

**JOHN HOLT PLC
AND ITS SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS
30 SEPTEMBER 2014**

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JOHN HOLT PLC AND ITS SUBSIDIARY COMPANIES

We have audited the accompanying separate and consolidated financial statements of John Holt Plc ("the Company") and its subsidiary Companies ("together the group"). These financial statements comprise the consolidated and separate statements of financial position as at 30 September 2014, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

2. The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and in compliance with relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

3. Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts of disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We wish to draw attention to note 42 to the financial statements which indicates that while the Company made a profit before taxation of N266 million (Group: N427 million) during the year ended 30 September 2014 (2013:N111 million, Group: N264 million) and as at that date its current liabilities exceeded its current assets by N7.1 billion (2013:N6.9 billion) and had a negative shareholders' funds of N3.3 billion (2013:N3.7 billion). As at the same date, the Group's current liabilities exceeded its current assets by N4.3 billion (2013: N4.3 billion). However, the Group had a positive shareholders' funds of N3.3 billion (2013:N2 billion). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Basis for qualified opinion

5. The comparative figures in the current year's financial statements are as reported in the financial statements for the year ended 30 September 2013, which were issued by another auditor.

We were unable to review the working papers of the predecessor auditor in line with the provisions of International Standard on Auditing (ISA) 510. It was therefore not possible for us to carry out the required audit procedures necessary to obtain the required assurance in relation to the opening financial position included in the preceding year's financial statements.

Consequently, we have not been able to obtain sufficient appropriate audit evidence about whether:

- i) the opening balances contain misstatements that materially affect the current year's financial statements;
- ii) appropriate accounting policies reflected in the opening balances have been consistently applied in the current year's financial statements or changes thereto are appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.

However, the opening balances per the ledgers at 1 October 2013, were in agreement with the closing balances reported in 2013 audited financial statements.

Opinion

6. In our opinion, except for the effects of the matter described in the basis for qualified opinion in the paragraph above, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 30 September 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Report on other legal requirements

7. The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit, we consider and report to you on the following matters. We confirm 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; and
- iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria
31 December 2014



Ebenezer O. Olabisi
FRC/2012/ICAN/00000000104
For: BDO Professional Services
Chartered Accountants

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Group		Company	
		2014 N'm	2013 N'm	2014 N'm	2013 N'm
Revenue	11	2,815	3,038	2,768	2,989
Cost of sales	12	<u>(1,848)</u>	<u>(2,225)</u>	<u>(1,839)</u>	<u>(2,213)</u>
Gross profit		967	813	929	776
Other operating income	13	1,027	1,272	865	1,132
Distribution expenses		(461)	(459)	(447)	(450)
Administrative expenses		<u>(856)</u>	<u>(852)</u>	<u>(831)</u>	<u>(837)</u>
Profit from operating activities		<u>677</u>	<u>774</u>	<u>516</u>	<u>621</u>
Finance income	14(i)	-	-	-	-
Finance costs	14(ii)	<u>(250)</u>	<u>(510)</u>	<u>(250)</u>	<u>(510)</u>
Net finance costs		<u>(250)</u>	<u>(510)</u>	<u>(250)</u>	<u>(510)</u>
Profit before taxation		427	264	266	111
Current tax income/(expense)	16	127	(42)	-	(11)
Deferred tax charge	16	<u>37</u>	<u>(129)</u>	<u>(20)</u>	<u>(3)</u>
Profit for the year		<u>591</u>	<u>93</u>	<u>246</u>	<u>97</u>
Profit for the year attributable to:					
Owners of the parent		591	93	246	97
Non-controlling interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>591</u>	<u>93</u>	<u>246</u>	<u>97</u>
Earnings per share attributable to the ordinary equity holders of the parent (Kobo)	17	<u>151.87</u>	<u>23.91</u>	<u>63.21</u>	<u>25.02</u>

The accompanying explanatory notes on pages 10 to 44 form an integral part of these financial statements.

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Group		Company	
		2014 N'm	2013 N'm	2014 N'm	2013 N'm
Profit after taxation		<u>591</u>	<u>93</u>	<u>246</u>	<u>97</u>
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Surplus on revaluation of property, plant and equipment	35(ii)	659	174	80	33
Actuarial gain on defined benefit plan	37	57	33	57	33
Items that may be reclassified subsequently to profit or loss					
Fair value changes on available for sale assets	36	<u>2</u>	<u>5</u>	<u>2</u>	<u>5</u>
Total other comprehensive income		<u>718</u>	<u>212</u>	<u>139</u>	<u>71</u>
Total comprehensive income		<u>1,309</u>	<u>305</u>	<u>385</u>	<u>168</u>
Total comprehensive income attributable to:					
Owners of the parent		1,309	305	385	168
Non-controlling interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,309</u>	<u>305</u>	<u>385</u>	<u>168</u>

The accompanying explanatory notes on pages 10 to 44 form an integral part of these financial statements.

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Notes	Group		Company	
		2014 N'm	2013 N'm	2014 N'm	2013 N'm
Assets					
Non-current assets					
Property, plant and equipment	18	1,875	5,636	705	3,023
Investment properties	19	5,609	1,495	2,501	39
Assets under finance lease	20	16	26	16	26
Deferred taxation	21	1,471	1,495	1,586	1,583
Investment in subsidiaries	22	-	-	18	18
Investment in associate	23	-	3	-	3
Available-for-sale financial assets	24(ii)	10	8	10	8
Total non-current assets		8,981	8,663	4,836	4,700
Current assets					
Inventories	26	698	287	698	287
Trade and other receivables	27	509	248	509	248
Cash and cash equivalents	28	116	60	116	60
Total current assets		1,323	595	1,323	595
Liabilities					
Current liabilities					
Trade and other payables	29	1,977	1,657	1,828	1,508
Dividend payable	30	26	26	26	26
Loans and borrowings	31	1,293	286	1,293	286
Employee benefits	32(i)	116	82	116	82
Taxation payable	16(ii)	370	499	33	33
Due to related parties	33	1,860	2,312	5,131	5,580
Total current liabilities		5,642	4,862	8,427	7,515
Net current liabilities		(4,319)	(4,267)	(7,104)	(6,920)
Non-current liabilities					
Deferred taxation	21(ii)	550	1,185	263	288
Employee benefits	32(ii)	262	286	262	286
Loans and borrowings	31	511	895	511	895
Total non-current liabilities		1,323	2,366	1,036	1,469
Net assets/(liabilities)		3,339	2,030	(3,304)	(3,689)
Equity and reserves					
Share capital	34	195	195	195	195
Property, plant and equipment revaluation reserve	35	1,492	833	384	304
Available for sale reserve	36	9	7	9	7
Reserve on actuarial valuation of defined benefit plan	37	90	33	90	33
Revenue reserve	38	1,553	962	(3,982)	(4,228)
Total equity and reserves		3,339	2,030	(3,304)	(3,689)

