SCOA NIGERIA PLC

[RC: 6293]

ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021

BBC PROFESSIONALS
CHARTERED ACCOUNTANTS

SCOA NIGERIA PLC

[RC: 6293]

Annual Report And Consolidated Financial Statements - 2021

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SCOA NIGERIA PLC

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Annual Report And Consolidated Financial Statements - 2021

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Henry Agbamu	-	Chairman
Dr. Massad F. Boulos	-	Managing Director/CEO
Engr. Amresh Shrivastava	-	Executive Director
Alhaji Gambo Lawan	-	Non-Executive Director
Mrs. Sarah Boulos	-	Non-Executive Director
Mr. Michel Fadoul	-	Non-Executive Director
Hon. Magnus C. Onyibe (Independent)	-	Non-Executive Director

COMPANY SECRETARY

Mr. Micheal A. Adeyemi, ACIS, MNIM

REGISTERED OFFICE

157, Apapa/ Oshodi Expressway, Isolo, Lagos
P. O. Box 2318, Lagos
Telephone: 01-2802072
E-mail: info@scoaplc.com

REGISTRAR AND TRANSFER OFFICE

Africa Prudential Registrars Plc
220B, Ikorodu Road, Palmgrove, Lagos

MAJOR SOLICITORS

Bola Ajibola & Co.
Balogun, Majekodunmi & Biachi
Sumi Ahonsi & Co.
Rasky Gbinigie & Co.
Olasunkanmi Fasule & Co.

BANKERS

Access Bank Plc
Ecobank Plc
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Plc
Heritage Bank Limited
Keystone Bank Plc
Polaris Bank Limited
Providus Bank Limited
Stanbic IBTC Bank Plc
Sterling Bank Plc
Union Bank of Nigeria Plc
Unity Bank Plc
Wema Bank Plc
Zenith Bank Plc

INDEPENDENT AUDITORS

BBC PROFESSIONALS
[Chartered Accountants]
Charter House
7 McNeil Road
Sabo Yaba
Lagos

SCOA NIGERIA PLC

Financial Highlights

For the year ended 31 December, 2021

	Group 2021 ₦'000	Group 2020 ₦'000	**Company 2021 ₦'000**	Company 2020 ₦'000
Turnover	**15,809,503**	6,526,055	**966,713**	5,499,692
Profit/(loss) before taxation	**526,461**	(77,263)	**308,727**	(101,002)
Tax expenses	**(454,064)**	(304,244)	**(254,069)**	(300,681)
Profit/(loss) after taxation	**72,398**	(381,507)	**54,659**	(401,683)
Capital Expenditure	**4,823**	25,223	**1,835**	22,742
Depreciation of property plant & equipment	**181,598**	236,921	**179,050**	233,954
Total Asset	**23,448,096**	14,910,730	**8,876,817**	13,210,935
Shareholders' fund	**2,865,412**	2,817,299	**522,395**	499,507
Per Share Data:				
Profit/(loss) per share (Naira)	**0.11**	(0.59)	**0.08**	(0.62)
Stock Exchange Quotation as at 31st December	**293k**	293k	**293k**	293k
Number of Shareholders	**44,281**	44,281	**44,281**	44,281
Number of Employees	**93**	95	**23**	25

Report of the Directors

For the year ended 31 December, 2021

FINANCIAL STATEMENTS

The Directors are pleased to present to the Members of Company their Report with the Consolidated Audited Financial Statements for the year ended 31 December, 2021.

LEGAL FORM:

SCOA Nigeria Plc, which commenced operations in Nigeria in 1926, was incorporated as a Limited Liability Company in June, 1969 with Registration No. RC. 6293. The Company was listed on the Nigerian Stock Exchange in 1977.

PRINCIPAL ACTIVITIES:

The principal activities of the Company include: distribution, maintenance and leasing of motor vehicles; assembly, sales, and servicing of power generators; sale, servicing and repairs of earth-moving and construction equipment, industrial compressors, agricultural tractors, machinery and equipment and general merchandising.

MAJOR BUSINESS PARTNERS: The Company's major business partners include: MAN, Ingersoll Rand, Karcher, Fiori, Perkins and Wirtgen.

REVIEW OF BUSINESS AND FUTURE PROSPECTS:

The review of the Company's business as contained in the Chairman's Statement is an integral part of the Directors' Report and should be read in conjunction therewith.

RESULTS FOR THE YEAR:

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Revenue	**15,809,503**	6,526,055	**966,713**	5,499,692
Profit/(loss) before taxation	**526,461**	(77,263)	**308,727**	(101,002)
Tax expenses	**(454,064)**	(304,244)	**(254,069)**	(300,681)
Profit/(loss) for the Year	**72,398**	(381,507)	**54,659**	(401,683)

DIVIDEND:

The Directors did not recommend to members the payment of dividend given the results for the year.

PROPERTY, PLANT AND EQUIPMENT:

Information relating to changes in Property, Plant and Equipment during the year is given in Note 17 to the consolidated financial statements. In the opinion of the Directors, the market value of the group's properties is not less than the value shown in the accounts.

The Roles of the Board

The responsibilities of the Board of Directors include the following, amongst others:

- Policy formulation and planning.
- Periodic review and evaluation of management performance.
- Monitoring and enforcing effective internal control through appropriate committee.
- Risk management and preservation of Company's assets.
- Management of share capital.
- Determination and periodic review of appropriate organizational structure.
- Succession planning and appointment, training, remuneration and replacement of Board members and senior management.
- Overseeing the effectiveness and adequacy of internal control systems.
- Overseeing the maintenance of the group's communication and information dissemination policy.
- Performance appraisal and remuneration of Board members and senior executives.
- Review of reports and recommendations of its committees.
- Maintaining healthy communication and interaction with shareholders.
- Ensuring the integrity of financial reports.

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any declarable interest in contracts with which the Company is involved as at 31 December, 2021.

SHAREHOLDINGS

The issued and fully paid share capital of the Company as at 31 December, 2021 was beneficially owned as follows:

	%
SCOA International SA:	68.25
Others:	31.75
	100.00

SUBSTANTIAL INTEREST IN SHARES

No shareholders other than SCOA International SA, hold five percent or more of the shares of the Company.

ACQUISITION OF OWN SHARES

The Company did not acquire any of its shares during the year.

FORMAT OF FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, 2020, and are in compliance with the International Financial Reporting Standard reporting format as approved by the Financial Reporting Council of Nigeria. The Directors consider that the format adopted is the most suitable for the Company.

DIRECTORS' INTEREST IN SHARES

Directors' interest in the issued share capital of the Company as recorded in the Register of Members and/or notified by them are as follows:

	2021	2020
	Number	Number
Mr. Henry Agbamu	137,843	137,843
Dr. Massad F. Boulos	1,150	1,150
Prince Boniface Nwabuko	2,500	2,500

See Directors interest in contracts on page 6

BOARD OF DIRECTORS:

The names of the Directors are shown on page 2.

The Directors to retire by rotation in accordance with the Articles of Association of the Company are Mr. Henry Agbamu and Alhaji Gambo Lawan. The Directors are retiring by rotation and being eligible, offer themselves for re-election.

The Board has the following Committees:

1. **Governance and Remuneration Committee:**

Prince Boniface Nwabuko	-	Chairman
Mrs. Sarah Boulos	-	Member
Alhaji Gambo Lawan	-	Member

2. **Risk Management Committee:**

Dr. Massad F. Boulos (Attorney for Mr. Michel Fadoul)	-	Chairman
Engr. Amresh Shrivastava	-	Member
Alhaji Gambo Lawan	-	Member

3. **Audit Committee:**

Hon. Magnus Onyibe	-	Chairman
Mr. Tajudeen Adeshina	-	Member
Chief Edmund U. Njoku	-	Member
Mr. David O. Oguntoye, JP	-	Member
Engr. Amresh Shrivastava	-	Member

RECORD OF ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

In accordance with the requirement of Companies and Allied Matters Act, 2020, the record of attendance of Directors, its Committees and the Statutory Audit Committee meetings in the year under review is published herewith:

1. **Board of Directors:**	**07.01.21**	**26.03.21**	**29.07.21**	**26.10.21**	**TOTAL**
1. Mr. Henry Agbamu - (Chairman)	P	P	P	P	4
2. Dr. Massad F. Boulos	P	P	P	P	4
3. Engr. Amresh Shrivastava	P	P	P	P	4
4. Alhaji Gambo Lawan	P	P	P	P	4
5. Prince Boniface Nwabuko	P	P	P	P	4
6. Hon. Magnus C. Onyibe (Independent)	P	P	P	P	4
7. Mrs. Sarah Boulos	P	P	P	P	4
8. Mr. Michel Fadoul	P	P	P	P	4

2. **Governance and Remuneration Committee**	26.03.21	26.10.21	TOTAL
1. Prince Boniface Nwabuko (Chairman)	P	P	2
2. Mrs. Sarah Boulos	P	P	2
3. Alhaji Gambo Lawan	P	P	2

3. **Risk Management Committee**	26.03.21	28.10.21	TOTAL
1. Dr. Massad F. Boulos - (Chairman) (Attorney for Mr. Michel Fadoul)	P	P	2
2.Engr. Amresh Shrivastava	P	P	2
3. Alhaji Gambo Lawan	P	P	2

4. **Statutory Audit Committee**	26.03.21	13.12.21	**TOTAL**
1. Hon. Magnus Onyibe - (Chairman)	P	P	2
2. Mr. Tajudeen Adeshina	P	P	2
3. Chief Edmund U. Njoku	P	P	2
4. Mr. David O. Oguntoye, JP	P	P	2
5. Engr. Amresh Shrivastava	P	P	2

DONATIONS

The Company made no donation in the year 2021 (2020 : Nil).

EMPLOYMENT AND EMPLOYEES

A) **EMPLOYEES INVOLVEMENT AND TRAINING:**

The Company continues to observe industrial relations practices such as collective bargaining and briefing employees on the developments in the Company during the year under review. Various incentive schemes for staff were maintained during the year while regular training courses were carried out for the employees.

Educational assistance towards professional qualifications was provided to deserving members of staff. Different cadres of staff were also assisted with payment of subscriptions to various professional bodies during the year.

B) HEALTH, SAFETY AND WELFARE OF EMPLOYEES:

The Company places high premium on health, safety and welfare of its employees. Health and safety regulations were observed in all of the Company's locations and free medical care was extended to all employees. Health boosting measures such as supply of milk and washing detergents were given to welders, panel-beaters, wood-workers and painters. Fire fighting equipments were also installed at strategic locations.

Quarterly visits were made by officials of the Federal Ministry of Labour to our various locations during which they were satisfied with our compliance measures.

C) EMPLOYMENT OF DISABLED OR PHYSICALLY CHALLENGED PERSONS:

The Company had no disabled or physically challenged persons in its employment during the year under review. It does not discriminate in its employment policy as regards able bodied and physically challenged individuals.

RESPECT FOR LAW

SCOA Nigeria Plc ensures that all its operations and activities conform with the relevant laws of the Country. It also ensures that its employees are encouraged to comply with the various laws and regulations of the Country.

DISTRIBUTION OF THE COMPANY'S PRODUCTS

The Company's products are distributed through its network of branches, which are located nationwide.

UNCLAIMED DIVIDENDS

There are unclaimed dividends arising from Dividends 1-36, which have not been acknowledged as at 31 December, 2021. The Shareholders are advised to contact the Registrars, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos for any of their outstanding dividends.

E-DIVIDEND/E-BONUS

Shareholders are strongly advised to complete the E-Dividend Mandate Forms and return them to the Registrars to update their records.

SUPPLIERS

The Company's raw materials and finished goods are obtained at arm's length basis from both local and overseas suppliers.

AUDITORS

The Auditors, Messrs BBC Professionals, the Company's external auditors have expressed their willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed authorizing the Directors to fix their remuneration.

LAGOS, NIGERIA
29th March, 2022

BY ORDER OF THE BOARD
MICHAEL A. ADEYEMI, ACIS, MNIM
FRC/2013/ICSAN/00000002290
Company Secretary
SCOA Niogeria Plc
157, Apapa/ Oshodi Expressway, Isolo

Report of the Statutory Audit Committee
To the Members of SCOA Nigeria Plc
For the year ended 31 December, 2021

In compliance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, 2020, we, the Members of the Audit Committee of SCOA Nigeria Plc hereby confirm that we have examined the Auditors' Report for the accounting year ended 31 December, 2021 and hereby declare that we have:

1. Reviewed the scope and planing of the audit requirements and found them adequate in our opinion.

2. Reviewed the Consolidated Audited Financial Statements for the year ended 31 December 2021 and are satisfied with the explanations obtained.

3. Ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2021 are in accordance with legal requirements and agreed ethnical practices.

4. Reviewed the effectiveness of the Company's system of accounting and internal control through a robust internal control framework

5. Reviewed the External Auditors' Management Control Report (MCR) for the year ended 31 December 2021 and are satisfied with responses from Management

The External Auditors , Messrs BBC Professionals, Chartered Accountants confirmed receiving full co-operation from the Company's management and that the scope of the work was not restricted in any way.

We acknowledge the co-operation of Management in the conduct of our responsibilities.

HON. MAGNUS ONYIBE
Chairman, Audit Committee
FRC/2015/NIM/000000013338

Dated this 29th March, 2022

Members of the Audit Committee:

Hon. Magnus Onyibe	-	Chairman
Mr. Tajudeen Adeshina	-	Member
Chief Edmund U. Njoku	-	Member
Mr. David O. Oguntoye, JP		Member
Engr. Amresh Shrivastava	-	Member

The Company Secretary Mr. Micheal A. Adeyemi acted as the Committee's Secretary during the year.

Statement Of Directors' Responsibilities In Relation To The Financial Statements

For the year ended 31 December, 2021

The Companies and Allied Matters Act, 2020, requires the Directors to prepare consolidated financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the Group:

a) keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the Annual Consolidated Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates in conformity with International Financial Reporting Standards, in compliance with Financial Reporting Council of Nigeria Act No. 6, 2011 and in the manner required by the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its financial performance for the year ended 31 December, 2021. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.

Mr. Henry Agbamu
Chairman
FRC/2013/NIM/00000003968
29 March, 2022

Dr. Massad F. Boulos
Group Managing Director/ CEO
FRC/2013/IODN/00000003008
29 March, 2022

BBC Professionals
Chartered Accountants
(Formerly Balogun Badejo & Co.)

