result and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

	SEPTEMBER	SEPTEMBER	DECEMBER	
	2021	2020	2020	
	N'000	N'000	N'000	
7) Revenue				
Revenue arises from:				
Gross sales of salt less rebate	0	0	0	0
8) Cost of sales	N'000	N'000	N'000	
Staff costs	0	0	0	0
Rent	0	0	0	0
Maintenance	0	0	0	0
Others	0	0	0	0
9) Other operating income	N'000	N'000	N'000	
This comprises:				
Rental income	25500	34300	118133	118133
Dividend income	0	3375	3375	3375
Write back of provision no longer required	0	0	0	0
				713673
	25500	38445		835181
10) Administrative expenses	N'000	N'000	N'000	
Staff costs	6000.00	24979.52	45226	45226
Repairs and maintenance	542.7	743.2	1891	1891
Travelling	333.6	1280	1664	1664
Office expenses	465.25	1488.35	1053	1053
Audit fee	1125	1125	1500	1500
Professional fee	1185	3650	8687	8687
Computer Repairs & Maintenance	136	0	0	0
Telephone and Internet	111	417.65	683	683
Electricity	0	0	0	0
Printing & Stationery	97.6	300	314	314
Depreciation of property, plant and equipment		491.45	648	648
Impairment loss on Property, plant and equipment (Note 14)	0	0	0	0
Legal expenses	800	1835	0	0
Judgement debt	0	0	0	0
Business promotion	0	0	80	80
Provisions for bad debt	0	0	0	0
Current service cost	0	0	25111	25111
Rent	28371.96655	39053.25	52071	52071
Bank Charges	48	37.208	38	38
Corporate Subscription	52	545.5	1367	1367
Impairment Allowance	0		8703	8703
Penalty for Late Filing	0	0		
Others	100	3048	186	186
	39368.11655	78994.128		149222

		2021	2020
11) Loss for the year is arrived at after charging:	N'000	N'000	
Depreciation on property, plant and equipment		0	648
Audit fees		1125	1500
12) Employee benefit expenses			
Employee benefit expenses comprise:	N'000	N'000	
Wages and salaries		6000	45226
		6000	45226
13) Taxation			
Current Income tax			

Taxation for the period in the income statement represents deferred tax, education tax and company income tax.

i) Profit and loss account	N'000	N'000	
Company income tax		0	0
Education tax		0	0
Minimum tax		0	341
		0	341
Deferred tax		0	0
		0	341
Income tax recognised in profit or loss			

The charge for taxation in these financial statements is computed in accordance with the provisions of the Companies Income Tax Act, CAP C21 LFN, 200.

The Company's education tax is computed in accordance with the provisions of Education Tax Act, CAP E4 LFN, 2004 as amended which is 2% of the asse:

ii)			
	The income tax expense for the year can be reconciled to the accounting profit as per the statement of comprehensive income as follows:		
		N'000	N'000
	Profit/(Loss) before tax	-21947.25	685961
	Tax at the statutory corporation tax rate of 30%	-6584.175	205788.3
	Effect of expenses that are not deductible in determining taxable profit	6584.175	685961
	Loss (relieved)	0	-891749
	Current tax	0	0
	Capital allowances absorbed	0	0
	Minimum tax	0	2088
	Tax expense recognised in profit or loss	0	2088.3
	Effective rate	0	0
iii)	Statement of financial position	N'000	N'000
	Balance at the beginning of the year		
	Income tax	62263	60517
	Education tax	0	0
		62263	60517
	Payments during the year:		
	Income tax	0	-342
	Provision for the year:		
	Company income tax	0	0
	Education tax	0	0
	Minimum tax	0	2088
	Balance at the end of the year	62263	62263

iv) Current tax assets and liabilities
 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting periods:

