

MORISON INDUSTRIES PLC

4TH QUARTER FINANCIAL REPORTS AS AT DECEMBER 31, 2022.(UNAUDITED)

MORISON INDUSTRIES PLC
2800, MORISON CRESCENT,
ORIGIN INDUSTRIAL AREA,
ORIGIN, IKEJA - LAGOS.
P. M. B. 21290, IKEJA.
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MORISON INDUSTRIES PLC RC. 1274



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MORISON INDUSTRIES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

		JAN TO DECEMBER 2022	JAN TO DECEMBER 2021	OCT TO DECEMBER 2022	OCT TO DECEMBER 2021
	Notes	N'000	N'000	N'000	N'000
Revenue	1	154,858	140,610	33,139	27,099
Cost of sales	2	(121,868)	(68,098)	(24,390)	(27,834)
Gross profit		32,991	72,512	8,748	(736)
Distribution expenses	3	(26,692)	(25,009)	(6,679)	(8,048)
Operating expenses (4a)(b)	4	(136,610)	(118,994)	(34,707)	(25,321)
Other operating income	5	58,391	48,045	14,612	13,792
Loss from operations		(71,921)	(23,446)	(18,025)	(20,313)
Finance income		-	-	-	-
Finance expenses	6	(19,600)	(15,100)	(5,323)	(5,050)
Net finance expenses		(19,600)	(15,100)	(5,323)	(5,050)
Loss before taxation		(91,521)	(38,546)	(23,348)	(25,363)
Tax expense		-	(388)	-	-
Loss for the year		(91,521)	(38,934)	(23,348)	(25,363)
Other comprehensive income					
Items that will not be reclassified to profit or loss:		-	-	-	-
Items that will or may be reclassified to profit or loss:		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive loss		(91,521)	(38,934)	(23,348)	(25,363)
Loss per share(kobo)		(0.09)	(0.04)	(0.02)	(0.03)

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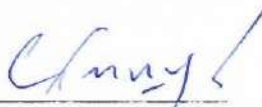
MORISON INDUSTRIES PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (UNAUDITED)


2

	Notes	31ST DECEMBER 2022 N'000	31ST, DECEMBER 2021 N'000
Assets			
Non-current assets			
Property, plant and equipment	7	1,469,852	1,506,695
		<u>1,469,852</u>	<u>1,506,695</u>
Current assets			
Inventories	8	33,612	47,323
Trade and other receivables	9	61,710	55,217
Cash and cash equivalents	10	14,591	5,422
		<u>109,913</u>	<u>107,962</u>
Total assets		<u>1,579,765</u>	<u>1,614,657</u>
Liabilities			
Current liabilities			
Borrowings	11	136,398	119,798
Trade and other payables	12	282,591	242,561
Income tax payables		857	857
		<u>419,846</u>	<u>363,216</u>
Non-current liabilities			
Employees' benefit obligations	13	516	516
Deferred tax liabilities		184,163	184,163
		<u>184,678</u>	<u>184,678</u>
Total liabilities		<u>604,524</u>	<u>547,894</u>
Net assets		<u>975,241</u>	<u>1,066,762</u>
Equity			
Share capital	14	494,580	494,580
Share premium	15	84,477	84,477
Revenue reserve	16	(722,850)	(631,329)
Revaluation Reserve	17	1,119,035	1,119,035
Total equity		<u>975,241</u>	<u>1,066,762</u>

The financial statements and accompanying notes have been approved by the Board of Directors on 27 January 2023 and signed on its behalf by:


Titiloye, Richard Olaniyi
Chairman
FRC/2013/ICAN/00000003887


Oladejo, Akinola Adesoji
Managing Director
FRC/2021/003/00000022832


Ayegbo, Oluwafemi Olanrewaju
Financial Controller
FRC/2021/003/00000022831

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3

MORISON INDUSTRIES PLC

STATEMENT OF CHANGES IN EQUITY(UNAUDITED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share Capital N'000	Share Premium N'000	Revaluation Reserve N'000	Revenue Reserve N'000	Total Equity N'000
Balance at 1 January 2021	494,580	84,477	-	(537,398)	41,659
Comprehensive income for the period:					
Loss for the period	-	-	-	(93,931)	(93,931)
Other comprehensive income	-	-	1,119,035	-	1,119,035
Total comprehensive income for the period	-	-	1,119,035	(631,329)	1,025,104
Transactions with owners recorded directly in equity	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-
Total transactions with equity owners	-	-	-	-	-
Balance at 31 December 2021	494,580	84,477	1,119,035	(631,329)	1,066,763
Balance at 1 January 2022	494,580	84,477	1,119,035	(631,329)	1,066,763
Comprehensive income for the year/period:					
Loss for the year/period	-	-	-	(91,521)	(91,521)
Other comprehensive income	-	-	1,119,035	-	1,119,035
Total comprehensive income for the year/period	-	-	-	(91,521)	1,027,514
Transactions with owners, recorded directly in equity	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-
Total transactions with equity owners	-	-	-	-	-
Balance at 31 December 2022	494,580	84,477	1,119,035	(722,850)	975,242