CHARTER HOUSE
7 McNeil Road, Sabo, Yaba
G. P. O. Box 3260 Marina, Lagos, Nigeria.
Tel: Office +234 (0) 811 2731 722
E-mail: bbc@bbccharter.com
bbccharter@yahoo.com
Website: www.bbccharter.com

Independent Auditor's Report
To the Shareholders of SCOA Nigeria Plc

Opinion

We have audited the consolidated financial statements of SCOA Nigeria Plc (''the Company'') and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December, 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements gives a true and fair view in all material respects, the consolidated financial position of the Group at 31 December, 2021 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, there were no issues of key audit matters during the financial year.

Other information than the Financial Statements and Audit Report thereon

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards; in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, 2020, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

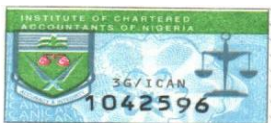
In accordance with fifth Schedule of the Companies and Allied Matters Act, 2020 we expressly state that:

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

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

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

Lagos, Nigeria
30 March, 2022



Everestus U. Itodo, FCA
FRC/2013/ICAN/00000002513
For: BBC PROFESSIONALS
Chartered Accountants

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

For the year ended 31 December, 2021

		The Group		The Company	
		2021	2020	**2021**	2020
	Notes	**N'000**	N'000	**N'000**	N'000
Continuing operations					
Revenue	8	**15,809,503**	6,526,055	**966,713**	5,499,692
Cost of sales	9	**(15,143,219)**	(5,424,071)	**(588,300)**	(4,675,393)
Gross profit		**666,284**	1,101,984	**378,413**	824,299
Other income	10	**1,863,175**	425,516	**793,041**	180,635
Distribution costs	11	**(88,257)**	(93,520)	**(55,106)**	(60,136)
Administrative expenses	12	**(1,919,103)**	(1,312,341)	**(812,431)**	(846,897)
Operating profit		**522,101**	121,640	**303,917**	97,901
Finance income	13	**18,793**	3,506	**18,793**	3,506
Finance costs	14	**(14,433)**	(202,409)	**(13,983)**	(202,409)
Profit/(loss) before taxation		**526,461**	(77,263)	**308,727**	(101,002)
Tax expenses	15.1	**(454,064)**	(304,244)	**(254,069)**	(300,681)
Profit/(loss) for the year from operations		**72,398**	(381,507)	**54,659**	(401,683)
Other comprehensive loss					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement gain/(loss) on defined benefit plans	29	**(31,770)**	8,067	**(31,770)**	8,067
Other comprehensive income/(loss) for the year		**(31,770)**	8,067	**(31,770)**	8,067
Total comprehensive profit/(loss) for the year		**40,627**	(373,440)	**22,889**	(393,616)
Total profit/(loss) attributable to:					
Equity holders of the parent		**66,421**	(389,125)	**54,659**	(401,683)
Non-controlling interests	19	**5,977**	7,618	**-**	-
		72,398	(381,507)	**54,659**	(401,683)
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		**34,651**	(381,058)	**22,889**	(393,616)
Non-controlling interests		**5,977**	7,618	**-**	-
Profit/(Loss) for the year		**40,627**	(373,440)	**22,889**	(393,616)
Profit/earnings per share from operations:					
Profit/earnings per share (Naira)	16	**0.11**	(0.59)	**0.08**	(0.62)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

Consolidated Statement Of Financial Position
As at 31 December, 2021

		The Group		The Company	
		2021	2020	**2021**	2020
Assets	**Notes**	**N'000**	N'000	**N'000**	N'000
Non-current assets					
Property, plant and equipment	17	**3,947,631**	4,129,074	**2,787,487**	2,969,373
Investment in subsidiary	18	**-**	-	**567,292**	567,292
Deferred tax	15.3	**373,766**	608,933	**454,939**	690,466
Total non-current assets		**4,321,397**	4,738,007	**3,809,718**	4,227,131
Current assets					
Inventories	20	**2,420,600**	2,243,289	**1,173,752**	1,433,641
Trade and other receivables	22	**3,894,237**	6,686,152	**3,105,644**	6,768,869
Other current assets	23	**360,439**	466,946	**454,340**	444,284
Cash and cash equivalents	24	**12,451,423**	776,336	**333,363**	337,010
Total current assets		**19,126,699**	10,172,723	**5,067,099**	8,983,804
Total assets		**23,448,096**	14,910,730	**8,876,817**	13,210,935
Equity					
Share capital	25	**324,913**	324,913	**324,913**	324,913
Share premium	26	**194,405**	194,405	**194,405**	194,405
Revaluation reserves	27	**5,442,326**	5,434,841	**3,666,390**	3,666,390
Retained loss	28	**(3,692,885)**	(3,727,536)	**(3,663,313)**	(3,686,201)
Equity attributable to equity holder of the parent		**2,268,759**	2,226,623	**522,395**	499,507
Non-controlling interest	19	**596,653**	590,676	**-**	-
Total equity		**2,865,412**	2,817,299	**522,395**	499,507
Non-current liabilities					
Non-current borrowings	31.2	**1,319,012**	1,700,217	**1,319,012**	1,700,217
Defined benefit plan	29.1	**160,874**	111,565	**160,874**	111,565
Total non-current liabilities		**1,479,886**	1,811,782	**1,479,886**	1,811,782
Current liabilities					
Advances from customers	21	**843,259**	843,259	**843,259**	843,259
Trade and other payables	30	**15,890,383**	7,791,575	**3,933,675**	8,481,129
Current borrowings	31.1	**2,113,271**	1,601,741	**2,059,736**	1,548,207
Current tax payable	15.2	**255,885**	45,074	**37,866**	27,051
Total current liabilities		**19,102,798**	10,281,649	**6,874,536**	10,899,646
Total liabilities		**20,582,684**	12,093,431	**8,354,422**	12,711,428
Total equity and liabilities		**23,448,096**	14,910,730	**8,876,817**	13,210,935

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on 29 March, 2022 and signed on its behalf by:

Mr. Henry Agbamu	**Dr. Massad F. Boulos**	**Mrs. Angelina Okereke**
FRC/2013/NIM/00000003968	**FRC/2013/IOD/00000003008**	**FRC/2013/ICAN/00000002373**
Chairman	**Group Managing Director/ CEO**	**General Manager Finance**

Consolidated Statement Of Changes In Equity

For the year ended 31 December, 2021

The Group	Issued share capital N'000	Share premuim N'000	Retained loss N'000	Revaluation reserves N'000	Total N'000	Non controlling interest N'000	Total equity N'000
Attributable to equity holders of the Group							
At 1 January, 2021	**324,913**	**194,405**	**(3,727,536)**	**5,434,841**	**2,226,623**	**590,676**	**2,817,299**
Profit for the year	-	-	66,421	-	66,421	5,977	72,398
Other comprehensive income	-	-	(31,770)	-	(31,770)	-	(31,770)
At 31 December, 2021	**324,913**	**194,405**	**(3,692,885)**	**5,434,841**	**2,261,274**	**596,653**	**2,857,926**
At 1 January, 2020	324,913	194,405	(3,346,478)	4,224,807	1,397,647	583,058	1,980,705
Loss for the year	-	-	(389,125)	-	(389,125)	7,618	(381,507)
Adjustment to revaluated properties	-	-	-	1,210,034	1,210,034	-	1,210,034
Other comprehensive income	-	-	8,067	-	8,067	-	8,067
At 31 December, 2020	324,913	194,405	(3,727,536)	5,434,841	2,226,623	590,676	2,817,299

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

Consolidated Statement Of Changes In Equity

For the year ended 31 December, 2021

	Issued share capital N'000	Share premuim N'000	Retained loss N'000	Revaluation reserves N'000	Total equity N'000
The Company					
Attributable to equity holders of the Company					
At 1 January, 2021	**324,913**	**194,405**	**(3,686,202)**	**3,666,390**	**499,506**
Profit/(loss) for the year	-	-	54,659	-	54,659
Other comprehensive income	-	-	(31,770)	-	(31,770)
At 31 December, 2021	**324,913**	**194,405**	**(3,663,313)**	**3,666,390**	**522,395**
At 1 January, 2020	324,913	194,405	(3,292,586)	4,146,484	1,373,216
Loss on revaluated properties	-	-	-	(480,094)	(480,094)
Loss for the year		-	(401,683)	-	(401,683)
Other comprehensive income	-	-	8,067	-	8,067
At 31 December, 2020	324,913	194,405	(3,686,202)	3,666,390	499,506

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

Consolidated Statement Of Cash Flows

For the year ended 31 December, 2021

	Notes	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
Cash flows from operating activities					
Profit/(loss) for the year		**40,627**	(373,440)	**22,889**	(393,616)
Adjustment for:					
Depreciation of property, plant and equipment	17	**181,598**	236,921	**179,050**	233,954
Finance costs	14	**14,433**	202,409	**13,983**	202,409
Finance income	13	**(18,793)**	(3,506)	**(18,793)**	(3,506)
Foreign exchange gain	10	**-**	7,080	**-**	-
Loss on sales of revalued properties			(480,094)	**-**	(480,094)
Profit/(loss) on disposal of property, plant and equipment	10.	**(773)**	(35,042)	**(773)**	(35,042)
Remeasurement (loss)/profit on define benefit plans	29.4	**31,770**	(8,067)	**31,770**	(8,067)
Adjustment to revalued properties		**43,819**	1,210,034	**42,672**	-
Tax credit offset		**(7,726)**	(31,487)	**(7,726)**	(31,487)
Movement in non-controlling interest	19.	**5,977**	7,618	**-**	-
Income tax expense	15.1	**454,064**	304,244	**254,069**	300,681
		744,995	1,036,671	**517,140**	(214,768)
Changes:					
Changes in Inventories		**(177,311)**	(283,879)	**259,889**	166,858
Changes in Trade and other receivables		**2,791,915**	(1,824,350)	**3,663,225**	(1,848,772)
Changes in Other current assets		**106,507**	(150,110)	**(10,056)**	(148,179)
Changes in Trade and other payables		**8,098,808**	3,933,459	**(4,547,454)**	4,467,969
Changes in Gratuity		**49,309**	10,508	**49,309**	10,508
		11,614,224	2,722,299	**(67,947)**	2,433,617
Income taxes paid	15.2	**-**	-	**-**	-
Net cash generated/(used) in operating activities		**11,614,224**	2,722,299	**(67,947)**	2,433,617
Cash flows from investing activities					
Purchase of property plant and equipment	17	**(4,823)**	(25,223)	**(1,835)**	(22,742)
Proceeds from sale of property, plant and equipment		**1,000**	2,444,747	**1,000**	2,444,746
Net cash (used)/generated from investing activities		**(3,823)**	2,419,524	**(835)**	2,422,004
Cash flows from financing activities					
Finance costs		**(14,433)**	(202,409)	**(13,983)**	(202,409)
Finance income		**18,793**	3,506	**18,793**	3,506
Receipt/(repayment) of current borrowings		**511,530**	(559,015)	**511,530**	(559,015)
Repayment of Non-current borrowings		**(381,205)**	(3,384,437)	**(381,205)**	(3,384,437)
Net cash generated/(used) in financing activities		**134,685**	(4,142,355)	**135,135**	(4,142,355)
Net increase in cash and cash equivalents		**11,745,086**	999,469	**66,353**	713,267
Cash and cash equivalents at 1 January		**644,764**	(354,705)	**205,437**	(507,830)
Cash and cash equivalents at 31 December	24.	**12,389,850**	644,764	**271,790**	205,437

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

1 The reporting entity

1.1 Legal form

SCOA Nigeria Plc was established and commenced business as a private Company in 1926 and incorporated as a limited liability Company in 1969 with a registration number of RC 6293. The Company was listed on the Nigerian Stock Exchange in 1977 and has since attained the status of a public limited liability Company (Plc) with its shares continue to be traded on the Nigerian Stock Exchange. The Company is domiciled in Nigeria.

1.2 Corporate office

The registered office of the Company is at 157, Apapa/Oshodi Expressway, Isolo, Lagos, Nigeria.

1.3 Principal activity

The principal activities of SCOA Nigeria Plc include the distribution, maintenance and leasing of motor vehicles, assembling, sales and servicing of power generators, sales and servicing of earth-moving and construction equipment, road construction, industrial compressors, agricultural agricultural tractors, machinery and implements. There was no change in the activities of the Group during 2021.

2 Basis of preparation

2.1 Statement of compliance with IFRSs

The consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs). Additional information required by national regulations is included where appropriate.

The consolidated financial statements comprise of the consolidated statement of financial position, consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes to the consolidated financial statements.

2.2 Basis of measurement

The consolidated financial statements have been prepared in accordance with the going concern principle under the historical cost convention except for financial instruments measured at fair value. The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exericse its judgment in the process of applying the group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Managment believes that the underlying assumptions are appropriate the group's financial statements presents the financial position and results fairly.

2.3 Functional and presentation currency

The consolidated financial statements are presented in naira which is the group's presentational currency and all values are rounded to the nearest thousand (N'000), except where otherwise indicated. The consolidated financial statements are presented in the currency of the primary economic environment in which the group operates (its functional currency). For the purpose of the consolidated financial statements, the consolidated results and financial position are expresed in naira, which is the functional currency of the group and the presentational currency for the financial statements.

2 Basis of preparation (Continued)

2.4 Current versus non-current classification

The group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle:
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Going concern status

The consolidated financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as and when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseable future. For this reason, the going concern basis has been adopted in preparing the consolidated financial statements.

2.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the SCOA Nigeria Plc and its subsidiaries as at 31 December, 2021.

The financial statements of the subsidiaries have been prepared on a historical cost basis. The company accounts for its investment in subsidiaries at cost.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

2.6 Basis of consolidation (Continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

In the Company the investment in its subsidiaries are accounted for using the cost method.