The consolidated financial statements on pages 4 to 46 were approved by the Board of Directors on 30 December 2014 and signed on its behalf by:

i) Chief C. I. Ezech

FRC/2013/ICAN/00000001833

) Chairman

ii) Mr. David Parmley

FRC/2014/IODN/00000008384

) Executive Vice Chairman

iii) Mr. Adeche Okeje

FRC/2013/ICAN/00000005141

) Chief Finance Officer

The accompanying explanatory notes on pages 10 to 44 form an integral part of these financial statements.

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2014

Group	Issued share capital N'm	Available for sale reserve N'm	Revaluation reserve N'm	Reserve on actuarial valuation of defined benefit plan N'm as restated in note 37	Revenue reserve N'm	Total equity N'm
At 1 October 2013	195	7	833	33	962	2,030
Profit for the year	-	-	-	-	591	591
Other comprehensive income						
Surplus on revaluation of property, plant and equipment	-	-	659	-	-	659
Fair value changes on available-for-sale financial assets	-	2	-	-	-	2
Actuarial gain on defined benefit plan	-	-	-	57	-	57
Total comprehensive income for the year	-	2	659	57	591	1,309
Contributions by and distributions to owners:						
Dividends paid during the period	-	-	-	-	-	-
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-	-
At 30 September 2014	195	9	1,492	90	1,553	3,339
At 1 October 2012 as stated	195	2	5,878	-	(4,235)	1,840
Transfer to revenue reserve	-	-	(5,422)	-	5,422	-
Deferred tax on revaluation surplus	-	-	-	-	(490)	(490)
Deferred tax on defined benefit plan	-	-	-	-	172	172
Transfer from deferred tax liability	-	-	203	-	-	203
At 1 October 2012 as restated	195	2	659	-	869	1,725
Profit for the year	-	-	-	-	93	93
Other comprehensive income:						
Surplus on revaluation of property, plant and equipment	-	-	174	-	-	174
Fair value changes on available-for-sale financial assets	-	5	-	-	-	5
Actuarial gain on defined benefit plan	-	-	-	33	-	33
Total comprehensive income for the year	-	5	174	33	93	305
Contributions by and distributions to owners:						
Dividends paid during the period	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
At 30 September 2013	195	7	833	33	962	2,030

The accompanying explanatory notes on pages 10 to 44 form an integral part of these financial statements.

JOHN HOLT PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2014

Company	Issued share capital N'm	Available for sale reserve N'm	Revaluation reserve N'm	Reserve on actuarial valuation of defined benefit plan N'm as restated in note 37	Revenue reserve N'm	Total equity N'm
At 1 October 2013	195	7	304	33	(4,228)	(3,689)
Profit for the year	-	-	-	-	246	246
Other comprehensive income:						
Surplus on revaluation of property, plant and equipment	-	-	80	-	-	80
Fair value changes on available-for-sale financial assets	-	2	-	-	-	2
Actuarial gain on defined benefit plan	-	-	-	57	-	57
Total comprehensive income for the year	-	2	80	57	246	385
Contributions by and distributions to owners:						
Dividends paid during the period	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
At 30 September 2014	195	9	384	90	(3,982)	(3,304)
At 1 October 2012 as stated	195	2	2,433	-	(6,659)	(4,029)
Transfer to revenue reserve	-	-	(2,365)	-	2,365	-
Deferred tax on revaluation surplus	-	-	-	-	(203)	(203)
Deferred tax on defined benefit plan	-	-	-	-	172	172
Transfer from deferred tax liability	-	-	203	-	-	203
At 1 October 2012 as restated	195	2	271	-	(4,325)	(3,857)
Profit for the year	-	-	-	-	97	97
Other comprehensive income:						
Surplus on revaluation of property, plant and equipment	-	-	33	-	-	33
Fair value changes on available-for-sale financial assets	-	5	-	-	-	5
Actuarial gain on defined benefit plan	-	-	-	33	-	33
Total comprehensive income for the year	-	5	33	33	97	168
Contributions by and distributions to owners:						
Dividends paid during the period	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
At 30 September 2013	195	7	304	33	(4,228)	(3,689)

The accompanying explanatory notes on pages 10 to 44 form an integral part of these financial statements.

JOHN HOLT PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	Group		Company	
		2014 N'm	2013 N'm	2014 N'm	2013 N'm
Cash flows from operating activities					
Cash received from customers		2,535	3,221	2,488	3,172
Payments to suppliers and employees		(2,676)	(234)	(2,636)	(202)
Input VAT		109	146	109	146
Output VAT		(111)	(149)	(110)	(148)
Tax paid	16(ii)	(2)	(13)	-	-
Net cash (outflow)/inflow from operating activities	41	<u>(145)</u>	<u>2,971</u>	<u>(149)</u>	<u>2,968</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	18	(15)	(66)	(14)	(63)
Purchase of investment properties	19	(6)	-	(3)	-
Proceeds from sale of property, plant and equipment		6	319	6	319
Net cash (outflow)/inflow from investing activities		<u>(15)</u>	<u>253</u>	<u>(11)</u>	<u>256</u>
Cash flows from financing activities					
Loan obtained	31	-	827	-	827
Loan repayments	31	(49)	(1,090)	(49)	(1,090)
Import finance facilities obtained	31	1,035	-	1,035	-
Repayment of import finance facilities	31	(514)	(12)	(514)	(12)
Repayment of finance leases	31	(10)	-	(10)	-
Finance costs	14(ii)	(250)	(510)	(250)	(510)
Net cash inflow/(outflow) from financing activities		<u>212</u>	<u>(785)</u>	<u>212</u>	<u>(785)</u>
Net increase in cash and cash equivalents		52	2,439	52	2,439
Cash and cash equivalents at 1 October		<u>52</u>	<u>(2,387)</u>	<u>52</u>	<u>(2,387)</u>
Cash and cash equivalents at 30 September	28	<u>104</u>	<u>52</u>	<u>104</u>	<u>52</u>

The accompanying explanatory notes on pages 10 to 44 form an integral part of these financial statements.