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MORISON INDUSTRIES PLC

STATEMENT OF CASH FLOW (UNAUDITED)

4

FOR THE PERIOD ENDED 31 DECEMBER 2022

	31ST, DECEMBER 2022 N'000	31ST, DECEMBER 2021 N'000
Net cash flow from Operating Activities	(24,741)	(24,741)
Net cash flow from Investing Activities	(1,216,291)	(1,216,291)
Net cash flow from Financing Activities	1,243,372	1,243,372
Cash and Cash equivalent for the year	9,169	2,220
Cash and cash equivalent at the beginning of the year	5,422	3,202
Cash and cash equivalent at the end of the year/period	14,591	5,422

MORISON INDUSTRIES PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2022 (UNAUDITED)
NOTES TO THE FINANCIAL STATEMENTS

5

	DECEMBER 2022			DECEMBER 2021		
	Revenue N'000	Cost of sales N'000	Gross profit N'000	Revenue N'000	Cost of sales N'000	Gross profit N'000
1. Revenue and Profit						
Analysis by activities:						
Pharmaceuticals	7,850	6,742	1,108	6,728	5,293	1,435
LMP-Consumers	110,068	67,531	42,537	100,537	61,022	4,646
Others/Contracts	36,940	7,953	28,987	33,345	1,783	25,529
Gross Contribution	154,858	82,226	72,632	140,610	68,098	31,609
2. Cost of sales				2022		2021
Cost of sales includes:				N'000		N'000
Materials consumed				82,226		68,098
Production salaries and wages				18,012		21,351
Repairs and maintenance				5,121		4,411
Electricity				4,027		4,006
Depreciation of property, plant and equipment				2,831		2,813
Obsolete and damaged inventory written off				212		68
Technical & Analytical Charges				252		668
Factory Annual Registration				336		881
Office Expenses				1,354		1,818
Oil and gas				7,495		4,888
				121,868		109,001
3. Distribution expenses				N'000		N'000
Advertisement and Tender Expenses				7,049		6,269
Discount allowed and commission				1,194		952
Salaries, bonuses and commission				13,236		13,711
Freight				2,803		2,944
Transportation				1,522		1,059
Stock Trade Gifts/Samples				888		74
				26,692		25,009
4. Operating expenses				N'000		N'000
Audit fees				2,000		2,000
Salaries and wages				44,252		36,951
Bank charges				351		319
Depreciation on property, plant and equipment				35,758		28,537
Company Social Responsibility				-		-
Donations				150		30
Electricity				1,726		1,865
Environment Development Charge				461		290
Insurance, licence and fees				520		1,044
Computer expenses				481		695
Legal Expenses				150		910
Land use charges				485		284
Office expenses -Note 4('a)				25,983		14,215
Postages and telephones				2,730		2,653

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6

	2022 N'000	2021 N'000
Professional fees	1,180	12,491
Provision for other receivables	-	-
Provision for pension penalty	-	-
Provision for trade receivables	-	-
Rent and rates	889	879
Repairs and renewals- Offices & premises	1,518	1,145
Secretariat expenses	6,329	2,778
Security expenses	3,310	2,479
Training, Conferences & Seminar expenses	50	494
Travelling Expenses	1,478	1,406
Vehicle running expenses	5,109	5,929
	<u>134,908</u>	<u>117,394</u>
(a) Office expenses		
Canteen expenses	3,936	4,280
Meal & Entertainment	873	570
Products Registration	995	-
Subscriptions	135	122
Recruitment expenses	-	51
Newspaper & magazines	-	13
Printing & stationery	888	1,182
Staff welfare	19,157	7,997
	<u>25,983</u>	<u>14,215</u>
(b) Directors	N'000	N'000
The aggregate emoluments of the Directors were:		
Fees	-	-
Other emoluments	1,702	1,600
	<u>1,702</u>	<u>1,600</u>
5 Other operating income		
(a) This comprises:	N'000	N'000
Disposal of Accidented Vehicle)	-	2,276
Write back of provision on trade receivables	-	-
Service charge	-	-
Write back of accruals no longer required	-	-
Sales of empty drums and scraps	1,094	774
Write back of Directors' fees	-	-
Rental and freight	57,296	44,995
	<u>58,391</u>	<u>48,045</u>
6 Finance income/ expenses	N'000	N'000
(a) Finance income	-	-
Finance expenses comprise:		
Interest on borrowings	19,600	15,100
Net finance expenses	<u>19,600</u>	<u>15,100</u>



Continuation Sheet.