2.7 Accounting estimates and judgement

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

The effect of a change in an accounting estimate is recognized prospectively by including it in the profit or loss and other comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both the estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities in the next consolidated financial statements are discussed below:

a. Asset useful lives and residual values:

Property, plant and equipment are depreciated over their useful lives, taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation,product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

2.7 Accounting estimates and judgement (Continued)

b. Taxes

i Uncertainties exist with respect to the amount and timing of future taxable income. Given the complexities of existing contractual agreement, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The Company establishes provisions based on reasonable estimates.

ii Deferred taxes are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c. Provisions/contingencies

Provisions are liabilities of uncertain timing and are recognised when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of recources will be required to settle the obligation; and the amount that has been reliably estimated. 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 recognised 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 using a pre-tax rate that reflects current market assessments of the time value of money and the isks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

d. Impairment of financial assets

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset'soriginal effective interest rate. Losses are recognized in income statement and reflected in an allowance account against receivables. Interest on the impaired asset where applicable continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of profit or loss.

e. Employee benefit obligations

The cost of defined plans and other post-employment retirement benefits and the present value of the obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates etc. As a result of the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions. All assumptions are reviewed by the actuary, in determining the obligation due at each reporting date.

2.7 Accounting estimates and judgement (Continued)

f. Non-current assets held for sale

On retirement of items of property,plant and equipment (usually operational motor vehicles) from operations, they are fair-valued and reclassified to a non-current-assets-held-for-sale account at the lower of their NBVs and fair-value less cost to sell with any differences arising thereon taken to profit or loss. Since there are no active markets dealing in second-hand vehicles, the Group exercises judgment in placing realistic values to the assets classified as held-for-sale by reference to the circumstances of previous disposals taking cognizance of physical conditions, vehicle brands, age, economic realities etc. These valuations are usually carried out by an assets disposal committee comprising the head of materials management, head of administration, head of internal audit, head of finance and the service engineer. The gross value of these assets are usually material and future results could be affected where actual proceeds differ materially from the valuations.

g. Allowances on trade receivables

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset'soriginal effective interest rate. Losses are recognized in income statement and reflected in an allowance account against receivables. Interest on the impaired asset where applicable continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss and other comprehensive income.

3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

3.1 New Standards, amendments and interpretations effective during the year

A number of new standards, amendments to standards and interpretations became effective for the period ended 31 December, 2021:

IBOR Reform Phase 2 Amendments

On 27 August 2020, the IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021.

3.2 New Standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations, are not yet effective for the period ended 31 December, 2021, and have not been applied in preparing these financial statements:

i. IAS 16 Amendments regarding proceeds before intended use

On 14 May 2020, the IASB issued 'Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

3 New Standards, amendments and interpretations issued but not yet effective (Continued)

ii. **IAS 1 Amendments on classification of liabilities as current or non- current**

On 23 January 2020, the IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022, however, their effective date has been delayed to 1 January 2023.

iii. **IAS 8 Amendments on definition of accounting estimates**

The amendments to IAS 8 Accounting policies, changes in accounting estimates and errors clarrifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied restrospectively to past transactions and other past events as well as the current period. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

iv. **Conceptual Framework – Amendments to IFRS 3**

On 14 May 2020, the IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS3 to avoid the issue of potential 'day2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

4. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise stated.

4.1 Investments in subsidiaries

The consolidated financial statements incorporates the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control.

Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

Control is usually present when an entity has:

- power over more than one-half of the voting rights of the other entity;
- power to govern the financial and operating policies of the other entity;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners).

In its separate accounts, the Company accounts for its investment in subsidiaries at cost.

4. Summary of significant accounting policies (Continued)

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Consistent accounting policies are used throughout the Group for consolidation.

4.2 Investment in an associate

The financial statements of the associate have been prepared on a historical cost basis.

An associate is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised not individually tested for impairment.

In the Company, the investments in its associate are accounted for using the cost method,Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The profit or loss reflects the share of the results of operations of the associate, Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. Tile share of profit of an associate is shown on the face of the statement of profit or loss and other comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting year as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting datewhether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

4.3 Fair value measurement

The Group does not measure any asset or liabilities at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

4. Summary of significant accounting policies (Continued)

- In the principal market for the asset or liability. Or
- In the absence of a principal market, in the most advantageous market forthe asset or liability.

The principal or the most advantageous market must be accessible by the Group.

4.4 Foreign currency translation

The consolidated financial statements of SCOA Nigeria Plc and its subsidiaries are presented in Naira, which is also the parent company's functional currency for each entity: the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. For all years to date, the functional and presentation currencies of the company and all subsidiaries have been presented in Naira.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. All subsidiaries and associates are domiciled in Nigeria. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

4.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The following specific recognition criteria most also be met before revenue is recognised:

4.5.1 Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

4.5.2 Interest income

For all financial instruments measured at amortised cost, interest income or expense is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

4.5.3 Construction Contracts

The Group principally operates fixed price contracts if the outcome of such a contract can be reliably measured; revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity as at year end (the percentage of completion method).

The outcome of a construction contract can be estimated reliably when: (i) the total contract revenue can be measured reliably: (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably: and (iv) the contract costs incurred can be compared with prior estimates when the outcome of a construction cannot be recognised only to the extent of costs incurred that are expected to be recoverable.

4.5.3 Construction Contracts (Continued)

In applying the Value of work certified method, The Group recognises revenue based on value of work certified by an independent engineer at a particular period.

Contract revenue: Contract revenue corresponds to value certified by independent surveyor to the extent that it is probable that they will result in revenue and they can be reliably measured.

Contract Costs: Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that can relate directly to a specific contract comprise: cost of material and labour, depreciation of equipment used on the contract: costs of design and technical assistance that is directly related to the contract.

The Group's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the value of work certified method is applied to the separately identifiable components of asingle contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

Assets covered by a single contract are treated separately when:

- Tile separate proposals have been submitted for each asset
- Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract elating to each asset.
- The costs and revenues of each asset can be identified.

A group of contracts are treated as a single construction contract when:

- The group of contracts is negotiated as a single package; the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin.
- The contracts are performed concurrently or in a continuous sequence.

Revenue is recognized when Group's right to receive the payment is established.

4.6 Taxation

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

4.6.1 Current income tax

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

4. Summary of significant accounting policies (Continued)

4.6.2 Deferred taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of air asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4. Summary of significant accounting policies (Continued)

4.6.3 Value added tax (VAT)

Non-recoverable VAT paid in respect of an item of non capital nature is written off to Statement of Comprehensive Income. Non-recoverable VAT paid in respect of fixed assets is capitalized as part of the cost of the fixed assets. The net amount owing to or due from the tax authority is included in receivables or payables.

4.6.4 Withholding tax

The withholding tax credit is set off against income tax payable. Tax credits, which are considered irrecoverable, are written off as part of the tax charge for the year.

4.6.5 Capital gains tax

Capital gains tax is included in the tax expense for the period to which it relates.

4.7 Property, plant and equipment

Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses except for land and building which is carried at revalued amount. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included within property, plant and equipment. Exchanges of assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up.

The straight-line method is adopted to depreciate the cost less any estimated residual value of the assets over their expected useful lives. The Group estimates the useful lives of assets in line with their beneficial years. Where a part of an item of property, plant and equipment has different useful live and is significant to the total cost the cost of that item is allocated on a component basis among the parts and each part is depreciated separately. The useful lives of the group's property, plant and equipment for the depreciation are as follows:

Class of assets	No of years
Plant and machinery	12
Building	20
Motor vehicles	8
Generator set	8
Office equipment	7
Fixtures and fittings	10

4.7 Property, plant and equipment (Continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use of disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when 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.

Construction assets in progress and freehold land are not depreciated.

Major maintenance and repair (Cost of overhaul): Expenditure on major maintenance or repairs comprises the cost of replacement assets or parts of assets, inspection costs and the costs of overhauling. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the Group. The expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programs are capitalized and amortized over the year to the next inspection. Routine maintenance arid repairs are charged to expense as incurred. Expenditure on major maintenance or repairs comprises the cost of replacement assets or parts of assets. Where an asset or part of an asset that was separately depreciated and is now written off or is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the replacement expenditure is capitalised. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other maintenance costs are expensed as incurred.

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits and other short term highly liquid investments with an original maturity of three months or less and which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

4.9 Inventories

Inventories represent all assets held by the Group for sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. The Group's inventories primarily consist of raw materials, finished goods and work-in-progress, spare parts.

- Raw materials: purchase cost on a weighted average basis.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

4. Summary of significant accounting policies (Continued)

Inventories are stated at the lower of cost and net realisable value. Costs of inventory represent purchase price, freight inwards and transit insurance charges, customs duties, transport and handling costs determined on a Weighted Average basis. Costs include directly attributable costs incurred in bringing inventories to the present location and condition for intended use by management. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity levels.Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is determined by reference to prices existing at the reporting date.

4.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is or contains a lease, if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.11 Impairment of non-current assets

The Group assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level (Cash generating unit) at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. An asset's group recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, tire asset group is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Impairment losses are recognized in profit or loss.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cssh generating unit to which the individual assets are allocated. These budgets andforecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied toproject future cash flows after the fifth year.

4.11 Impairment of non-current assets (Continued)

Impairment losses recognized in prior years can be reversed up to the original carrying amount, had the impairment loss not been recognized. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

4.12 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. The amount of the liability corresponds to the best possible estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money. Where discounting is used. the increase in the provision due to the passage of time is recognized within finance costs.

Where applicable, provisions are split between amounts expected to be settled within 12 months of the reporting date (current) and amounts expected to be settled later (non-current).

4.12.1 Contingent liabilities

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Where the Group makes contributions into a separately administered fund for restoration, environmental or other obligations, which it does not control, and the Group's right to the assets in the fund is restricted, the obligation to contribute to the fund is recognized as a liability where it is probable that such additional contributions will be made. The Group recognizes a reimbursement asset separately, being the lower of the amount of the associated restoration, environmental or other provision and the Group's share of the fair value of the net assets of the fund available to contributors.

4.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available for a short term out of money borrowed specifically to finance a project, the income generated from the temporary investment of amounts is also capitalized and deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year.

All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

4. Summary of significant accounting policies (Continued)

4.14 Employee benefits

The Group operates two broad employee benefit schemes including contribution plan and defined benefit plan.

4.14.1 Defined contribution plan: Pension

The Group operates a defined contribution pension plan under which the Group pays fixed contributions into a separate entity for the benefit of qualifying employees. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years. Under this scheme, both the employer and qualifying employees contribute 10% and 8% respectively base on each of the employees' eligible allowances in compliance with the provision of the Pension Reform Act, funded through payroll deductions, while the Company's contribution recognised as part of staff cost in the profit or loss.

4.14.2 Defined benefit plan

The Group also operates a post-employment benefit plan under which Group's net obligation under the scheme is calculated separately by estimating the amount of future benefit that employees have earned in return for their services in the current and prior years: that benefit is discounted to determine its present value The discount rate is the market yield at the reporting date on a credit-rated bonds that have maturity dates approximating the terms of the group's obligation and that are denominated in the currency in which the benefit are expected to be paid. The calculation is performed annually by a qualified actuary using the projected credit unit method.

The re-measurement comprising of actuarial gains or losses are recognised immediately recognizes in the statement of financial position with corresponding debits or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurement are not reclassified to profit or loss in subsequent periods.

Past service cost are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The group recognises the following changes in defined benefit obligation under administrative expenses in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past service costs, gains or losses on curtailments and non-routine settlements;
- Net interest expense or income. The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fairvalue of the plan asset and any change in the present value of defined benefit obligation.

4. Summary of significant accounting policies (Continued)

4.14.3 Termination benefits

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

4.14.4 Short term employee benefits:

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

4.15 Financial Instruments

The Group accounting policies were change to comply with IFRS 9. IFRS 9 replaces the provisions of IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such IFRS 7 Financial Instruments: Disclosures.

(a) **Classification and measurement**

Financial assets

It is the Group policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit of loss. The Company does not currently have financial assets measured at fair value through profit ot loss.

Classification and subsequent measurement is dependent on the Company's business model for for managing the asset and the cash flow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit ot loss and at fair value through other Comprehensive income.

The business models applied to access the classification of the financial assets held by the Company are:

- Hold to collect: Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represents solely payments of principal and interest. Assets held under this business model are measured at mortised cost.
- Fair value through other comprehensive income: Financial assets in this category are held to collect contractual cash flows and sell where there are advantageous opportunities. The cash flows represents solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.

4. Summary of significant accounting policies (Continued)

4.15 Financial Instruments (Continued)

(a) **Classification and measurement (Continued)**

- Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The Company's financial assets are held to collect contractual cashflows that are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets). The financial assets are measured at amortised cost.

The Group financial assets include trade and other receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date which are included in non-current assets. Interest income from these assets is included in finance income using the effective interest rate method.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition net of directly attributable transaction costs and subsequently measured at amortised cost.

The Company's financial liabilities include trade and other payables. They are included in current liabilities, except for maturities greater that 12 months after reporting date which are included in non-current liabilities.

(b) **Impairment of financial assets**

Recognition of impairment provision under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to the Company's financial assets classified at amortised cost. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied to all trade related receivables while the general approach is applied to other receivables (Staff debtors) and amount due from related parties.

(i) **Simplified Approach**

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

4. Summary of significant accounting policies (Continued)

4.15 Financial Instruments (Continued)

(b) **Impairment of financial assets (Continued)**

(ii) **General (3 Stages) Approach**

The three-stage approach assesses impairment based on changes in credit risk since intial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as 12 months ECL which is a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after assessing the portion of the outstanding asset that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) and inflation rate to arrive at an ECL which is then discounted to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss and presented on the face of the statement of profit or loss.

Significant increase in credit risk and default definition

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially of in full.

(c) **Derecognition**

- *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as other income/(losses).

4. Summary of significant accounting policies (Continued)

- *Financial liabilities*

The Company derecognises a financial liability when it is extinguished i.e when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

(d) **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied 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.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.16 Dividend

4.16.1 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividend are declared.

4.16.2 Unclaimed dividend

Unclaimed dividends are amounts payable to shareholders in respect of dividend previously declared by the Group, which have remained unclaimed by the shareholders. In compliance with Section 385 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, unclaimed dividends after twelve years are transferred to retained earnings.

4.17 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shareholders adjusted for the bonus shares issued.

4.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects and costs directly attributable to the issue of the instruments.

4.19 Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

4. Summary of significant accounting policies (Continued)

4.20 Key management personnel

For the purpose of related party disclosures, key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of Group. For SCOA Nigeria Plc key management personnel are considered to be designations from senior divisional head levels at the Group.