JOHN HOLT PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

1 Corporate information and principal activities

John Holt Plc was incorporated on 28 August 1961 in Nigeria as a Limited Liability Company. The Company was listed on the Nigerian Stock Exchange in May 1974. John Holt Plc is a subsidiary of John Holt & Company (Liverpool) Limited, UK. 53 per cent of the issued share capital of the Company is owned by John Holt & Company (Liverpool) Limited, UK, while 47 per cent is owned by Nigerian individuals and corporate investors.

The principal activities of the group are the assembly, sale, leasing and servicing of power and cooling equipment; sale and servicing of fire fighting vehicles and equipment; sale and servicing of marine equipment; marine transport; warehousing and distribution services; property services and construction.

Its registered office is at Plot 1609, Adeola Hopewell Street, Victoria Island, Lagos.

2 Basis of preparation

a Statement of compliance

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

The financial statements were authorised for issue by the Board of Directors on 30 December 2014

b. Basis of measurement

The group financial statements have been prepared on the historical cost basis except for the following:

- Investment property is measured at fair value
- Leasehold land and buildings are measured at revalued amounts
- Available for sale financial assets are measured at fair value.

c. Functional and presentation currency

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

d. Use of estimates and judgement

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

3 New standards, amendments and interpretation issued but not yet adopted by the Group

The following new or amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 September 2014. They have not been adopted in preparing the financial statements for the year ended 30 September 2014 and are expected to affect the Company in the period of initial application. In all cases the Group intends to apply these standards from application date as indicated in the table below.

Standards and amendments issued but yet to take effect

IFRS reference	Title and Affected standard(s)	Nature of Change	Application date	Impact on Initial Application
IFRS 9 (issued November 2009 and amended October 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in IAS 39 have been eliminated. Under IFRS 9, there are three categories of financial assets: i) Amortised cost ii) Fair value through profit or loss iii) Fair value through other comprehensive income The following requirements have generally been carried forward unchanged from IAS 39 <i>Financial Instruments: Recognition and Measurement</i> into IFRS 9: i) Classification and measurement of financial liabilities ii) Derecognition requirements for financial assets and liabilities. However, IFRS 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the fair value of a financial liability that is designated at fair value through profit or loss (using the fair value option) that relate to changes in the reporting entity's own credit risk are normally recognised in other comprehensive income. The changes are to be applied prospectively from the date of adoption	Periods beginning on or after 1 January 2015	The group has financial assets classified as available-for-sale. When IFRS 9 is first adopted, the entity will reclassify these into the fair value through profit or loss category. On 1 January, 2015, the cumulative fair value changes in the available-for-sale reserve will be reclassified into retained earnings and subsequent fair value changes will be recognised in profit or loss. These changes apply prospectively so comparatives do not need to be restated. The entity has financial liabilities designated at fair value through profit or loss. The amendments require that for those financial liabilities, any changes in fair value attributable to the liability's credit risk are normally recognised in other comprehensive income instead of profit or loss.
IFRS 9 (amended December 2011)	Amendments to IFRS 9 <i>Financial Instruments</i> Mandatory Effective Date of IFRS 9 and Transition Disclosures	Defers the effective date of IFRS 9 to 1 January 2015. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.
IFRS 9 (amended December 2011) (cont'd)		Additional disclosures required in relation to information about rights of offset and related arrangements for financial instruments under an enforceable master netting arrangement (or similar arrangement) Minimum disclosure requirements, in a tabular format that splits financial assets and financial liabilities, are: (a) Gross financial assets and liabilities under a master netting (or similar) agreement (b) The amounts offset under IAS 32 (c) The net amount presented in the statement of financial position (i.e. (a) - (b)) (d) The amounts subject to an enforceable master netting agreement (or similar) not included in the amount offset under IAS 32 (i.e. (b), being those that fail to meet the offsetting criteria as well as those related to financial collateral (e) The net of (d) less (c) (d). Also required is the description of the nature of the right of set-off, in relation to amount presented under (d) above.		

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 14 Issued in January 2014	Regulatory Deferral Accounts	IFRS 14 applies to entities that conduct 'rate-regulated activities' i.e. activities that are subject to rate regulation. The rate regulation is a framework that establishes prices for goods and/or services that are subject to the oversight/approval of a 'rate regulator'. The Standard permits an entity in the rate regulated industry to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.	1 January 2016	The provision of the standard will not have any impact on the Company's financial statements when it becomes effective in 2016 as the Company is not operating in a rate regulated industry.
IFRS 15 Issued in May 2014	Revenue from contracts with customers	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information. The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii) Identify the performance obligations in the contract (iii) Determine the transaction price (iv) Allocate the transaction price to the performance obligations in the contract (v) Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2017	The Board is currently reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted. Consideration will be given to the following: (i) At what point in time the company recognises revenue from each contract whether at a single point in time or over a period of time; (ii) whether the contract needs to be 'unbundled' into two or more components; (iii) how should contracts which include variable amounts of consideration be dealt with; (iv) what adjustments are required for the effects of the time value of money; (v) what changes will be required to the company's internal controls and processes.

4) Critical accounting estimates and judgements

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

i) Income and deferred taxation

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

ii) Impairment of property, plant and equipment

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

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

iii) Legal proceedings

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

5) Consolidation

i) Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Company acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

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

ii) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

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

iii) Acquisition-related costs are expensed as incurred.