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7 Property, plant and equipment

	Leasehold land and buildings	Plant, machinery and equipment	Computer and equipment	Motor Vehicles	Capital work in progress	Total
<u>Cost</u>	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	387,019	55,639	2,227	86,937	7,598	539,470
Additions	-	3,238	425	-	227	3,890
Disposals	-	-	-	(20,853)	-	(20,853)
Revaluation Surplus	1,086,481	-	-	-	-	1,086,481
At 31 December 2021	1,473,500	58,927	2,652	66,084	7,825	1,603,988
At 1 January 2022	1,473,500	58,927	2,652	66,084	7,825	1,603,988
Additions	-	1,371	-	-	-	1,371
Disposals	-	-	-	-	-	-
At 31 December 2022	1,473,500	60,298	2,652	66,084	7,825	1,610,359
<u>Accumulated depreciation</u>						
At 1 January 2021	139,802	34,502	2,227	71,783	-	248,314
Charge for the year	17,089	4,497	35	9,726	-	31,347
On disposals	-	-	-	(20,852)	-	(20,852)
Write back on revaluation	(156,891)	-	-	-	-	(156,891)
At 31 December 2021	-	38,999	2,262	60,657	-	101,918
At 1 January 2022	-	38,999	2,262	60,657	-	101,918
Charge for the period	29,396	4,547	142	4,503	-	38,589
Disposals	-	-	-	-	-	-
At 31 December 2022	29,396	43,546	2,404	65,160	-	140,507
<u>Impairment</u>						
At 1 January 2021	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 31 December 2021	-	-	-	-	-	-
At 1 January 2022	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Deferred Expenses	-	-	-	-	-	-
At 31 December 2022	-	-	-	-	-	-
<u>Carrying amounts at:</u>						
31 December 2022	1,444,104	16,752	248	924	7,825	1,469,852
31 December 2021	1,473,500	19,533	390	5,427	7,825	1,506,695

	31/12/2022	31/12/2021
8. <u>Inventories</u>	N'000	N'000
Raw materials	16,564	38,264
Finished goods	17,049	19,236
	33,613	57,500
Provision for obsolete inventory	(0)	(10,177)
	33,612	47,323

(a) No inventory was pledged as security for borrowings.

	N'000	N'000
9. <u>Trade and other receivables</u>		
Trade receivables	128,811	123,259
Provision for trade receivables	(96,339)	(96,339)

Total financial assets other than cash and cash equivalents classified as loans and receivables.

Other receivables and prepayments	32,472	26,920
	29,238	28,297
	61,710	55,217

(a) <u>Provision for trade receivables</u>	N'000	N'000
Balance at the beginning of the year	96,339	82,340
Provision for the period	-	13,999
Write back during the year	-	-
Balance at the end of the period	96,339	96,339

Trade receivables represents receivables from customers for goods sold and other trading

(b) <i>The age analysis of trade receivables is as follows:</i>	N'000	N'000
Past due < 90days	10,369	15,708
Past due 91-180 days	6,301	6,198
Past due 181-360 days	10,044	5,014
Past due 360days and above	102,097	96,339
	128,811	123,259

(c) *The carrying value of trade and other receivables classified as loans and receivables approximates fair value.*

	N'000	N'000
Neither past due nor impaired	26,714	26,920
Past due but not impaired	5,758	-
Collectively impaired (Provided for in the account)	96,339	96,339
	128,811	123,259

(b) <u>Other receivables and prepayments:</u>	N'000	N'000
Staff receivables	882	65
Withholding tax receipts	14,911	14,911
Withholding tax receivables	20,528	18,419
Provision for WHT and other receivables	(16,045)	(17,423)
Advance to suppliers	3,763	3,686
Unpaid invoices	-	-
Receivable from Unosource	-	500
Other receivables	6,036	1,595
	30,074	21,753
Prepayments	836	6,544
	29,238	28,297

(c) <u>Prepayments</u>	N'000	N'000
Insurance and Rates	836	6,544
	(836)	6,544

10. <u>Cash and cash equivalents</u>	N'000	N'000
Cash and cash equivalents comprise:		
Cash at bank	14,586	5,279
Cash in hand	5	143
Cash and cash equivalents for the purpose of cash flows	14,591	5,422