5 Financial risk management

The group's operations expose it to a number of financial risks. Adequate risk management procedures have been established to protect the group against the potential adverse effects of these financial risks. There has been no significant change in these financial risks since the prior year.

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

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers.

Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

The group's principal significant risks are assessed and mitigated under three broad headings:

Strategic risks - This specifically focused on the economic environment, the products offered and market. The strategic risks arised from a company's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inablity to adapt to changes in its business environment.

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

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

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

5.1 Strategic risks

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

i. To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.

ii. To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

iii. To retain financial flexibility by maintaining strong liquidity.

iv. To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.

v. To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

5.1 Strategic risks (Continued)

Approach to capital management

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

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

The group's primary source of capital in 2016 is funding from the banks and foreign lenders.
There has been no significant changes to its capital structure during the past year from previous years.

5.2 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors such as provider tariffs, medical costs, premium review for adequacy, prompt premium payments and collections. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the group's operations.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company'sreputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

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

5.3 Financial risks

The group has exposure to the following risks from financial instruments:
• Credit risks
• Market risks
• Liquidity risks

5.3.1 Credit risk:

Credit risk is risk of financial loss to the group if a customer or counter party to a financial instrument fails to meet its contractual obligations. It arises from group's receivables from customers.

Credit risks are managed within a frame work of credit policies, guidelines and processes as stated below:

(I) Exposure to credit risk

The carrying amount of financial assets that represents credit risk at the end of the reporting period was as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Financial assets				
Investment in subsidiaries	**-**	-	**567,292**	567,292
Trade and other receivables	**3,894,237**	6,686,152	**3,105,644**	6,768,869
Cash and cash equivalents	**12,451,423**	776,336	**333,363**	337,010
	16,345,660	7,462,489	**4,006,299**	7,673,171

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

An analysis of trade receivables:

		Past due but not impaired				
	Total	**0-30 days**	**31-60 days**	**61-90days**	**91-365 days**	**> 365 days**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
The Group						
2021						
Trade receivables	**4,645,973**	**-**	**-**	**881,742**	**1,634,169**	**2,130,062**
2020						
Trade receivables	**7,497,654**	**571,032**	**2,165,329**	**1,459,870**	**6,631**	**3,294,792**
The Company						
2021						
Trade receivables	**3,209,713**	**8,748**	**271,901**	**495,445**	**471,756**	**1,961,864**
2020						
Trade receivables	**7,338,409**	**354,524**	**498,988**	**730,979**	**3,162,674**	**2,020,210**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 December 2021, the Group had over 72 customers (2020 : 75 customers) that owed the Group more than N1,000,000 each and accounted for approximately 82% (2020 : 80%) of all receivables owing. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

5.3.2 Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The group is susceptible to the following market risks as a result of its transactions: interest rate risk; foreign currency risk; and equity price risk. The impact of these risks on the consolidated financial statements of the Group as a whole are explained below:

a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates, Interest rate risk arises from interest bearing financial assets and liabilities that we use. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. Our interest rate liability risk arises primarily from borrowings issued at floating interest rates which exposes the group to cash flow interest rate risk. It is the group's policy to settle trade payables within in the credit terms allowed and the group does therefore not incur interest on overdue balances. Borrowings are sourced from both local and foreign financial markets, covering short and long-term funding.

The Group manages interest rate risk on borrowings by ensuring access to diverse sources of funding, reducing risks of refinancing by establishing and managing in accordance with target maturity profiles.

b) Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The group is exposed to foreign currency risk as a result of, foreign borrowings, usually denominated in dollar.

The group foreign currency risk exposure from recognised assets and liabilities arises primarily from short term borrowings denominated in foreign currency. The borrowings are usually import finance facilities which have a tenor of about three months, the impact of fluctuations in these committments on the consolidated financial statement as a whole are considered minimal and reasonable as a result of the stable market and the short term of these facilities. This is because the group in the year under review, established facilities with the option of denominating these facilities in either Nigerian Naira or US Dollar, and considering the current economic conditions with regards to foreign exchange movements has opted to transact in these facilities in Nigerian Naira.

c) Equity price risk

In the year under review, the group had nil investments in financial assets which are measured using equity prices, thus it was not exposed to equity price risk. This impact of this risk on the consolidated financial statements either on the income statement or other comprehensive income is therefore considered nil for both the current year and the comparative year.

5.3.3 Liquidity risk

The group maintains sufficient amount of cash for its operations. Management review cashflow forecasts on a regular basis to determine whether the group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. The group also makes use of overdraft banking facilities, N61.57 million (2020 : N131.6 million) which is used as an additional means of easing liquidity risk when considered necessary.

Worthy of note is that in the year under review, the group's trade payables increased by 146.4% to close at N14.09 billion (2020: N5.7 billion). This was due to increased purchases in the year as the group took advantage of its credibility in fulfilling its financial obligation to its suppliers as and when due,

Contractual maturity analysis for financial liabilities:

The following are the contractual maturities of financial liabilities presented in Nigeria Naira:

	Due within one year N'000	Due after one year N'000	Total N'000
The Group			
2021			
Financial liabilities			
Trade and other payables	**15,890,383**	**-**	**15,890,383**
Short term borrowings	**2,113,271**	**-**	**2,113,271**
Long term borrowings	**-**	**1,319,012**	**1,319,012**
	18,003,652	**1,319,012**	**19,322,664**
2020			
Trade and other payables	7,791,575	-	7,791,575
Short term borrowings	1,601,741	-	1,601,741
Long term borrowings	-	1,700,217	1,700,217
	9,393,316	1,700,217	11,093,533
The Company			
2021			
Financial liabilities			
Trade and other payables	**3,933,675**	**-**	**3,933,675**
Short term borrowings	**2,059,736**	**-**	**2,059,736**
Long term borrowings	**-**	**1,319,012**	**1,319,012**
	5,993,411	**1,319,012**	**7,312,423**
2020			
Trade and other payables	8,481,129	-	8,481,129
Short term borrowings	1,548,207	-	1,548,207
Long term borrowings	-	1,700,217	1,700,217
	10,029,336	1,700,217	11,729,553

The group's focus on the maturity analysis of its financial liabilities is as highlited above; the group classifies their financial liabilities into due within one year and those due after one year.

The contractual cash flows disclosed in the maturity analysis are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the consolidated financial statements which is based on the discounted cash flows.

The financial liabilities of the group affected are the long term borrowings (Including current portion), all other financial liabilities incuded in the consolidated financial statements are assumed to approximate their carrying amounts due to their short term nature and are therefore, not discounted.

5.4 **Financial instruments and fair values previously,**

As explained, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or comprehensive income.

These categories are: fair value through profit or loss; loans and receivables; Held-to-maturity; available for sale assets; and, for liabilities, amortized cost.

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

	Financial assets					Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	FVOCI N'000	Amortized cost N'000		Fair value N'000	Total carrying amount N'000	Fair value N'000
The Group								
At 31 December 2021								
Assets								
Trade and other receivables	**-**	**3,894,237**	**-**	**-**	**-**	**-**	**3,894,237**	**3,894,237**
Cash and cash equivalents	**12,451,423**	**-**	**-**	**-**	**-**	**-**	**12,451,423**	**12,451,423**
	12,451,423	**3,894,237**	**-**	**-**	**-**	**-**	**16,345,660**	**16,345,660**
Liabilities								
Trade and other payables	**-**	**-**	**-**	**-**	**-**	**15,890,383**	**15,890,383**	**15,890,383**
Long term borrowings (including current portion)	**-**	**-**	**-**	**-**	**-**	**1,319,012**	**1,319,012**	**1,319,012**
Advance from customers	**-**	**-**	**-**	**-**	**-**	**843,259**	**843,259**	**843,259**
Other short term borrowings	**-**	**-**	**-**	**-**	**-**	**2,113,271**	**2,113,271**	**2,113,271**
	-	**-**	**-**	**-**	**-**	**20,165,924**	**20,165,924**	**20,165,924**
At 31 December 2020								
Assets								
Trade and other receivables	-	6,686,152	-	-	-	-	6,686,152	6,686,152
Cash and cash equivalents	776,336	-	-	-	-	-	776,336	776,336
	776,336	6,686,152	-	-	-	-	7,462,489	7,462,489
Liabilities								
Trade and other payables	-	-	-	-	-	7,791,575	7,791,575	7,791,575
Long term borrowings (including current portion)	-	-	-	-	-	1,700,217	1,700,217	1,700,217
Advance from customers	-	-	-	-	-	843,259	843,259	843,259
Other short term borrowings	-	-	-	-	-	1,601,741	1,601,741	1,601,741
	-	-	-	-	-	11,936,792	11,936,792	11,936,792

The group had no financial instruments classified as 'Held to maturity', and 'Available for sale assets' for the years ended 2021 and 2020 respectively.

	Financial assets					Financial liabilities		
	Fair value through profit or loss N'000	Loans and receivables N'000	Held to Maturity N'000	Available for sale N'000	Amortized cost N'000	Fair value N'000	Total carrying amount N'000	Fair value N'000
The Company								
At 31 December 2021								
Assets								
Investment in subsidiaries	567,292	-	-	-	-	-	567,292	567,292
Trade and other receivables	-	3,105,644	-	-	-	-	3,105,644	3,105,644
Cash and cash equivalents	333,363	-	-	-	-	-	333,363	333,363
	900,655	3,105,644		-	-	-	4,006,299	4,006,299
Liabilities								
Trade and other payables	-	-	-	-	-	-	3,933,675	3,933,675
Long term borrowings	-	-	-	-	-	-	1,319,012	1,319,012
Advance from customers	-	-	-	-	-	-	843,259	843,259
Interest bearing loans and borrowing	-	-	-	-	-	-	2,059,736	2,059,736
	-	-	-	-	-	-	8,155,682	8,155,682
At 31 December 2020								
Assets								
Investment in subsidiaries	-	-	-	567,292	-	-	567,292	567,292
Trade and other receivables	-	6,768,869	-	-	-	-	6,768,869	6,768,869
Cash and cash equivalents	337,010 -		-	-	-	-	337,010	337,010
	337,010	6,768,869		567,292	-	-	7,673,171	7,673,171
Liabilities								
Trade and other payables	-	-	-	-	-	-	8,481,129	8,481,129
Long term borrowings	-	-	-	-	-	-	1,700,217	1,700,217
Advance from customers	-	-	-	-	-	-	843,259	843,259
Interest bearing loans and borrowing	-	-	-	-	-	-	1,548,207	1,548,207
	-	-	-	-	-	-	12,572,812	12,572,812

The company had no financial instruments classified as 'Held to maturity', and 'Available for sale assets' for the years ended 31 December 2021 and 2020 respectively.

5.5 Fair valuation methods and assumptions

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

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

The fair values of long-term borrowings were determined by estimating future cash flows on a borrowing-by-borrowing basis, and discounting these future cash flows using a rate which takes into account the Group's spread for credit risk at year end.

5.6 Fair value measurements recognised in the statement of financial position

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

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

5.6 Fair value measurements recognised in the statement of financial position (Continued)

Level 2: for equity securities not listed on an active market and for which observable market data exist that the Group can use in order to estimate the fair value;

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6 Capital management

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

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

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-equity ratio.

This ratio is calculated as net debt ÷ equity:

Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (ie ordinary shares, share premium, retained earnings, and other reserves).

During 2021, the group's strategy, which was unchanged from 2020, was to maintain the debt-to-capital ratio at the lower end of the range 4:1 to 3:1, in order not to deviate too far from the industry average of 3:1 attributable to manufacturing companies with a considerable reliance on debt financing.

The debt-to-equity ratios at 31 December 2021 and at 31 December 2020 were as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Total liabilities	**20,582,684**	12,093,431	**8,354,422**	12,711,428
Cash and cash equivalents	**(12,451,423)**	(776,336)	**(333,363)**	(337,010)
Net debt	**8,131,262**	11,317,095	**8,021,059**	12,374,418
Total equity	**2,865,412**	2,817,299	**522,395**	499,507
Debt-to-equity ratio	**2.84**	4.02	**15.35**	**24.77**

The decrease in the debt-to-equity ratio in 2021 resulted primarily from both the decrease of net debt and increase of total equity. The decrease in net debt was driven by the decrease in trade payables of the parent company, decrease in bank overdraft facilities outstanding and increase in Cash and cash equivalent as at the year end. Decrease in trade payables and bank overdrafts at year end was caused by financial concessions the Company got through debts rescheduling, Advance Payment Guarantee and commitment to agreements with Creditors, etc. This had led to increased liquidity as seen in the Cash and cash equivalents at the year end amidst an ever decreasing Naira against the US Dollar. Also, the units of purchases N1 could obtain in the previous year had decreased significantly in the current year which is attributable to the current economic conditions, such as rising inflation rates, rising interest rates, scarcity of foreign currencies, dwindling oil prices, etc.

Finally, total equity increased compared to the previous year as a function of the increase in retained earnings.

7. Segment information

For management purposes, the Group is organised into business units based on its products and services and has four reportable segments, as follows:

Auto segment, which assemble Tractors, MAN Truck and Buses, sales of Harvesters, Motor vehicles, Leasing and Services of passengers cars, Trucks and other commercial vehicles.

- Equipment segment, which deal in sales/distribution of earth-moving, road construction, concreate, industrial and professional cleaning equipment and assembling of generators, fabrication of soundproof canopies, execution of power plants and power projects including transmission and distribution.
- Trading, which involves importation and sales of delicatessen, and fine foods and drinks.
- Construction, execution of road and infrastructure projects.

No operating segments have been aggregated to form the above reportable operating segments. The group's Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue. The Managing Director monitors the operating results of the whole business for the purpose of making decisions about resource allocation and performance assessment.