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

iv) Disposal of subsidiaries

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

6) Summary of significant accounting policies

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

a Going concern

The directors assess the Company's and its subsidiaries' future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead as indicated in note 42. For this reason, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

b Foreign currency

Foreign currency transactions

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

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of cost in a foreign currency are translated using the exchange rate at the end of the period.

c Revenue recognition

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

i) Sale of goods

Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Transfer of significant risk and rewards of ownership is believed to be transferred to the buyer at the point of delivery to the buyer

ii) Rental income

Rental income is accounted for on a time proportion of the lease terms.

iii) Finance income and finance costs

Net finance cost includes interest expense on borrowings as well as interest income on funds invested.

Net finance cost also includes other finance income and expense, such as exchange differences on loans and borrowings and unwinding of the discount on provisions. Certain borrowing costs are capitalised as explained under the section on Property, Plant and Equipment. Others that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis.

iv) Other income

This comprises profit from sale of financial assets, profit from sale of property, plant and equipment, profit from sale of scraps and impairment loss no longer required, changes in fair value of non financial assets at fair value through profit or loss.

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

d Expenditure

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

The Group classifies its expenses as follows:

- Cost of sales;
- Selling and Distribution expenses;
- Administration expenses;
- Finance costs.

e Income tax expenses

Income tax expense comprises current income tax, education tax and deferred tax. (See note 'w' on Income taxes).

f Earnings per share

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

g Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and are subsequently carried at cost (or revalued amount for leasehold land and buildings) less subsequent accumulated depreciation and impairment losses. The cost of property plant and equipment includes expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment and are depreciated accordingly. Subsequent costs and additions are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to the profit or loss component of the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

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

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

Leasehold Land	Period of lease
Leasehold Buildings	Period of lease
Computers	33 ¹ / ₃ %
Plant and equipment	10%
Motor Vehicles	25%
Marine vessels	25%
Furnitures and fittings	10%
Air-conditioners	16 ² / ₃ %
Outboard engines	25%
Lease assets	Period of operating lease down to a transfer value

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

- Derecognition

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

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

h Investment Properties

An investment property is an investment in land or building held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the company and its subsidiaries. Also, qualify as an investment property are the land held for a currently undetermined use that is the Group has not determined that it will use the land as owner-occupied property or for shortterm sale in ordinary course of business, and a building that is vacant but held to be leased out under one or more operating leases.

Investment properties are carried in the statement of financial position at their market value and revalued at regular interval on a systematic basis at least once in every two years.

An external, independent valuer, having appropriate recognised professional qualifications, certified by the Financial Reporting Council (FRC) of Nigeria and with recent experience in the location and category of the Investment properties being valued, values the Group's investment properties. The fair value are based on market value, being the estimated amount for which a property could be sold between market participant at a measurement date.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the property) is recognised in the profit or loss component of the consolidated statement of comprehensive income in the period of the derecognition.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Investment properties are not subject to periodic charge for depreciation.

i Leases

i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straightline basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

ii) Finance lease

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non current borrowings. The interest element is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

j Impairment of non-financial assets

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

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

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

k Financial Assets

The Group classifies its financial assets into the following categories: Available-for-sale and loans and receivables. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

i) Available -for-sale investments

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale and not as loans and receivables which may be sold by the company in response to its need for liquidity or changes in interest rates, exchange rates or equity prices. They include investment in unquoted shares. These investments are initially recognised at cost. After initial recognition or measurement, available-for-sale financial assets are subsequently measured at fair value using 'net assets valuation basis'. Fair value gains and losses are reported as a separate components in other comprehensive income until the investment is derecognised or the investment is determined to be impaired.

On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss and other comprehensive income.

ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method less any impairment losses. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

iii) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Discounting is ignored if insignificant. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company and or its subsidiaries will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment, are the indicators that a trade and other receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within the administrative cost.

The amount of the impairment provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under administrative costs.

When a trade receivable is uncollectable, it is written off against the provision for trade receivables.

iv) Cash and cash equivalents

For the purposes of statement of cash flows, cash comprises cash in hand and deposits held at call with banks and other financial institutions. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

l Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment.

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 judgments 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's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

m Prepayments

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

n Inventories

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

Cost is determined as follows:

i) **Raw materials**

Raw materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a standard cost reviewed from time to time in line with the trends.

ii) **Work in progress**

Cost of work in progress includes cost of raw materials, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using actual cost incurred to the stage of work in progress.

iii) **Finished goods**

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

iv) **Spare parts and consumables**

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

All standard cost is always adjusted to the actual costs upon the receipt of the actual invoice and the confirmation of other incidental costs. Allowance is made for obsolete, slow moving or defective items where appropriate.

o **Financial liabilities**

Financial liabilities are initially recognised at fair value when the Company and its subsidiaries become a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Group financial liabilities include: trade and other payables. Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

p **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

- **De-recognition of financial liabilities**

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

q **Provisions**

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

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

r **Borrowings**

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

s Borrowing costs

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

t Contingent liability

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

u Related party transactions or insider dealings

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

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

v Employee benefits

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

i) Defined contribution pension scheme

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

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

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

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

ii) Gratuity scheme

The company has a defined contribution gratuity scheme for management and non-management staff. The gratuity scheme is unfunded. Benefits payable to employees on retirement or resignation are accrued over the service life of the employee concerned based on employee's condition of service. The charge to the profit or loss is based on independent actuarial valuation performed using the projected unit credit method. Actuarial gains or losses arising are charged to other comprehensive income in the year in which they arise.

iii) Short-term benefits

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

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

w Income Taxes - Company income tax and deferred tax liabilities

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

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

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

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

x Share capital and Share premium

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

y Dividend on ordinary shares

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

z General reserve

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

aa Off Statement of financial position events

Transactions that are not currently recognized as assets or liability in the statement of financial position but which nonetheless give rise to credit risks, contingencies and commitments are reported off statement of financial position. Such transactions include letters of credit, bonds and guarantees, indemnities, acceptances and trade related contingencies such as documentary credits. Outstanding unexpired commitments at the year-end in respect of these transactions are shown by way of note to the financial statements.

ab Effective Interest Method

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

ac Segment reporting

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

7 Determination of fair value

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

i) Property, plant and equipment

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

ii) Investment Property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location values the group's landed property. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

iii) Valuation of Available for sale financial assets

The fair value of investments in equity are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique.

iv) Fair value hierarchy

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

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

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

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

8 Financial risk management

i) General

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

The Company and its subsidiaries have exposure to the following risks from its use of financial instruments:

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

ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from good sold and services rendered on credit. It is Group policy to assess the credit risk of new customers before entering contracts.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount as approved the Management.