	Property, plant and equipment N'000	Recognised in other comprehensive income N'000	Allowance on inventory N'000	Total N'000
At 1 January 2020	39591	0	0	39591
Charged to profit or loss	0	0	0	0
Charged to other comprehensive income	0	0	0	0
Reclassification from equity to profit or loss	0	0	0	0
At 31 December 2020	39591	0	0	39591
Charged to profit or loss	0	0	0	0
Charged to other comprehensive income	0	0	0	0
Reclassification from equity to profit or loss	0	0	0	0
At 30 September 2020	39591	0	0	39591

v) Deferred tax liabilities

	2020 N'000	2019 N'000
Balance at the beginning of the year	39591	39591
Charge for the year	0	0
Balance at the end of the year	<u>39591</u>	<u>39591</u>

14) Property, plant and equipment

	Leasehold land & buildings	Plant & machinery N'000	Fittings and Equipment N'000	Computer equipment N'000	Total N'000
Cost					
At 1 January 2020	65302	1131666	167027	12592	1376587
Additions	780			0	780
Impairment	0	0	0	0	0
At 31 December 2020	66082	1131666	167027	12592	1377367
At 1 January 2021	66082	1131666	167027	12592	1377367
Additions	0	0	0	0	0
Impairment	0	0	0	0	0
At 30 September 2020	66082	1131666	167027	12592	1377367
Accumulated depreciation and impairment					
At 1 January 2020	21574	1131666	167027	12416	1332683
Depreciation charge for the year	604	0	0	44	648
At 31 December 2020	22178	1131666	167027	12460	1333331
At 1 January 2021	22178	1131666	167027	12460	1333331
Depreciation charge for the period	0	0	0	0	0
At September 2020	22178	1131666	167027	12460	1333331
Carrying amounts					
At 30 September 2020	43904	0	0	132	44036
At 31 December 2019	43904	0	0	132	44036

15)	Investment in subsidiary		2021	
		N'000	N'000	2020
	Witt & Busch Limited		53981	53981
			53981	53981

16)	Trade and other receivables	N'000	N'000	
	Trade receivables		0	0
	Impairment of doubtful receivables		0	0
	Total financial assets other than cash and cash equivalents classified as loans and receivables		0	0
	Amount due from related companies (16(a))		300	300
	Sundry receivables		0	0
	Prepayment		0	0
	Employees Receivable		0	0
	Staff Loan Account		110	110
	Withholding Tax Receivable		0	0
	Total trade and other receivables		410	410

(a)	Due from related companies	N'000	N'000	
	Marinvest Nigeria Cold Store		0	0
	Witt and Busch Limited		2100	2400
	Impairment on receivables		-900	-900
			1200	1500

(b) The Company has no receivables that are used as collateral for security.

(c) The Company does not have financial assets that are past due but not impaired.

17)	Trade and other payables	N'000	N'000	
	Trade payables		0	0
	Other payables (17(a))		259876	259875
	Accruals		101786.2503	85497
	Total financial liabilities excluding loans and borrowings, classified as financial liabilities measured at amortised cost		361662.2503	345372
	Directors current account		949027	949027
	Staff pension (17(b))		50877	50877
	Total trade and other payables		1361566.25	1345276

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value

(a)	Other payables	N'000	N'000	
	PAYE		33538	33538
	Union Dues		590	590
	Deferred Income		118600	118600
	Joatelim Logistics Limited		90000	90000
	CBO Capital account		16534	16534
	Other payables		0	0
	ITF payables		307	307
	NSITF payables		307	307
			259876	259876

(b)	Staff pension	N'000	N'000	
	Balance at the beginning of the year		50877	45171
	Addition during the year		0	5706
	Payment during the year			0
			50877	50877

18) Employee benefits liabilities

(a)

The Company operates a gratuity scheme in line with the provisions of the agreements entered into with Nigeria Labour Congress (NLC)

The benefits payable to members based on the completed number of years served are as follows:

(i)	Less than 2 years of meritorious service	- Nil
(ii)	2-9 years of meritorious service	- 150% of monthly gross salary
(iii)	10-20 years of meritorious service	- 200% of monthly gross salary
(iv)	More than 20 years	- 250% of monthly gross salary

b)

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2018 by Bestwole Developments Limited.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit.

c) The principal assumptions used for the purposes of the actuarial valuations were as follows.