The group's activities are concentrated in one geographic region. The Group's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Group's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Auto N'000	Equipment Premium N'000	Trading (groceries) N'000	Construction N'000	Total N'000
7 Segment information - The Group					
Year ended 31 December 2021					
Revenue					
External customers	8,032,618	7,750,879	26,006	-	15,809,503
Total revenue	**8,032,618**	**7,750,879**	**26,006**	**-**	**15,809,503**
Cost of sales					
Inter-segment	(8,246,244)	(6,808,052)	(88,923)	-	(15,143,219)
Total cost of sales	**(8,246,244)**	**(6,808,052)**	**(88,923)**	**-**	**(15,143,219)**
Gross profit	(213,626)	942,827	(62,917)	-	666,284
Depreciation	(148,348)	-	-	-	(148,348)
Finance expenses	(324,302)	(54,530)	(3,785)	-	(382,617)
Segment profit	**(686,276)**	**888,298**	**(66,703)**	**-**	**135,319**
Total assets					
Non-current asset	149,506	224,260	-	-	373,766
Property, plant and equipment	-	-	3,734,480	213,150	3,947,631
Current assets	7,650,680	11,476,019	-	-	19,126,699
	7,800,186	**11,700,279**	**3,734,480**	**213,150**	**23,448,096**
Total liabilities					
Non-current liabilities	591,954	887,932	-	-	1,479,886
Advances from customers	-	-	-	843,259	843,259
Current liabilities	7,303,815	10,955,723	-	-	18,259,538
	7,895,770	**11,843,655**	**-**	**843,259**	**20,582,683**

Notes to the Consolidated financial statements
For the year ended 31 December, 2021

	Auto N'000	Equipment Premium N'000	Trading (groceries) N'000	Construction N'000	Total N'000
Year ended 31 December 2020					
Revenue					
External customers	5,376,265	989,509	160,281	-	6,526,055
Total revenue	5,376,265	989,509	160,281	-	6,526,055
Cost of sales					-
Inter-segment	(4,448,079)	(856,122)	(119,870)	-	(5,424,071)
Total cost of sales	(4,448,079)	(856,122)	(119,870)	-	(5,424,071)
Gross profit	928,185	133,387	40,411	-	1,101,984
Depreciation	(203,449)	-	-	-	(203,449)
Finance expenses	(267,954)	(61,330)	(1,270)	-	(330,555)
Segment profit/ (loss)	456,782	72,057	39,141	-	567,980
Total assets					
Non-current asset	243,573	365,360	-	-	608,933
Property, plant and equipment	-	-	3,882,754	246,320	4,129,074
Current assets	4,069,089	6,103,634	-	-	10,172,723
	4,312,663	6,468,994	3,882,754	246,320	14,910,730
Total liabilities					
Non-current liabilities	724,713	1,087,069	-	-	1,811,782
Advances from customers	-	-	-	843,259	843,259
Current liabilities	3,775,356	5,663,034	-	-	9,438,390
	4,500,069	6,750,103	-	843,259	12,093,431

Notes to the consolidated financial statements

For the year ended 31 December, 2021

	The Group	
	2021	2020
	N'000	N'000
7. Segment information (cont'd)		
Reconciliation of loss		
Segment profit	**666,284**	1,101,984
Selling and distribution	**(88,257)**	(93,520)
Administrative expenses	**(1,919,103)**	(1,312,341)
Other operating income	**1,863,175**	425,516
Finance income	**18,793**	3,506
Finance expenses	**(14,433)**	(202,409)
Profit/(loss) before tax	**526,461**	(77,263)
Reconciliation of assets		
Segment operating assets	**21,571,447**	12,794,393
Land	**1,492,200**	1,492,200
Capital Work-in-progress	**10,682**	15,204
Deferred tax assets	**373,766**	608,933
Total assets	**23,448,096**	14,910,730
Reconciliation of liabilities		
Segment operating liabilities	**20,582,682**	12,093,432
Equity	**2,865,412**	2,817,299
Total liabilities	**23,448,096**	14,910,730

Adjustments and eliminations

Other administrative expenses are not allocated to individual segments as the underlying instruments are managed on a group basis.

Deferred tax assets, land, capital work-in-progress and equity are not allocated to those segments as they are also managed on a group basis.

Inter-segment revenues are eliminated on consolidation.

Notes to the consolidated financial statements

For the year ended 31 December, 2021

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
8. Revenue				
Sales of goods (Note 10.1)	**15,809,503**	6,526,055	**966,713**	5,499,692
Construction income (Note 10.2)	**-**	-	**-**	-
	15,809,503	6,526,055	**966,713**	5,499,692
.1 **Sales of goods**				
Autos	**8,032,618**	5,376,265	**318,836**	5,143,822
Equipment	**7,750,879**	989,509	**621,871**	195,589
Trading (groceries)	**26,006**	160,281	**26,006**	160,281
	15,809,503	6,526,055	**966,713**	5,499,692
Construction income	**-**	-	**-**	-
	15,809,503	6,526,055	**966,713**	5,499,692
.2 **Construction income**				
Construction revenue recognised	**-**	-	**-**	-
Contract cost				
Aggregate cost of contract recognised in profit or loss	**-**	-	**-**	-
Losses recognised	**-**	-	**-**	-
	-	-	**-**	-
Aggregate amount of profit recognised till date	**-**	-	**-**	-
Amount of advance received	**843,259**	843,259	**843,259**	843,259

Sales and expenses on construction contracts are recognised in accordance with the technical percentage of completion method. However, when there is no signicant time difference between techical percentage of completion and contractual dates of transfer of ownership, the percentage of completion is determined according to the contractual transfer of ownership as certified by the Customer and invoiced to the customer. Expected losses on contracts are fully recognised as soon as they are identified.

Estimates of work remaining on loss making contracts do not include sales from claims made by the Group except when it is highly probable that such claims will be accepted by the customer.

Progress payments received on construction contracts are deducted from contract assets as the contract is completed. Progress payments received before the corresponding work has been performed are classifieds in "Advances received from customers on contracts" in statement of financial position liabilities.

The cumulative amount of costs incurred and profit recognised, reduced by recognised losses and progress billings, is determined on a contract-by-contract basis. If this amount is positive it is categorised as "Construction contracts: assets" in statement of financial position assets. If it is negative it is recognised as "Construction contracts: liabilities" statement of financial position liabilities.

At the early stage of a contract, it is often the case that the outcome of the contract cannot be estimated reliably. Therefore, contract revenue is recognised only to the extent of contract cost incurred that is probable of recovery.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
9. Cost of sales				
Auto	**8,246,244**	4,448,079	**493,860**	4,347,444
Equipment	**6,808,052**	856,122	**14,961**	207,566
Trading	**88,923**	119,870	**79,479**	120,383
Construction contract	**-**	-	**-**	-
	15,143,219	5,424,071	**588,300**	4,675,393
10. Other income				
Rental Income	**-**	6,000	**-**	6,000
Sales Commission (Note 10.1)	**1,072,300**	366,493	**338,210**	138,729
Profit on disposal of property, plant and equipment	**773**	35,042	**773**	35,042
Foreign exchange gain	**-**	7,080	**-**	-
Scrap sales	**144,929**	10,901	**144,929**	864
Sundry Income	**645,173**	-	**309,129**	-
	1,863,175	425,516	**793,041**	180,635

.1 Sales commission

Sales commission represents amount received from MAN TRUCK and BUS on the Trucks sold directly in Nigeria territory based on signed agreement. The applicable tax rate is 8% on sales invoice.

11. Distribution costs				
Transportation	**88,257**	93,520	**55,106**	60,136

Distribution cost represents expenses that relate to business travel and immigration/ airport expenses incurred in the year.

		The Group		The Company	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
12.	**Administrative expenses**				
	Annual General Meeting expenses	**7,000**	15,110	**7,000**	15,110
	Audit fees	**6,111**	5,771	**4,200**	3,571
	Consultancy	**62,127**	21,197	**23,439**	21,197
	Consumables	**3,950**	3,630	**1,292**	3,630
	Depreciation	**148,348**	203,449	**145,877**	200,483
	Director fees	**-**	1,465	**-**	1,465
	Entertainment	**63,358**	13,946	**9,343**	6,802
	Electricity	**24,307**	12,914	**16,387**	4,132
	Fuel consumed	**37,357**	27,991	**9,638**	27,991
	Food and accommodation	**14,751**	2,799	**1,502**	2,799
	Insurance	**3,357**	6,170	**2,329**	4,639
	Licenses	**9,543**	3,769	**8,239**	3,769
	Legal fees	**56,563**	23,689	**42,800**	23,689
	Meetings and seminars	**365**	722	**-**	-
	Other professional fees	**13,655**	17,105	**3,185**	-
	Postages and stationeries	**2,380**	1,106	**712**	1,106
	Publicity and advertisement	**4,652**	5,540	**561**	2,360
	Impairment loss - profit or loss	**392,459**	25,374	**214,088**	24,370
	Repairs and maintenance	**54,379**	45,382	**13,784**	13,791
	Rent and rates	**131,129**	118,772	**62,017**	50,385
	Registrar fees	**2,983**	8,008	**2,983**	8,008
	Subscriptions	**14,917**	12,491	**4,222**	7,591
	Salaries and employee related costs (Note 12.1)	**449,582**	352,799	**170,484**	185,420
	Security and cleaning	**17,168**	18,507	**8,557**	11,928
	Other financial charges	**388,399**	330,555	**54,531**	195,076
	Telephone expenses	**4,376**	3,774	**1,603**	1,113
	Tendering	**2,594**	109	**2,594**	-
	Other expenses	**3,290**	30,193	**1,065**	26,467
		1,919,103	1,312,341	**812,431**	846,897

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
12. Administrative expenses (Cont'd)				
.1 Salaries and employee related costs include the following:				
Basic salary	**142,166**	73,629	**45,839**	73,629
Leave allowance	**6,096**	1,455	**2,174**	1,455
House allowance	**29,128**	97,961	**10,671**	8,577
Transport allowance	**31,292**	9,636	**9,435**	9,636
Lunch allowance	**10,142**	2,584	**2,542**	2,584
Staff entertainment and meal allowance	**10,644**	3,993	**3,947**	3,993
Maintenance allowance	**2,254**	638	**700**	638
Efficiency allowance	**68,298**	25,026	**24,791**	25,026
Interim allowance	**2,277**	842	**714**	842
Bonus	**3,513**	993	**1,003**	993
Welfare allowance	**9,595**	3,049	**3,317**	3,049
Economic relief and utility	**3,463**	837	**1,161**	837
ITF managerial staff	**857**	659	**457**	659
Educational expenses	**62,924**	13,040	**22,617**	13,040
Out of station expense	**132**	1,270	**-**	1,270
Employee defined benefit costs	**23,456**	21,153	**23,456**	21,153
Medical	**18,962**	5,227	**4,469**	5,227
Staff uniform and clothes	**522**	467	**-**	467
Pension costs-defined contribution	**9,912**	6,662	**9,912**	6,662
Other staff expenses	**13,948**	83,679	**3,278**	5,684
	449,582	352,799	**170,484**	185,420
.2 Summary of salaries and wages:				
Cost of production	**157,575**	123,653	**14,594**	14,594
Administrative expenses	**292,007**	229,146	**155,890**	170,826
	449,582	352,799	**170,484**	185,420
13. Finance income				
Interest income	**18,793**	3,506	**18,793**	3,506
14. Finance costs				
Interest on bank overdrafts and loans	**14,433**	202,409	**13,983**	202,409

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
15. Taxation account				
15.1 Income tax expense				
The major components of income tax expense for the years ended 31 December 2021 and 2020 are:				
Income tax	**199,395**	35,679	**14,830**	32,875
Education tax	**19,141**	6,951	**3,711**	6,582
Deferred tax	**235,527**	261,614	**235,527**	261,224
	454,064	304,244	**254,069**	300,681
15.2 Current tax payable				
At 1 January:				
Income tax	**45,074**	45,074	**27,050**	19,081
Provision for the year	**218,537**	42,630	**18,541**	39,457
Payment	**-**	(11,143)	**-**	-
Withholding tax utilized	**(7,726)**	(31,487)	**(7,726)**	(31,487)
At 31 December	**255,885**	45,074	**37,866**	27,050
The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 and the Education Tax Act, CAP E4, LFN 2004 as amended.				
15.3 Deferred taxation				
15.3.1 Deferred tax assets				
At 1 January	**609,293**	870,907	**690,466**	951,690
Deferred tax adjustment	**-**	-	**-**	-
Charged through profit or loss (Note 15.1)	**(235,527)**	(261,614)	**(235,527)**	(261,224)
At 31 December	**373,766**	609,293	**454,939**	690,466
15.3.2 Deferred tax liabilities				
At 1 January	**-**	-	**-**	-
Charged through other comprehensive income	**-**	-	**-**	-
At 31 December	**-**	-	**-**	-

	The Group		The Company	
	2021	2020	**2021**	2020
15. Taxation account (Cont'd)	**N'000**	N'000	**N'000**	N'000
15.4 Income tax reconciliation				
Profit/(loss) before taxation	**526,461**	(77,263)	**308,727**	(101,002)
Tax at Nigerian statutory income tax rate of 30% (2021 : 30%)	**157,938**	(23,179)	**92,618**	(30,300)
Non deductible expenses for tax purposes	**(157,938)**	23,179	**(92,618)**	30,300
Minimum Tax	**218,537**	42,630	**18,541**	39,457
Recognised in profit or loss (Note 15.1)	**218,537**	42,630	**18,541**	39,457

16. Basic and diluted (loss)/ earnings per share

Basic/diluted earnings/(loss) per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the Group by the number of ordinary shares issued during the year. The following reflects the income and share data used in the basic earnings per share computation:

Profit/(loss) attributable to equity holders (Kobo)	**72,398**	(381,507)	**54,659**	(401,683)
Number of shares issued	**649,826**	649,826	**649,826**	649,826
Basic/diluted earning/(loss) per share (Kobo)	**0.11**	(0.59)	**0.08**	(0.62)

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

17. PROPERTY, PLANT AND EQUIPMENT

17.1 The Group

	Freehold Land ₦'000	Freehold Building ₦'000	Leasehold building ₦'000	Motor vehicles ₦'000	Furniture & fittings ₦'000	Generator ₦'000	Equipment ₦'000	Construction Equipment ₦'000	Plant & machinery ₦'000	Work-in progress ₦'000	Total ₦'000
COST											
At 1 January, 2021	1,492,200	1,726,180	208,009	526,648	42,615	81,029	489,197	497,329	707,973	15,204	5,786,385
Addition in the year	-	-	305	-	-	-	4,518	-	-	-	4,823
Reclassification	-	-	-	-	-	-	-	-	-	(4,522)	(4,522)
Disposal	-	-	-	-	-	(2,428)	-	-	-	-	(2,428)
At 31 December, 2021	**1,492,200**	**1,726,180**	**208,315**	**526,648**	**42,615**	**78,601**	**493,715**	**497,329**	**707,973**	**10,682**	**5,784,259**
ACCUMULATED DEPRECIATION											
At 1 January, 2021	-	240,604	69,987	460,125	30,951	61,573	414,861	251,009	128,199	-	1,657,309
Charge for the year	-	54,475	10,383	28,347	2,857	4,687	32,215	33,170	15,464	-	181,598
Disposal	-	-	-	-	-	(2,279)	-	-	-	-	(2,279)
At 31 December, 2021	**-**	**295,078**	**80,371**	**488,472**	**33,808**	**63,981**	**447,076**	**284,179**	**143,663**	**-**	**1,836,628**
CARRYING AMOUNT											
At 31 December, 2021	**1,492,200**	**1,431,102**	**127,944**	**38,177**	**8,807**	**14,620**	**46,638**	**213,150**	**564,311**	**10,682**	**3,947,631**
At 31 December, 2020	1,492,200	1,485,576	138,022	66,523	11,663	19,456	74,336	246,320	579,774	15,204	4,129,075

The Company's freehold property at plot 10, Creek Road Apapa Lagos State was revalued on 25 November, 2016 by Tony Egboko & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.150 billion has been transferred to revaluation reserve. "Open market value " means the best price at which a interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 13, Old GRA Layout Port-Harcourt Rivers State was revalued on 12 December, 2016 by Akujuru & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.380 billion has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 1 Ali Akilu road Kaduna, Kaduna State was revalued on 14 November 2016 by Jaiyeola Adeyanju Group Practices (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N962.4 million has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at 50/51 Tafawa Balewa Road, Nasarawa District, Kano, Kano State was revalued on 11 November, 2016 by Jaiyeola Adeyanju Group Practices (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.115 billion has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

Capital work in progress represent uncompleted building in Scoa Foods Limited.