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

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

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

	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Trade receivables	372	92	372	92
Due from related parties & staff	7	11	7	11
Other receivables	58	26	58	26
Cash and cash equivalents	116	60	116	60
	<u>553</u>	<u>189</u>	<u>553</u>	<u>189</u>

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

iii) Liquidity risk

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

As at 30 September 2014	Group				
	Book value	Contractual cashflow	One year or less	1-5 years	More than 5 years
Short term borrowings	1,293	1,293	1,293	-	-
Trade and other payables	1,977	1,977	1,977	-	-
	3,270	3,270	3,270	-	-

As at 30 September 2013	Group				
	Book value	Contractual cashflow	One year or less	1-5 years	More than 5 years
Short term borrowings	286	286	286	-	-
Trade and other payables	1,657	1,657	1,657	-	-
	1,943	1,943	1,943	-	-

As at 30 September 2014	Company				
	Book value	Contractual cashflow	One year or less	1-5 years	More than 5 years
Short term borrowings	1,293	1,293	1,293	-	-
Trade and other payables	1,828	1,828	1,828	-	-
	3,121	3,121	3,121	-	-

As at 30 September 2013	Company				
	Book value	Contractual cashflow	One year or less	1-5 years	More than 5 years
Short term borrowings	286	286	286	-	-
Trade and other payables	1,508	1,508	1,508	-	-
	1,794	1,794	1,794	-	-

iv) *Market risk*

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

Foreign exchange risk

The functional currency of the Company is the Nigerian naira.

The Company is exposed to currency risk on purchases made from foreign suppliers.

Interest rate risk

The Company has floating interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are not primarily fixed for the entire maturity period. The maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

As at 30 September 2014	Group			Total
	one year or less	1-5 years	Over 5 years	
Cash and cash equivalents	116	-	-	116
Borrowings	1,293	511	-	1,804
	<u>1,409</u>	<u>511</u>	<u>-</u>	<u>1,920</u>

As at 30 September 2014	Company			Total
	one year or less	1-5 years	Over 5 years	
Cash and cash equivalents	116	-	-	116
Borrowings	1,293	511	-	1,804
	<u>1,409</u>	<u>511</u>	<u>-</u>	<u>1,920</u>

v) *Fair Value*

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

9) **Capital management**

The Board of Director's policy is to maintain a strong capital base so as to maintain customer, investor, creditor and market confidence and to support future development of the business. The Board of Directors monitors the debt to capital ratio. The Board of Directors also monitors the level of dividend to be paid to holders of ordinary shares. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the benefits of a sound capital position. There were no changes in the Company's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

The debt-to-adjusted-capital ratio at 30 September 2014 and at 30 September 2013 is as follows:

	Group		Company	
	2014 N'm	2013 N'm	2014 N'm	2013 N'm
Trade and other payables	1,977	1,657	1,828	1,508
Borrowings	1,804	1,181	1,804	1,181
Less: cash and cash equivalents	<u>(116)</u>	<u>(60)</u>	<u>(116)</u>	<u>(60)</u>
Net debt	<u>3,665</u>	<u>2,778</u>	<u>3,516</u>	<u>2,629</u>
Total equity	<u>3,339</u>	<u>2,030</u>	<u>(3,304)</u>	<u>(3,689)</u>
Debt to adjusted capital ratio (%)	<u>1.10:1</u>	<u>1.37:1</u>	<u>(1.06):1</u>	<u>(0.71):1</u>

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10 Segment information

i) Divisions, products and services from which reportable segments derive their revenues

The group has three reportable segments as stated below, which are the group's strategic segments. The strategic segments offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic segments, the Executive Deputy Chairman (the Chief Operating Decision Maker) reviews internal management reports on a monthly basis. The following summarises the financial operations in each of the group's strategic segments.

Segment 1 - Technical Products and Leasing Services, this consists of:

- Holt Engineering
- Holt Services
- Holt Cooling
- Fire & Safety Solutions
- John Holt Assemblies

Segment 2 - Property and warehousing, this consists of:

- Merchandising Retail Distribution Services (MRDS)
- John Holt Investment
- JHL division
- West African Drug Company Limited
- John Holt Agricultural Engineers Limited
- JALLCO Limited
- Africa Properties (Nigeria) Limited
- Holt Engineering Limited
- HPL Limited
- Probyn Road Properties Nigeria Limited

Segment 3 - Yamaha, this consists of:

- Yamaha Unit

ii) Segment revenues and results

The following are the analyses of the Group's strategic revenues and results by reportable segments. Performance is based on segment revenue and operating profit, as included in the internal management reports that are reviewed and measured by the Executive Deputy Chairman. Segments' revenues, operating profits and return on management assets are used to measure performance as management believes that such pieces of information are the most relevant in evaluating results of certain segments relative to other entities that operate within these industries.

iii) Analysis by segments

	Technical Products and leasing Services	Property and warehousing	Yamaha	Total
2014	N'm	N'm	N'm	N'm
Revenue	2,051	379	385	2,815
Cost of sales	(1,562)	(68)	(218)	(1,848)
Gross profit	489	311	167	967
Gross profit percentage	24	82	43	34
- 2013	N'm	N'm	N'm	N'm
Revenue	2,234	321	483	3,038
Cost of sales	(1,843)	(55)	(327)	(2,225)
Gross profit	391	266	156	813
Gross profit percentage	18	83	32	27

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The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 6. Each segment bears its administrative costs and there are allocations of central administration expenses to the units. This is the measure reported to the Executive Deputy Chairman (Chief Operating Decision Maker) for the purposes of assessment of segment performance. The units interest bearing loan is managed by the Group Head Office whereas the cost of financing is apportioned on predetermined parameters as agreed by the management.