	%	2021	%	2020
Discount rate		0		13.5
Rate of salary increase		0		12
Rate of inflation		0		12

d) Reconciliation of change in benefit obligation

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	N'000	N'000	
Balance at the beginning of year	158010		150359
Current service cost	0		8787
Interest cost	0		16324
Benefit paid	0		0
Actuarial loss - change in assumption	0		-728
Actuarial loss - experience adjustment	0		-16732
Balance as at year end	158010		158010

e) Statement of Other Comprehensive Income(OCI)

	N'000	N'000	
Actuarial gain on liability during the year due to:			
- Change in assumption	4083		-728
- Experience adjustment	29294		-16732
	33377		-17460

19) Share capital

(a)

	2021		2021		2020		
	Number	Value	Number	Value	Number	Value	2020
	'000	N'000	'000	N'000	'000	N'000	
Authorised shares							
Ordinary shares of N0.50 each	600000		300000		600000		300000
Issued and fully paid							
	Number	Value	Number	Value	Number	Value	
	'000	N'000	'000	N'000	'000	N'000	
Balance at the beginning of the year		273346		136673		273346	136673
Addition during the year		0		0		0	0
Balance at the end of the year		273346		136673		273346	136673

		AS REINSTATED		
		2021		2020
		N'000	N'000	
(b)	Share premium			
	Balance at the beginning and end of the year		250638	250638
20)	Revenue reserve	N'000	N'000	
	Balance at the beginning of the year/period		-1865774	-2549647
	Loss for the year/period		-21947.25	683873
			-1887721.25	-1865774
21)	Cash and cash equivalents			
	Cash and cash equivalents comprise:	N'000	N'000	
	Cash at bank available on demand		6676	2703
22)	Related party transactions			

Related parties include the Board of Directors, the Executive Board, the Managing Director, close family members and companies which are controlled by these individual

The amount of outstanding balances at the year end are as disclosed in Note 16(a) to the financial statements.

Transactions with key management personnel

Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the company.

Key management includes directors (executive and non-executive) and members of the Executive Committee. No emolument was paid to the members of the key manag

23) Going concern

The Company is currently experiencing difficulty in maintaining a positive working capital position. It made a loss before taxation of N81,903,000, its current liabilities exc

Accordingly, there is an immediate need to address the impact of the negative working capital and net liabilities respectively. As part of the measures to sustain the going

24) The financial statements have however been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the actions being taken |
 Contingent liabilities

In the normal course of the business, there were a number of legal suits outstanding against the Company. On the advice of the counsel, the Board of Directors are of the

- 25) Capital commitment
There were no commitments to capital expenditure as at 30 September 2021 (2020: Nil).
- 26) Events after the reporting date

No event or transactions have occurred since 30 September 2020 which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or results of operations at 30 June 2019.

- 27) Effect of changes in accounting policies
IFRS 15

In the current financial year the Company has adopted IFRS 15 Revenue from Contracts with Customers. The Company has elected to restate comparative information from prior periods upon adoption of IFRS 15 and has applied the practical expedient under which contracts that began and ended in 2017 or that were completed prior to 1 January 2017 are not restated.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

As at 1 January 2018, the directors of the Company reviewed and assessed the Company's revenue for possible impact of the adoption of IFRS 15 without undue cost of effort in accordance with requirement of IFRS 15 No material adjustments were identified.

IFRS 9

In the current period the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS 9 introduces new requirements for:

- i) the classification and measurement of financial assets and financial liabilities and
- ii) impairment for financial assets.

The only significant impact on the Company is in relation to the impairment of trade receivables.