Depreciation charged is included in the administrative expenses and cost of sales in the consolidated statement of profit or loss and other comprehensive income. There is no impairment charge during the year. The group's property, plant and equipment have been used as a collateral for borrowings procured on a fixed and floating charge basis.

17. PROPERTY, PLANT AND EQUIPMENT

17.2 The Group

	Freehold Land ₦'000	Freehold Building ₦'000	Leasehold building ₦'000	Motor vehicles ₦'000	Furniture & fittings ₦'000	Generator ₦'000	Equipment ₦'000	Construction Equipment ₦'000	Plant & machinery ₦'000	Work-in progress ₦'000	Total ₦'000
COST											
At 1 January, 2020	3,791,490	1,786,141	205,190	526,648	42,615	80,108	467,784	502,719	798,233	15,204	8,216,132
Addition in the year	-	-	2,819	-	-	921	21,483	-	-	-	25,223
Reclassification	(898,450)	898,450	-	-	-	-	-	-	-	-	
Disposal	(1,400,840)	(958,411)	-	-	-	-	(70)	(5,390)	(90,260)	-	(2,454,972)
At 31 December, 2020	**1,492,200**	**1,726,180**	**208,009**	**526,648**	**42,615**	**81,029**	**489,197**	**497,329**	**707,973**	**15,204**	**5,786,383**
ACCUMULATED DEPRECIATION											
At 1 January, 2020	-	295,219	59,625	425,514	28,016	52,649	370,734	220,638	152,229	-	1,604,625
Charge for the year	-	81,405	10,364	34,611	2,937	8,924	44,127	33,471	21,082	-	236,921
Disposal	-	(136,020)	(2)		(2)		-	(3,101)	(45,113)	-	(184,237)
At 31 December, 2020	**-**	**240,604**	**69,987**	**460,125**	**30,951**	**61,573**	**414,861**	**251,009**	**128,199**	**-**	**1,657,309**
CARRYING AMOUNT											
At 31 December, 2020	**1,492,200**	**1,485,576**	**138,022**	**66,523**	**11,663**	**19,456**	**74,336**	**246,320**	**579,774**	**15,204**	**4,129,074**
At 31 December, 2019	3,791,490	1,490,922	145,565	101,134	14,599	27,458	97,050	282,081	646,004	15,204	6,611,507

The Company's freehold property at plot 10, Creek Road Apapa Lagos State was revalued on 25 November, 2016 by Tony Egboko & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.150 billion has been transferred to revaluation reserve. "Open market value " means the best price at which a interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 13, Old GRA Layout Port-Harcourt Rivers State was revalued on 12 December, 2016 by Akujuru & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.380 billion has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 1 Ali Akilu Road Kaduna, Kaduna State was revalued on 14 November 2016 by Jaiyeola Adeyanju Group Practices (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N962.4 million has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at 50/51 Tafawa Balewa Road, Nasarawa District, Kano, Kano State was revalued on 11 November, 2016 by Jaiyeola Adeyanju Group Practices (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.115 billion has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

Capital work in progress represent uncompleted building in Scoa Foods Limited.

Depreciation charged is included in the administrative expenses and cost of sales in the consolidated statement of profit or loss and other comprehensive income. There is no impairment charge during the year. The group's property, plant and equipment have been used as a collateral for borrowings procured on a fixed and floating charge basis.

17. PROPERTY, PLANT AND EQUIPMENT

17.3 The Company

	Freehold Land ₦'000	Freehold Building ₦'000	Leasehold building ₦'000	Motor vehicles ₦'000	Furniture & fittings ₦'000	Generator ₦'000	Equipment ₦'000	Construction Equipment ₦'000	Plant & machinery ₦'000	Work-in progress ₦'000	Total ₦'000
COST											
At 1 January, 2021	1,492,200	1,045,439	208,009	498,374	29,866	81,029	480,201	497,329	186,307	4,522	4,523,277
Addition in the year	-	-	305	-	-	-	1,530	-	-	-	1,835
Reclassification/Transfer		-	-	-	-	-	-	-	-	(4,522)	(4,522)
Disposal	-	-	-	-	-	(2,427)	-	-	-	-	(2,427)
At 31 December, 2021	**1,492,200**	**1,045,439**	**208,315**	**498,374**	**29,866**	**78,602**	**481,731**	**497,329**	**186,307**	**0**	**4,518,164**
ACCUMULATED DEPRECIATION											
At 1 January, 2021	-	213,493	69,987	431,850	18,203	61,573	410,675	251,008	97,115	-	1,553,906
Charge for the year		52,272	10,383	28,347	2,856	4,607	31,949	33,172	15,464	-	179,050
Disposal		-	-	-	-	(2,279)	-	-	-	-	(2,279)
At 31 December, 2021	**-**	**265,765**	**80,370**	**460,197**	**21,059**	**63,901**	**442,624**	**284,180**	**112,579**	**-**	**1,730,677**
CARRYING AMOUNT											
At 31 December, 2021	**1,492,200**	**779,674**	**127,945**	**38,177**	**8,807**	**14,701**	**39,107**	**213,149**	**73,729**	**0**	**2,787,487**
At 31 December, 2020	1,492,200	831,946	138,022	66,524	11,663	19,456	69,526	246,321	89,192	4,522	2,969,373

The Company's freehold property at plot 10, Creek Road Apapa Lagos State was revalued on 25 November, 2016 by Tony Egboko & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.150 billion has been transferred to revaluation reserve. "Open market value " means the best price at which a interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 13, Old GRA Layout Port-Harcourt Rivers State was revalued on 12 December, 2016 by Akujuru & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.380 billion has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 1 Ali Akilu Road Kaduna, Kaduna State was revalued on 14 November, 2016 by Jaiyeola Adeyanju Group Practices (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N962.4 million has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The company's property, plant and equipment have been used as a collateral for borrowings procured on a fixed and floating charge baiss.

Depreciation charged is included in the administrative expenses and cost of sales in the consolidated statement of profit or loss and other comprehensive income. There is no impairment charge during the year. The Company's property, plant and equipment have been used as a collateral for borrowings procured on a fixed and floating charge basis.

An amount of N22.5million was transfer from inventory in respect of Generator set and equipment.

17. PROPERTY, PLANT AND EQUIPMENT

17.4 The Company

	Freehold Land ₦'000	Freehold Building ₦'000	Leasehold building ₦'000	Motor vehicles ₦'000	Furniture & fittings ₦'000	Generator ₦'000	Equipment ₦'000	Construction Equipment ₦'000	Plant & machinery ₦'000	Work-in progress ₦'000	Total ₦'000
COST											
At 1 January, 2020	2,893,040	1,741,596	205,190	498,374	29,866	80,108	461,199	502,719	276,568	4,522	6,693,182
Addition in the year	-	-	2,819	-	-	921	19,002	-	-	-	22,742
Disposal	(1,400,840)	(696,157)	-	-	-	-	-	(5,390)	(90,260)	-	(2,192,647)
At 31 December, 2020	**1,492,200**	**1,045,439**	**208,009**	**498,374**	**29,866**	**81,029**	**480,201**	**497,329**	**186,307**	**4,522**	**4,523,277**
ACCUMULATED DEPRECIATION											
At 1 January, 2020	-	270,313	59,625	397,240	15,267	52,649	367,310	220,638	121,146	-	1,504,188
Charge for the year		79,200	10,364	34,611	2,937	8,924	43,365	33,471	21,082	-	233,954
Disposal		(136,020)	(2)		(2)			(3,101)	(45,113)	-	(184,238)
At 31 December, 2020	**-**	**213,492**	**69,986**	**431,851**	**18,202**	**61,573**	**410,675**	**251,008**	**97,115**	**-**	**1,553,904**
CARRYING AMOUNT											
At 31 December, 2020	**1,492,200**	**831,946**	**138,022**	**66,523**	**11,664**	**19,456**	**69,526**	**246,321**	**89,192**	**4,522**	**2,969,373**
At 31 December, 2019	2,893,040	1,471,284	145,566	101,134	14,600	27,459	93,889	282,081	155,422	4,522	5,188,996

The Company's freehold property at plot 10, Creek Road Apapa Lagos State was revalued on 25 November, 2016 by Tony Egboko & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.150 billion has been transferred to revaluation reserve. "Open market value " means the best price at which a interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 13, Old GRA Layout Port-Harcourt Rivers State was revalued on 12 December, 2016 by Akujuru & Associates (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N1.380 billion has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The Company's freehold property at plot 1 Ali Akilu Road Kaduna, Kaduna State was revalued on 14 November, 2016 by Jaiyeola Adeyanju Group Practices (Estate Surveyors & Valuers), using the depreciation replacement cost method of valuation. The surplus arising on revaluation amounting to N962.4 million has been transferred to revaluation reserve. "Open market value" means the best price at which an interest in an asset might reasonably be expected to fetch at the date of valuation, either by private treaty, public auction, or tender as may be appropriate, assuming amongst others a willing seller; a reasonable period within which to carry out the transaction.

The company's property, plant and equipment have been used as a collateral for borrowings procured on a fixed and floating charge baiss.

Depreciation charged is included in the administrative expenses and cost of sales in the consolidated statement of profit or loss and other comprehensive income. There is no impairment charge during the year. The Company's property, plant and equipment have been used as a collateral for borrowings procured on a fixed and floating charge basis.

An amount of N22.5million was transfer from inventory in respect of Generator set and equipment.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
18. Investments in subsidiaries				
SCOA Properties (Nigeria) Limited	**-**	-	**450,800**	450,800
SCOA Foods Limited	**-**	-	**243,000**	243,000
SCOA Motors Limited	**-**	-	**6,000**	6,000
SCOA Equipment Limited	**-**	-	**6,000**	6,000
	-	-	**705,800**	705,800
Impairment of investment in subsidiary	**-**	-	**(138,508)**	(138,508)
At 31 December	**-**	-	**567,292**	567,292
	=======	======	**=======**	=======

.1 Information about subsidiary

Business information

SCOA Properties (Nigeria) Limited was incorporated on 14 May, 2007 but yet to commence operations as at the end of this year. The Company is owned by International Investment Company Limited and SCOA Nigeria Plc with 50% each of the shareholdings. The principal activity of the Company is investment holding in Estate Management.

SCOA Foods Limited was incorporated on 31 May, 2006 and commenced operations as at the end of same year. The Company is owned by SCOA Nigeria Plc and International Investment Company Limited with 45% and 55% shareholdings respectively. The principal activities of the Company include the manufacture, packaging, distribution, marketing and sales of fruit drinks, food products and beverages of alcoholic and non-alcoholic varieties and allied products.

SCOA Motors Limited was incorporated on 11 May, 2017 . The Company is owned by SCOA Nigeria Plc and International Investment Company Limited with 60% and 40% shareholdings respectively.The principal activities undertaken by the Company during the year were the Business of Assembling, Manufacturing, Importing, Exporting, Supplying, Distributing and dealing in all aspect of motor vehicle transactions.

SCOA Equipment Limited was incorporated on 21 April, 2017. The Company is owned by SCOA Nigeria Plc and International Investment Company Limited with 60% and 40% shareholdings respectively.The principal activities undertaken by the Company during the period were the Business of manufacturing, importing, exporting, assembling, supplying and distribution of equipment.

There are no significant restrictions on any of the subsidiaries. All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent Company do not differ from the proportion of ordinary shares held.