iv) **Segment assets, liabilities and Equities**

The following is an analysis of the Group's strategic assets, liabilities and equities by reportable segment:

	Technical Products and leasing Services	Property and warehousing	Yamaha	Total
	N'm	N'm	N'm	N'm
- 2014				
Total assets	1,544	8,229	531	10,304
Total liabilities	(151)	(6,454)	(360)	(6,965)
Net Assets	1,393	1,775	171	3,339
- 2013				
Total assets	1,066	7,850	341	9,257
Total liabilities	(135)	(7,085)	(211)	(7,431)
Net Assets	931	765	130	1,826

	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
11 Revenue				
Sale of finished goods	1,658	1,911	1,658	1,911
Sales of spare parts	10	4	10	4
Services and repairs	525	547	525	547
Direct leasing	242	256	242	256
Property rent and warehousing	380	320	333	271
	2,815	3,038	2,768	2,989

The company generated its revenue from the consolidation of all the divisions as stated above.

12 **Cost of sales**

Finished goods	1,282	1,697	1,282	1,697
Spare parts	4	3	4	3
Service and repairs	430	436	430	436
Direct leasing	64	34	64	34
Property rent and warehousing	68	55	59	43
	1,848	2,225	1,839	2,213

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	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
13 Other operating income				
Service charge and management fees	5	17	5	17
Gain on disposal of property, plant and equipment	6	122	6	122
Write back of provision on overdraft (Note 13(i))	-	526	-	526
Fair value gain on long term borrowings restructured	-	77	-	77
Provision no longer required (Note 13(ii))	66	354	66	354
Exchange gain	123	-	123	-
Settlement out of court income	462	-	462	-
Fair value gain on investment property	322	162	160	22
Others	43	14	43	14
	<u>1,027</u>	<u>1,272</u>	<u>865</u>	<u>1,132</u>

i) Write back of provision on overdraft of N526 million represents savings made from amounts due to banks as a result of negotiation and restructuring

ii)				
Provision no longer required consists of:	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Inventories	8	45	8	45
Trade receivables	53	33	53	33
Consultancy	-	144	-	144
Reorganisation	-	81	-	81
Others	5	51	5	51
	<u>66</u>	<u>354</u>	<u>66</u>	<u>354</u>

14 Finance income and costs

i) **Finance income**

interest income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ii) **Finance costs**

Interest	243	501	243	501
Commission on turnover	4	4	4	4
Other finance charge	3	5	3	5
	<u>250</u>	<u>510</u>	<u>250</u>	<u>510</u>

15 Profit on ordinary activities before taxation

This is stated after charging:

Directors' remuneration:

- Fees	0.13	0.09	0.13	0.09
- Emoluments as executives	5.40	-	5.40	-
- Other directors' expenses	17.80	11.16	17.80	11.16

Depreciation of property, plant and equipment:

- owned assets	78	91	68	75
- leased assets	7	11	7	11
Audit fee	<u>8.5</u>	<u>11</u>	<u>8.5</u>	<u>11</u>

	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
16 Taxation				
i) <i>Per statement of profit or loss</i>				
Income tax	-	31	-	-
Minimum tax	31	-	-	-
Education tax	-	-	-	-
Capital gain tax	-	11	-	11
Overprovision in prior years- Income tax	(126)	-	-	-
- Education tax	(3)	-	-	-
- Capital gain tax	(29)	-	-	-
Current tax (income)/expense	(127)	42	-	11
Deferred tax charge	(37)	129	20	3
	(164)	171	20	14
ii) <i>Per statement of financial position</i>				
Opening balance - Income tax	225	207	22	22
- Education tax	-	-	-	-
- Capital gain tax	274	263	11	-
Payment during the year - Income tax	(2)	(13)	-	-
- Education tax	-	-	-	-
- Capital gain tax	-	-	-	-
Charge for the year - Income tax	-	31	-	-
- Minimum tax	31	-	-	-
- Education tax	-	-	-	-
- Capital gain tax	-	11	-	11
Overprovision in prior years - Income tax	(126)	-	-	-
- Education tax	(3)	-	-	-
- Capital gain tax	(29)	-	-	-
	370	499	33	33

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

iii) **Reconciliation of tax charge**

The income tax expense for the Company for the year can be reconciled to the accounting profit as per the statement of profit or loss as follows:

	Company	
	2014	2013
Profit before tax	266	111
Tax at the statutory corporation tax rate of 30%	80	33
Effect of income that is exempt from taxation	(114)	(66)
Effect of expenses that are not deductible in determining taxable profit	25	28
Balancing charge	2	5
Education tax at 2% of assessable profit	-	-
Capital gain tax	-	11
Adjusted loss	7	-
Deferred tax provisions	20	3
Tax expense recognised in profit or loss	20	14
Effective rate	0.07	0.13

The tax rate used for 2014 reconciliation above is the corporate tax rate of 30% & 2% (for tertiary education tax) payable by corporate entities in Nigeria on taxable profits under tax law in the country, for the year ended 30 September 2014.

17 Basic earnings per share

Profit for the year	591	93	246	97
Number of shares	389.151	389.151	389.151	389.151
Earnings per share (kobo)	151.87	23.91	63.21	25.02

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

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18 Property, plant and equipment