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11. Borrowings	N'000	N'000	9
(a) The book value and fair value of borrowings are as follows:			
Balance at the beginning of the year	119,798	58,393	
Additions during the year	19,600	50,000	
Interest charged during the year	(3,000)	15,548	
Interest paid during the year		(4,143)	
Balance at the end of 31/12/2022	<u>136,398</u>	<u>119,798</u>	
12. Trade and other payables	N'000	N'000	
Trade payables	33,030	30,139	
Other payables	221,667	187,046	
Due to related company	<u>9,800</u>	<u>9,800</u>	
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	264,497	226,985	
Other payables - Tax	<u>18,094</u>	<u>15,576</u>	
	<u>282,591</u>	<u>242,561</u>	
(a) Other payables	N'000	N'000	
Unclaimed dividend	5,632	5,632	
Accruals	50,636	37,420	
Pension payable -Note 12 c	93,641	92,758	
Rent received in advance	28,175	8,945	
Advance deposit by customers	2,606	1,007	
Other payables	40,977	41,284	
	<u>221,667</u>	<u>187,046</u>	
(b) Accruals	N'000	N'000	
Wages	12,716	8,198	
Sundry accruals	24,155	3,192	
Audit fees	2,890	2,650	
Secretarial expenses	-	-	
Chairman's Allowance	7,500	6,000	
Nigerian Stock Exchange	-	3,927	
Professional Fees	-	4,082	
Lease charge	200	2,418	
Directors' fees	862	862	
Backduty assessments	-	3,778	
Interest expense	2,313	2,313	
	<u>50,636</u>	<u>37,420</u>	
(c) Pension payable	N'000	N'000	
Balance at the beginning of the period	92,758	84,271	
Contributions for the period	5,051	8,844	
Remittances	(4,169)	(357)	
Balance at the end of the period	<u>93,641</u>	<u>92,758</u>	

The Company operates a defined contributory pension scheme for eligible employees. Both employer and employee contribute 10% and 8% respectively of the employees' basic, housing transport allowances in line with the provisions of the Pensions Reformed Act, 2014 (as



Continuation Sheet

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(d) <u>Other payables-tax</u>	N'000	N'000	10
Value Added Tax	10,031	7,760	
Withholding Tax	2,919	2,309	
PAYE	5,143	5,507	
	<u>18,094</u>	<u>15,576</u>	
13 <u>Employees' benefits obligations</u>	N'000	N'000	
Balance at the beginning of the year	516	516	
Provision for the year	-	-	
Payments during the year	-	-	
	<u>516</u>	<u>516</u>	
Balance at the end of 31/12/2022			
14 <u>Share capital</u>	31/12/2022	31/12/2021	
<u>Authorised</u>	N'000	N'000	
<u>Value</u>			
Ordinary shares of N0.50 each at beginning of the year	500,000	500,000	
Ordinary shares of N0.50 each as at 31 December, 2022	<u>500,000</u>	<u>500,000</u>	
<u>Number</u>			
Ordinary shares of N0.50 each at beginning of the year	1,000,000	1,000,000	
Ordinary shares of N0.50 each as at 31 December, 2022	<u>1,000,000</u>	<u>1,000,000</u>	
<u>Issued and fully paid:</u>			
<u>Value</u>			
Ordinary shares of N0.50 each at beginning of the year	494,580	494,580	
Ordinary shares of N0.50 each as at 31 December, 2022	<u>494,580</u>	<u>494,580</u>	
<u>Number</u>			
Ordinary shares of N0.50 each at beginning of the year	989,160	989,160	
Ordinary shares of N0.50 each as at 31 December, 2022	<u>989,160</u>	<u>989,160</u>	
15 <u>Share premium</u>			
Balance at the beginning of the year	84,477	84,477	
	<u>84,477</u>	<u>84,477</u>	
Balance as at 31 December, 2022			
16 <u>Revenue reserve</u>	N'000	N'000	
Balance at the beginning of the year	(631,329)	(537,398)	
Transfer from statement of comprehensive income	(91,521)	(93,931)	
	<u>(722,850)</u>	<u>(631,329)</u>	
Balance as at 31 December, 2022			
17 <u>Revaluation reserve</u>	N'000	N'000	
Balance at the beginning of the year	1,119,035	-	
Revaluation surplus - Cost	-	1,086,481	
Revaluation surplus - Depreciation	-	136,891.00	
Balance as at 31 December, 2022	1,119,035	1,243,372	
Less: Tax on revaluation surplus	-	(124,337)	
	<u>1,119,035</u>	<u>1,119,035</u>	
Balance as at 31 December, 2022			

Incompliance with Rule 17.15 Disclosure of Dealings in Issuers, Shares, Rules of Exchange 2015 (Issuers' Rule), Morison Industries Plc (the Company) is currently updating and finalising its Securities Trading Policy as mandated by the Issuers Rule. The Policy when becomes effective Applies to all Directors, Audit Committee, employees of the Company and any other person in possession of insider information from the dealing in the Company's shares during the Non-Authorised Trading Period, in accordance with the Investment and Security Act, 2007 and Post Listing Rules of The Nigerian Stock Exchange.