18.2 Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

Subsidiary	Principal activity	Country of Incorporation	Percentage held	Statutory year end
SCOA Properties (Nigeria) Limited	Investment holding in Estate Management	Nigeria	50%	31 December
SCOA Foods Limited	Manufacture, packaging, distribution, marketing and sales of fruit drinks, food products and beverages of alcoholic and non-alcoholic varieties and allied products.	Nigeria	45%	31 December
SCOA Motors Limited	Assembling, Manufacturing, Importing, Exporting, Supplying, Distributing and dealing in all aspect of motor vehicle transactions.	Nigeria	60%	31 December
SCOA Equipment Limited	Manufacturing, importing, exporting, assembling, supplying and distribution of equipment.	Nigeria	60%	31 December

The summary of the operational results of the subsidiary Companies are as follows:

	SCOA Properties (Nig) Limited N'000	SCOA Foods Limited N'000	SCOA Motors Limited N'000	SCOA Equipment Limited N'000
31 December, 2021				
Revenue	-	-	7,713,782	7,126,488
(Loss)/profit after tax	-	(3,754)	7,477	14,015
Cash and cash equivalents	1,656	1,100	6,366,381	5,748,923
Other Assets	2,590,834	676,074	1,744,409	917,565
Total Assets	**2,592,490**	**677,174**	**8,110,790**	**6,666,487**
Trade and Other payables	(3,694)	(39,192)	(7,573,833)	(6,645,401)
Other Liabilties	-	(425,189)	(494,162)	36,250
Total liabilities	**(3,694)**	**(464,381)**	**(8,067,995)**	**(6,609,151)**
Equity	**2,588,796**	**212,793**	**42,795**	**57,336**
	=========	=========	=========	=========
31 December, 2020				
Revenue	-	-	232,443	793,920
(Loss)/profit after tax	(300)	(2,804)	9,815	13,461
Cash and cash equivalents	1,656	1,100	32,068	405,294
Other Assets	2,591,364	678,278	311,875	615,532
Total assets	**2,593,020**	**679,378**	**343,943**	**1,020,826**
Trade and Other payables	(3,114)	(38,770)	(380,773)	(953,774)
Other Liabilties	-	(424,061)	72,148	(23,730)
Total liabilities	**(3,114)**	**(462,831)**	**(308,625)**	**(977,504)**
Equity	**2,589,906**	**216,547**	**35,318**	**43,322**
	=========	=========	=========	=========

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
19. Non-controlling interest				
At 1 January	**590,676**	583,058	**-**	-
Share of profit for the year	**5,977**	7,618	**-**	-
At 31 December	**596,653**	590,676	**-**	-

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
20. Inventories				
Raw materials and consumables	**1,804,799**	1,153,468	**773,099**	825,465
Finished goods	**615,801**	1,089,821	**400,653**	608,176
	2,420,600	2,243,289	**1,173,752**	1,433,641

Inventory to the value of N1.1 billion (2020: N1.4 billion) are carried at net realisable value. The amount charged to statement of profit or loss and other comprehensive income in respect of write down of inventory to net realiable value in the year was nil (2020: nil).

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
21. Advances received				
Kogi	**843,259**	843,259	**843,259**	843,259

The amount relates to advances received from Federal Government of Nigeria in respect of Rehabilitation of Okene - Itobe Road in Kogi state.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
22. Trade and other receivables				
Trade receivables	**4,645,973**	7,497,654	**3,209,713**	7,338,409
Allowance for Impairments (Note 22.1)	**(768,330)**	(879,179)	**(768,330)**	(878,175)
	3,877,643	6,618,475	**2,441,383**	6,460,233
Receivable from related parties (Note 22.2)	**-**	487	**656,694**	298,737
Other receivables	**16,595**	67,190	**7,566**	9,899
	3,894,237	6,686,152	**3,105,644**	6,768,869

Other receivable represents collection from staff and other deposit made.
Trade receivables are non-interest bearing and are generally on terms of 30-90 days. The following shows the analysis of impairment provision recognised on individual and collective basis:

Also included in the trade receivables is an amount due from Kogi State and Ekiti State Government on road construction.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
22.1 Allowance for Impairments				
At 1 January	**879,179**	853,805	**878,175**	853,805
Addition in the year	**(110,849)**	25,374	**(109,845)**	24,370
At 31 December	**768,330**	879,179	**768,330**	878,175

Trade receivables meet the definition of financial asset and the carrying amount of the trade receivables approximates their fair value. Trade receivables are expected to be fully collected

As at 31 December, the ageing analysis of trade receivables is as follows:

			Past due but not impaired			
	Total	**0-30 days**	**31-60 days**	61-90days	**91-365 days**	> 365 days
	N'000	**N'000**	**N'000**	N'000	**N'000**	N'000
2021	**4,645,973**	**-**	**-**	**881,742**	**1,634,169**	**2,130,062**
2020	7,497,654	571,032	2,165,329	1,459,870	6,631	3,294,792

See Note 5.3.1 on credit risk of trade receivables, which discusses how the entity manages and measures credit quality of trade receivables that are neither past due nor impaired.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
22.2 Related Companies				
SCOA Foods Limited (Subsidiary)	**-**	-	**280,198**	279,071
SCOA Motors Limited (Subsidiary)	**-**	1	**376,496**	-
SCOA Equipment (Subsidiary)	**-**	486	**-**	19,666
SCOA Property Limited (Subsidiary)	**-**	-	**-**	-
	-	487	**656,694**	298,737
Impairment allowance	**-**	-	**-**	-
Due from related Companies	**-**	488	**656,694**	298,737

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
23. Other current assets				
Rent	**12,265**	6,992	**12,265**	6,992
Withholding tax recoverable (Note 23.1)	**336,397**	315,587	**298,687**	298,326
Prepaid expenses	**3,232**	5,400	**-**	-
Debit balance in trade payables	**8,012**	138,433	**142,855**	138,433
Receivable from Register	**163**	163	**163**	163
Deposit on Cobranet	**20**	20	**20**	20
Deposit to DHL	**350**	350	**350**	350
	360,439	466,946	**454,340**	444,284

.1 Tax recoverable - Withheld at Source

This represents withholding tax deducted at source on certain transactions, remitted to relevant tax authorities on behalf of the Company and for which receipts are receivable

24. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term deposits.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Cash in hand	**77**	2,936	**1**	2,504
Cash at Bank	**12,451,345**	773,400	**333,362**	334,506
Short-term deposit	**-**	-	**-**	-
Cash and short term deposit	**12,451,423**	776,336	**333,363**	337,010

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts as at 31 December:

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Cash and short term deposit	**12,451,423**	776,336	**333,363**	337,010
Bank overdraft	**(61,573)**	(131,573)	**(61,573)**	(131,573)
	12,389,850	644,763	**271,790**	205,437

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the entity, and earn interest at the respective short-term deposit rates. Short term investments are treasury bills of 90 days maturity purchased by the Company.

		The Group		The Company	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
25.	**Share capital**				
	Issued and fully paid				
	At I January	**324,913**	324,913	**324,913**	324,913
	Additional shares	**-**	-	**-**	-
	At 31 December:649,826,000 ordinary share of 50k each	**324,913**	324,913	**324,913**	324,913
26.	**Share premium**				
	At 31 December	**194,405**	194,405	**194,405**	194,405
27.	**Revaluation reserve**				
	At 31 December	**5,442,326**	5,434,841	**3,666,390**	3,666,390
.1	**Revaluation reserve**				
	At I January	**5,434,841**	4,224,807	**3,666,390**	4,146,484
	Loss on revalued properties	**-**	-	**-**	(480,094)
	Revaluation surplus	**7,485**	1,210,034	**-**	-
	At 31 December	**5,442,326**	5,434,841	**3,666,390**	3,666,390
	These relates to surplus arising on revaluation of the group properties (Building).				
28.	**Retained loss**				
	At 1 January	**(3,727,536)**	(3,346,478)	**(3,686,201)**	(3,292,586)
	Transferred from statement of profit or loss and other comprehensive income	**34,651**	(381,058)	**22,889**	(393,616)
	At 31 December	**(3,692,885)**	(3,727,536)	**(3,663,312)**	(3,686,201)

29. Employee benefit liability

The group's gratuity scheme is a defined benefit plan. The group makes provisions for gratuity for employees that have spent between 5 years and above continuing service in the group. The actuarial valuation method used to value the liabilities is the Projected Unit Method prescribed by IAS 19. The liabilities have been calculated from first principles using the data as at 31 December, 2021 and the assumptions set out in this report.

The following table summarises the components of net benefit expense recognised in the statement of profit or loss and the unfunded status and amounts recognised in the statement of financial position for the respective plans:

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
29.1 Net benefit expense (recognised in the statement of profit or loss)				
Present value of defined benefit obligations	**160,874**	111,565	**160,874**	111,565
29.2 Movement in defined benefit plan				
At 1 January	**111,565**	101,057	**111,565**	101,057
Current Service cost	**5,610**	5,444	**5,610**	5,444
Interest cost	**16,020**	14,710	**16,020**	14,710
Actuarial (gains)/losses	**31,770**	(8,067)	**31,770**	(8,067)
Benefits paid	**(4,091)**	(1,579)	**(4,091)**	(1,579)
At 31 December	**160,874**	111,565	**160,874**	111,565

	2021	2020
	N'000	N'000
29.3 The amount recognised in the profit or loss:		
Current sevice costs	**5,610**	5,444
Interest costs	**16,020**	14,710
Total	**21,630**	20,154
29.4 The amount recognised in other comprehensive income:		
Re-measurements gain/(loss) recognised in other comprehensive income	**(31,770)**	8,067
Tax on gain	**-**	-
Net balance	**(31,770)**	8,067
The principal actuarial assumptions used were:		
Discount rate	**13%**	13%
Inflation rate	**5%**	5%
Future salary increases	**3%**	3%

29.5 Sensitivity analysis

	Discount rate		Future salary increase		Mortality rate	
31 December 2021	**1%**	**1%**	**1%**	**1%**	**0.3%**	**0.3%**
Sensitivity Level	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on defined benefit obligation	**(102,883)**	**(108,396)**	**(111,202)**	**(102,267)**	**(106,095)**	**(104,936)**
31 December 2020	1%	1%	1%	1%	0.3%	0.3%
Sensitivity Level	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact on defined benefit obligation	(102,883)	(108,396)	(111,202)	(102,267)	(106,095)	(104,936)

The sensitivity analysed above have determined on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumption occuring at the end of the reporting period. As reported based on actuarial valuation by Alexander Forbes for the year ended 31 December 2021. The actuarial valuation report was signed in December by H Prinsloo (FRC/2018/NAS/00000018473) a fellow of the Actuarial Societies of both Nigeria and South Africa.

29.6 The valuation assumptions used in determining Gratuity benefit obligations for the Company's plans are shown below:

	2021	2020
	%	%
Discount rate (p.a)	**13**	13
Average pay increase (p.a)	**3**	3
Rate of inflation	**5**	5
Withdrawal from Service (age band)		
18 - 29	**1**	1
30 - 44	**5.5**	5.5
45 - 49	**3**	3
50 - 59	**2**	2
60	**100**	100

The normal retirement age is 60 years or 35 years in active services. Employees' benefits shall be paid on retirement upon attaining 60 years of age, early retirement, resignation; death and redundancy of employees. The discount rate is determined on the Company's reporting date by reference to market yields on high quality government bonds.

The discount rate should reflect the duration of the liabilities of the benefit programme. The rates of mortality assumed for members in the scheme are the rates published in the National Population Commission Bulletin. We have rated this down by one year to moderately reflect mortality in Nigeria. The Company makes provisions for gratuity for employees that have spent between 5 years and above continuing service in the Company. The Company is expected to set cash aside to fund the outstanding defined benefit obligation.

The provision is computed based on the annual gross emoluments (basic, housing, transport and leave allowance) by applying a specific rate which is a function of the length of service with the Company except for redundancy. The rate applies to all categories of employees as follows:

Rate	**Length of service**
1.00	5 - 9 years
1.25	10- 14 years
1.75	15 - Above years

The provision for employee benefit on redundancy is computed based on the annual basic salary as follows:

Senior Staff	-	3 months notice on gross pay Plus
0 - 5 years	-	6 weeks basic salary for each completed year of service
6 - Above years	-	7 weeks basic salary for each completed year of service
Junior Staff	-	3 months notice on gross pay Plus
0 - 5 years	-	6 weeks basic salary for each completed year of service
6 - Above years	-	7 weeks basic salary for each completed year of service

	2021	2020
Salary weighted average age	**45.1 years**	48.1 years
Salary weighted past service	**11.6 years**	12.6 years

29.7 Tax Effect:

Re-measurement recognised in other comprehensive income:(N31,770,000) (2020: N8,067,000). Deferred tax computed at 30% : Nil (2019 : Nil).

	The Group		**The Company**	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
30. Trade and other payables				
Trade payables	**14,092,676**	5,718,668	**904,898**	5,067,473
Other payables (Note 32.1)	**1,204,927**	1,472,287	**843,442**	890,636
Rent received in advance	**-**	6,710	**-**	6,710
Dividend payable	**39,978**	39,978	**39,978**	39,978
Value Added Tax	**535,368**	502,028	**6,747**	393,551
Due to related parties (Note 32.2)	**6,318**	1,279	**2,127,619**	2,032,284
Pension Contribution (Note 32.3)	**11,116**	50,624	**10,991**	50,498
	15,890,383	7,791,575	**3,933,675**	8,481,129
30.1 Other payables				
Customer deposit	**66,070**	489,595	**59,790**	59,790
Staff deductions	**93,451**	129,251	**91,805**	126,791
Withholding tax payable	**(232)**	25,858	**(232)**	25,331
Accrued interest	**13,500**	1,250	**13,500**	1,250
Registrar expenses	**9,633**	13,412	**9,633**	13,412
ITF Payables	**1,758**	1,301	**1,758**	1,301
Directors fee	**5,375**	5,500	**5,275**	5,400
Audit fee	**3,504**	5,043	**2,704**	4,443
Trade debtors with credit balances	**538,263**	571,032	**538,263**	571,032
Accrued expenses (Note 30.4)	**473,604**	230,045	**120,946**	81,885
	1,204,927	1,472,287	**843,442**	890,636

30.2 Due to related parties

This represents amount due to related parties.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
30.3 Pension contribution				
At 1 January	**50,749**	54,243	**50,498**	54,118
Additions in the year	**16,579**	16,579	**16,350**	16,453
Remittance in the year	**(20,073)**	(20,073)	**(55,857)**	(20,073)
At 31 December	**47,254**	50,749	**10,991**	50,498

In accordance with Pension Reform Act, 2014, the employees of the Company are members of a state arranged pension scheme which is managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirment benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions. The total expenses recognised in profit or loss represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

30.4 Accrued expenses

These represent rents received in advance, provision for insurance and other expenses incurred but settlement is yet to be made.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
31 Borrowings				
Current borrowings	**2,113,271**	1,601,741	**2,059,736**	1,548,207
Non-current borrowings (Note 31.2)	**1,319,012**	1,700,217	**1,319,012**	1,700,217
Total	**3,432,283**	3,301,958	**3,378,748**	3,248,424
31.1 Current borrowings				
Related Companies:				
International Investment Company Ltd (Sister Company)	**1,974,889**	1,306,757	**1,921,355**	1,253,223
Investra Limited (Sister Company)	**61,054**	53,913	**61,054**	53,913
Commercial loans:				
Eco Bank Plc (Formerly All State Trust Bank Plc)	**15,756**	15,756	**15,756**	15,756
Access Bank Loan Account	**-**	-	**-**	-
Heritage Bank Loan	**(0)**	93,742	**(0)**	93,742
Import facilities:				
Union Bank Loan Account	**-**	-	**-**	-
Heritage Bank Loan	**-**	-	**-**	-
Bank overdraft (Note 31.3)	**61,573**	131,573	**61,573**	131,573
	2,113,271	1,601,741	**2,059,736**	1,548,207

Commercial loans represents different short term loans and LCs restructured to a formal loan for the group to be repaid over a number of years. These loans were splitted into current and non-current portion.