	Lease- hold Land	Lease-hold Buildings	Plant and equip- ment	Motor vehicles and vessels	Furni- ture and fittings	Air Condi- tioners	Compu- ters	Leased Assets	Total
	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
i) Group									
Cost/valuation									
At 1 October 2012	3,203	1,997	405	377	58	75	165	517	6,797
Additions	-	19	5	-	-	1	1	12	38
Disposals	-	(182)	(38)	(34)	-	-	-	(30)	(284)
Revaluation surplus	-	384	-	-	-	-	-	-	384
At 30 September 2013	3,203	2,218	372	343	58	76	166	499	6,935
At 1 October 2013	3,203	2,218	372	343	58	76	166	499	6,935
Additions	1	-	5	-	1	1	4	3	15
Reclassifications (note 18(iii))	(2,406)	(1,380)	(7)	3	7	-	-	-	(3,783)
Disposals	-	-	(102)	(255)	(42)	(54)	(155)	(385)	(993)
Revaluation surplus	91	(28)	-	-	-	-	-	-	63
At 30 September 2014	889	810	268	91	24	23	15	117	2,237
Depreciation									
At 1 October 2012	-	-	220	361	50	64	163	469	1,327
Charge for the year	18	13	29	11	2	5	1	12	91
Write back on revaluation	(18)	(13)	-	-	-	-	-	-	(31)
Disposals	-	-	(26)	(33)	-	-	-	(29)	(88)
At 30 September 2013	-	-	223	339	52	69	164	452	1,299
At 1 October 2013	-	-	223	339	52	69	164	452	1,299
Charge for the year	11	11	24	4	2	3	1	22	78
Write back on revaluation	(11)	(11)	-	-	-	-	-	-	(22)
Reclassification	-	-	(4)	-	4	-	-	-	-
Disposals	-	-	(102)	(255)	(42)	(54)	(155)	(385)	(993)
At 30 September 2014	-	-	141	88	16	18	10	89	362
Carrying amount									
At 30 September 2013	3,203	2,218	149	4	6	7	2	47	5,636
At 30 September 2014	889	810	127	3	8	5	5	28	1,875
ii) Company									
Cost/valuation									
At 1 October 2012	1,598	1,153	391	377	60	73	164	517	4,333
Additions	-	18	4	-	-	1	1	11	35
Disposal	-	(182)	(38)	(34)	-	-	-	(30)	(284)
Revaluation surplus	-	227	-	-	-	-	-	-	227
At 30 September 2013	1,598	1,216	357	343	60	74	165	498	4,311
At 1 October 2013	1,598	1,216	357	343	60	74	165	498	4,311
Additions	-	-	5	-	1	1	4	3	14
Reclassifications	(1,296)	(1,003)	(5)	3	5	-	-	-	(2,296)
Disposals	-	-	(102)	(255)	(42)	(54)	(155)	(385)	(993)
Revaluation surplus	21	-	-	-	-	-	-	-	21
At 30 September 2014	323	213	255	91	24	21	14	116	1,057

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	Lease- hold Land	Lease-hold Buildings	Plant and equip- ment	Motor vehicles and vessels	Furni- ture and fittings	Air Condi- tioners	Compu- ters	Leased Assets	Total
	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Depreciation									
At 1 October 2012	-	-	215	361	50	61	162	469	1,318
Charge for the year	10	7	27	11	2	5	1	12	75
Write back on revaluation	(10)	(7)	-	-	-	-	-	-	(17)
Disposal	-	-	(26)	(33)	-	-	-	(29)	(88)
At 30 September 2013	-	-	216	339	52	66	163	452	1,288
At 1 October 2013	-	-	216	339	52	66	163	452	1,288
Charge for the year	4	7	24	5	2	3	1	22	68
Write back on revaluation	(4)	(7)	-	-	-	-	-	-	(11)
Reclassifications	-	-	(4)	-	4	-	-	-	-
Disposals	-	-	(102)	(255)	(42)	(54)	(155)	(385)	(993)
At 30 September 2014	-	-	134	89	16	15	9	89	352
Carrying amount									
At 30 September 2013	1,598	1,216	141	4	8	8	2	46	3,023
At 30 September 2014	323	213	121	2	8	6	5	27	705

iii) The reclassifications during the year are as follow:

	Group		Company	
	2014 N'm	2013 N'm	2014 N'm	2013 N'm
Investment properties (note 19)	3,786	-	2,299	-
Assets under finance lease (note 20)	(3)	-	(3)	-
	<u>3,783</u>	<u>-</u>	<u>2,296</u>	<u>-</u>

Leasehold land and buildings were revalued by Messrs Knight Frank (Nigeria) Estate Surveyors & Valuers, Chartered Surveyors with Financial Reporting Council of Nigeria (FRCN) registration number FRC/2013/0000000000584 on 30 September 2014 on market value basis using the Depreciated Replacement Cost Approach. The valuation produced a surplus of N139 million which has been credited to property, plant and equipment revaluation reserve.

The Group had no commitments for capital expenditure as at the statement of financial position date (2013: Nil) and no borrowing cost was capitalised in the current year (2013: Nil)

19 Investment properties

	N'm	N'm	N'm	N'm
At 1 October	1,495	1,333	39	17
Additions	6	-	3	-
Reclassification from property, plant and equipment (note 18(iii))	3,786	-	2,299	-
Fair value gain on revaluation	<u>322</u>	<u>162</u>	<u>160</u>	<u>22</u>
At 30 September	<u>5,609</u>	<u>1,495</u>	<u>2,501</u>	<u>39</u>

i) Investment properties comprise of land held currently by the company for capital appreciation and buildings held for lease. All the properties are located in Nigeria.

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ii) *Items of income and expense*

During the year, N259 million (2013: N216) was recognised in the consolidated statement of comprehensive income in relation to rental income from the investment properties. Direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income amounted to N40 million (2013: N38million).

iii) *Restrictions and obligations*

At 30 September 2014, there were restrictions on the realisability of investment property or the remittance of income and proceeds of disposal (2013 : none). See pledges in note 31. There are currently no obligations to construct or develop the existing investment properties. At 30 September 2014, there was no contractual obligation to purchase investment property (2013: Nil).

iv) *Valuation of the investment properties*

Leasehold land and buildings were revalued by Messrs Knight Frank (Nigeria) Estate Surveyors & Valuers, Chartered Surveyors who hold a recognised and relevant professional qualification, and has recent experience in the location and category of the investment property being valued. The valuation was carried out on current open market valuation basis. The valuation produced a fair value gain of N322 million.