Import finance facilities are those facilities which the group defaulted in paying and the banks converted to short term loans.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
31.2 Non-current borrowings				
Ecobank long term loan account	**-**	-	**-**	-
Access long term loan account	**-**	182,820	**-**	182,820
First bank long term account	**1,319,012**	1,517,397	**1,319,012**	1,517,397
	1,319,012	1,700,217	**1,319,012**	1,700,217
	=========	=========	=========	=========

The group's current commercial loan facilities are revolving having a structure of 3 to 12 months term with a fixed rate of principal and interest repayment ranging from 17% to 24% respectively. However it is worthy to know that in the year under review most of the loans were settled, some have been paid in 2021 while others will be paid in due course.

First Bank Of Nigeria Limited

An amount of N1.3 billion representing balance of loan granted by First Bank of Nigeria Plc to SCOA Nigeria Plc has been reduced to N1 billion through Loan rescheduling to be repaid within three (3) years.

31.3 Bank overdraft

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Bank overdraft	**61,573**	131,573	**61,573**	131,573
	=========	=========	=========	=========

The bank overdrafts represent overdrawn balance on current account from Nigerian Banks with an average interest rate of 17.5%. The bank overdrafts are secured by way of negative pledge over the assets of the Company.

32. Related Parties

The financial statements include the proportion of equity of major shareholders as follow:

	No. of shares	% of capital
SCOA International, S. A.	443,491,944	68.25
Various individual shareholders	206,334,056	31.75
	649,826,000	100.00

The Company entered into the following transactions with the under listed related parties during the year:

	Nature of transaction	Transaction value 2021 N'000	Balance receivable/ (payable) 2021 N'000	Balance receivable/ (payable) 2020 N'000
Related Companies:				
International Investment Company (Sister Company)	Payment of rent and interest		**(1,974,889)**	(1,306,757)
Investra Limited (Sister Company)	Payment of interest		**(61,054)**	(53,913)
Vernal Investment (Sister Company)	Administrative expenses		**-**	-
SCOA Petroleum Limited (Sister Company)	Purchase of goods		**-**	-
Data Processing Maintenance and Services Limited (Sister Company)	Rent receivable		**-**	-
Holding Company:				
SCOA International S.A.	Dividend payable		**39,978**	39,978
Subsidiary:				
SCOA Properties Limited	Administration expenses	**1,110**	**-**	-
Associate:				
SCOA Foods Limited	Purchases- goods & services, Administration expenses.			
		3754	**280,198**	279,071

The ultimate parent of the Company is SCOA International S. A. and is based in Paris.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in competitive environment. Outstanding balances at the year end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December, 2021, there was no provision during the year for related parties.

Long term compensation to key management

The Company has no long term compensation for his key management personnel.

	Group	
	2021	2020
	Number	Number
33. Information relating to Employees		
The average number of persons employed by the Group during the financial year was as follows:		
CEO's office and corporate affairs	**5**	5
Engineering /operation	**53**	53
Sales and marketing	**19**	20
Customer experience	**2**	2
Information systems	**1**	1
Human resources	**3**	3
Finance	**10**	11
	93	95
	======	======

Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

			2021	2020
			Number	Number
Below		1,700,000	**69**	71
1,800,000	-	2,299,999	**15**	15
2,300,000	-	2,799,999	**4**	4
2,800,000	-	3,299,999	**3**	3
3,300,000	-	3,799,999	**1**	1
4,800,000	-	5,299,999	**1**	1
			93	95
			======	======

34. Information relating to Directors		
34.1 Directors' mix		
Executive Directors	**2**	2
Non-executive Directors	**6**	6
	8	8
	======	======
34.2 Director's emolument		
The aggregate emolument of the Directors was:		
	N'000	N'000
Fees	**-**	1,465
Salaries	**7,800**	-
Sitting allowance	**-**	-
Other fees and allowances	**6,600**	-
Chairman emoluments (excluding pension contribution)	**-**	-
	14,400	1,465
	======	======
Highest Paid Director	**-**	-
	======	======

35. Contigencies

35.1 Bank guarantee

The Company has an advance payment bank guarantee amounting to Nil in 2021 (2020 : Nil) and a performance Bond also amounting to a Nil balance in 2021, (2020 : Nil) both of which are in favour of Chad Basin Development Authority for the supply of Holland Combine Harvesters. There is an advance payment Guarantee with a Nil balance in 2021 (2020 : Nil) in favour of Ekiti State Government for Road Constructionand an advance payment Guarantee with a balance of a Nil balance in 2021 (2020 : Nil) in favour of Kogi State Government for road construction.

35.2 Commitment

The Company has no authorised and contracted purchase orders during the year. The Company's unfunded Letters of Credit during the year was Nil (2020 : Nil) with various banking institutions in respect of letter of credits for importation of goods for trading.

35.3 Pending litigations and claims

The Company, SCOA Nigeria Plc has some matters in courts of which some cases are for and against the Group. In some instances, some cases were settled amicably out of court while some matters were adjourned due to the COVID-19 lockdown. However, in the opinion of the Directors and based on independent legal advice on these cases, the Group is not expected to suffer any material loss arising from these claims. Thus, no provisions have been made in these consolidated financial statements.

36. Events after the reporting date

The Directors are of the opinion that there were no events that occurred subsequently to the reporting date which could have had a material effect on the consolidated financial statements or which need to be disclosed in the consolidated financial statements in the interest of fair presentation of the consolidated financial position at the reporting date.

Statement of Value Added

For the year ended 31 December, 2021

	The Group				The Company			
	2021		2020		**2021**		2020	
	N'000	%	N'000	%	**N'000**	%	N'000	%
Sales of products and services	**15,809,503**		6,526,055		**966,713**		5,499,692	
Other operating income	**1,863,175**		425,516		**793,041**		180,635	
Finance income	**18,793**		3,506		**18,793**		3,506	
	17,691,471		6,955,077		**1,778,547**		5,683,833	
Deduct:								
Outside purchases of services and products:								
- Local	**(16,056,066)**		(6,092,215)		**(1,105,292)**		(5,040,628)	
- Import	**(496,579)**		(188,419)		**(34,184)**		(155,896)	
Value Added	**1,138,825**	**100**	674,443	100	**639,071**	**100**	487,310	100
Distributed as follows:								
To pay employee:								
Salaries and labour related expenses	**449,582**	**40**	352,799	53	**170,484**	**27**	185,420	38
To provider of capital:								
Interest	**14,433**	**1**	202,409	30	**13,983**	**2**	202,409	42
To pay Government:								
- Company taxes	**218,537**	**19**	35,679	5	**18,541**	**3**	39,457	8
To provide for replacement of assets and future expansion of business:								
Deferred tax	**235,527**	**21**	261,614	39	**235,527**	**37**	261,224	54
Depreciation of property plant and equipment	**148,348**	**13**	203,449	30	**145,877**	**23**	200,483	41
Profit/(loss) transferred from income statements	**72,398**	**6**	(381,507)	(57)	**54,659**	**8**	(401,683)	(83)
Value Added	**1,138,825**	**100**	674,443	100	**639,071**	**100**	487,310	100

The value added represents the wealth created through the use of the group's asset by its own its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government, and that retained for future creation of wealth.

SCOA NIGERIA PLC

Financial Summary - (The Group)

For the year ended 31 December,

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	**15,809,503**	6,526,055	4,034,367	2,451,366	1,798,582
Profit/(loss) before income tax	**526,461**	(77,263)	69,749	(507,605)	(1,897,172)
Taxation	**(454,064)**	(304,244)	249,427	461,725	(12,131)
Profit/(loss) for the year ended	**72,398**	(381,507)	319,176	(45,880)	(1,909,303)
Other comprehensive income/(loss)	**(31,770)**	8,067	(4,789)	(21,689)	(4,447)
Total comprehensive income/(loss) for the year	**40,627**	(373,440)	314,387	(67,569)	(1,913,750)
STATEMENT OF FINANCIAL POSITION					
Property, plant & equipment	**3,947,631**	4,129,074	6,611,507	6,844,155	7,167,765
Other non-current asset	**373,766**	608,933	870,907	595,566	674,181
Net current (liabilities)/asset	**23,901**	(108,926)	(315,998)	(961,389)	(2,667,452)
Non-current liabilities	**(1,479,886)**	(1,811,782)	(5,185,711)	(4,812,014)	(2,501,113)
Net asset	**2,865,412**	2,817,299	1,980,705	1,666,318	2,673,381
Funds employed					
Share capital	**324,913**	324,913	324,913	324,913	324,913
Share premium account	**194,405**	194,405	194,405	194,405	194,405
Revaluation reserve	**5,442,326**	5,434,841	4,224,807	4,224,807	4,224,807
Retained loss	**(3,692,885)**	(3,727,536)	(3,346,478)	(3,651,774)	(2,644,771)
Non controlling interest	**596,653**	590,676	583,058	573,967	574,027
	2,865,412	2,817,299	1,980,705	1,666,318	2,673,381
Basic/diluted (loss)/earnings per share (Naira)	0.11	(0.59)	0.49	(0.07)	(2.94)
Dividend per share (gross)	**-**	-	-	-	-
Net asset per share (Naira)	4.41	4.34	3.41	2.56	4.11

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

Dividend per share are based on the profit after tax and the number of issued and fully paid ordinary shares at the end of each financial year.

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

SCOA NIGERIA PLC

Financial Summary - (The Company)

For the year ended 31 December, 2021

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
STATEMENT OF COMPREHENSIVE INCOME					
Revenue	**966,713**	5,499,692	2,852,163	920,197	1,798,351
Profit/(loss) before income tax	**308,727**	(101,002)	28,588	(517,886)	(1,889,270)
Income tax expense	**(254,069)**	(300,681)	265,901	461,725	(10,983)
Profit/(loss) for the year ended	**54,659**	(401,683)	294,489	(56,161)	(1,900,253)
STATEMENT OF FINANCIAL POSITION					
Property, plant & equipment	**2,787,487**	2,969,373	5,188,994	5,422,597	5,744,002
Investment in subsidiary	**567,292**	567,292	567,292	567,292	555,292
Other non-current asset	**454,939**	690,466	951,690	-	674,181
Net current liabilities/asset	**(1,807,437)**	(1,915,841)	(149,048)	(32,575)	(2,448,504)
Non-current liabilities	**(1,479,886)**	(1,811,782)	(5,185,711)	(4,873,798)	(2,419,990)
Net asset	**522,395**	499,508	1,373,217	1,083,516	2,104,981
Funds employed					
Share capital	**324,913**	324,913	324,913	324,913	324,913
Share premium account	**194,405**	194,405	194,405	194,405	194,405
Revaluation reserve	**3,666,390**	3,666,390	4,146,484	4,146,484	4,146,484
Retained (loss)/earnings	**(3,663,313)**	(3,686,201)	(3,292,585)	(3,582,286)	(2,560,821)
	522,395	499,508	1,373,217	1,083,516	2,104,981
Earnings/(loss) per share (Naira)	**0.08**	(0.62)	0.45	(0.09)	(2.93)
Dividend per share (gross)	**-**	-		-	-
Net assets per share (Naira)	**0.80**	0.77	2.11	1.67	3.24

SCOA NIGERIA PLC

Share Capital History

The Company's authorized and fully paid up share capital has increased over the years as follows:

Date	Authorised Share Capital Increased		Issued and fully paid Share Capital Increased		Consideration
	From (₦)	From (₦)	From (₦)	From (₦)	Cash
24/06/69	-	2,000,000	-	4	Asset
04/09/69	-	2,000,000	4	32,894	Asset
04/09/69	-	2,000,000	32,894	1,232,890	Cash
02/09/72	-	2,000,000	1,232,890	2,000,000	Cash
07/07/72	2,000,000	3,000,000	2,000,000	-	-
18/12/72	-	3,000,000	2,000,000	2,100,000	Cash
24/01/73	-	3,000,000	2,100,000	2,600,000	Cash
31/09/73	-	3,000,000	2,600,000	2,900,000	Cash
15/09/73	-	3,000,000	2,900,000	2,940,000	Cash
31/01/74	-	3,000,000	2,940,000	3,000,000	Cash
23/04/76	3,000,000	6,000,000	3,000,000	6,000,000	Bonus Issue
27/09/76	6,000,000	12,000,000	6,000,000	6,000,000	-
21/01/77	12,000,000	12,000,000	6,000,000	12,000,000	Bonus Issue
30/03/77	12,000,000	18,000,000	12,000,000	12,000,000	Bonus Issue
16/01/77	18,000,000	18,000,000	12,000,000	18,000,000	Bonus Issue
10/12/78	18,000,000	24,000,000	18,000,000	24,000,000	Bonus Issue
14/04/83	24,000,000	32,000,000	24,000,000	32,000,000	Bonus Issue
21/04/88	32,000,000	44,800,000	32,000,000	44,800,000	Bonus Issue
23/01/90	44,800,000	344,800,000	44,800,000	114,800,000	Cash
12/11/92	344,800,000	412,000,000	114,800,000	197,200,000	Cash
25/07/01	412,000,000	412,000,000	197,200,000	246,500,000	Bonus Issue
20/09/02	412,000,000	1,000,000,000	246,500,000	246,500,000	Authorised Capital Increase
11/09/03	1,000,000,000	1,000,000,000	246,500,000	324,737,000	Rights Issue
31/12/16	1,000,000,000	1,000,000,000	13,000	324,750,000	Bonus Issue
31/12/17	1,000,000,000	1,000,000,000	163,000	324,913,000	Bonus Issue

SECURITIES TRADING POLICY

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Scoa Nigeria Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the period.