	Group		Company	
20 Assets under finance lease	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Cost				
At 1 October	291	286	291	286
Additions	-	28	-	28
Reclassification (note 18 (iii))	(3)	-	(3)	-
Disposals	<u>(60)</u>	<u>(23)</u>	<u>(60)</u>	<u>(23)</u>
At 30 September	<u>228</u>	<u>291</u>	<u>228</u>	<u>291</u>
Depreciation				
At 1 October	265	276	265	276
Charge for the year	7	11	7	11
Disposals	<u>(60)</u>	<u>(22)</u>	<u>(60)</u>	<u>(22)</u>
At 30 September	<u>212</u>	<u>265</u>	<u>212</u>	<u>265</u>
Carrying amount				
At 30 September	<u>16</u>	<u>26</u>	<u>16</u>	<u>26</u>

The group's assets under finance lease are those assets acquired by the company with facilities from Banks. The assets are used as securities for the loans. Details of the loans are contained in note 31.

21 **Deferred taxation**

i) **Deferred tax asset**

At 1 October as stated	1,495	1,397	1,583	1,485
Deferred tax on defined benefit plan* (note 38)	-	172	-	172
At 1 October as restated	1,495	1,569	1,583	1,657
Charge for the year	3	(17)	3	(17)
Write back in the year	(27)	14	-	14
Disposal of property, plant and equipment	-	(46)	-	(46)
On revaluation (note 35)	-	(25)	-	(25)
At 30 September	<u>1,471</u>	<u>1,495</u>	<u>1,586</u>	<u>1,583</u>

* Deferred tax on defined benefit plan represents deferred tax asset improperly treated as deferred tax liability in 2013.

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	Group		Company	
ii) Deferred tax liability	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
At 1 October as stated	(1,185)	(743)	(288)	(288)
Deferred tax on revaluation surplus* (note 38)	-	(490)	-	(203)
Transfer to revaluation reserve (note 35)	-	203	-	203
At 1 October as restated	(1,185)	(1,030)	(288)	(288)
Charge for the year	(43)	(126)	(23)	-
Write back in the year to profit or loss	104	-	-	-
Disposal of property, plant and equipment	-	1	-	-
Write back in the year to revaluation surplus	580	-	50	-
On revaluation (note 35)	(6)	(30)	(2)	-
At 30 September	<u>(550)</u>	<u>(1,185)</u>	<u>(263)</u>	<u>(288)</u>

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 30% (2013: 30%).

* Deferred tax on revaluation surplus represents deferred tax liability on investment property improperly classified as property, plant and equipment in previous years.

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

iii) Details of deferred tax (assets)/liabilities:

	Opening balance as at 1 October 2013	Reclassification	Recognised in net income	Recognised in OCI	Recognised directly in equity	Reclassified from equity to net income	Closing balance at 30 Sept. 2014
	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Deferred Tax Liabilities							
Difference between Carrying Value and TWDV	213		(30)	-	-	-	183
Gratuity provision	86	(86)	-	-	-	-	-
Unrealised exchange gain	-		37	-	-	-	37
Gain on fair value of investment property	-	203	16	-	-	-	219
Revaluation surplus on property, plant and equipment	288	(203)	-	(48)	-	-	37
Total	587	(86)	23	(48)	-	-	476
Deferred Tax Assets							
Gratuity provision	-	86	(8)	-	-	-	78
Unutilised fiscal allowances	868	-	3	-	-	-	871
Fiscal losses	842	-	7	-	-	-	849
Unrealised exchange	-	-	1	-	-	-	1
Total	1,710	86	3	-	-	-	1,799
Net deferred tax (asset)/ liability	(1,123)	(172)	20	(48)	-	-	(1,323)

22 Investments in subsidiary companies

i) West African Drug Company Limited	-	-	0.9	0.9
Holt Engineering Limited	-	-	1.6	1.6
HPL Limited	-	-	1.2	1.2
JALLCO Limited	-	-	12	12
Probyn Road Properties (Nig.) Limited	-	-	0.6	0.6
Africa Property (Nig.) Limited	-	-	1.3	1.3
John Holt Agric. Engineers Limited	-	-	2.5	2.5
	-	-	20	20
Impairment Allowances	-	-	(2)	(2)
	-	-	18	18

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ii) The summary of the financial position of the subsidiary companies is as follows:

West African Drug Company Limited	Holt Engineering Limited	HPL Limited	JALLCO Limited	Probyn Road Properties Nig. Ltd.	Africa Properties (Nig.) Ltd	John Holt Agric. Engineers Ltd
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As at 30 September 2014

Total assets	1,085	2	5	5,630	2	737	163
Total liabilities	(156)	-	(1)	(684)	-	(92)	(22)
Net assets	929	2	4	4,946	2	645	141
Percentage of holding	100	100	100	100	100	100	100

As at 30 September 2013

Total assets	1,051	2	5	5,499	2	658	142
Total liabilities	(174)	-	(1)	(1,070)	-	(86)	(2)
Equity	877	2	4	4,429	2	572	140
Percentage of holding	100	100	100	100	100	100	100

23 Investment in associate company:

i) **As at 30 September 2014**

	Group			Company		
	Percentage of share holding	Carrying amount/ cost at the beginning	Share of Associates' profit	Carrying amount at the end	Percentage of share holding	Cost
	%	N'm	N'm	N'm	%	N'm
YMNL Limited	27	3	-	3	27	3
Less impairment loss on the investment				(3)		(3)
				-		-

ii) **As at 30 September 2013**

YMNL Limited	27	3	-	3	27	3
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iii) YMNL Limited engaged in motorcycle manufacturing and sales. The company has been dormant since 2009.

24 Available-for-sale financial assets

i) **Quoted Investments - Cost:**

	Group		Company	
	2014 N'm	2013 N'm	2014 N'm	2013 N'm
United Bank for Africa Plc	1	1	1	1
Standard Chartered Bank Limited	1	1	1	1
	2	2	2	2

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ii) The fair value of these financial assets as at the reporting date is as follow:

	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Market value at the beginning of the year	8	3	8	3
Fair value gains (note 36)	<u>2</u>	<u>5</u>	<u>2</u>	<u>5</u>
Market value at the end of the year	<u>10</u>	<u>8</u>	<u>10</u>	<u>8</u>

iii) The Available-for-sale financial assets represent the Group's investments in listed securities on the Nigerian Stock Exchange. The investment is carried at fair value based on current bid price at the Nigerian Stock Exchange.

25 Fair value hierarchy

i) Group:

30 September, 2014

	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	10	-	-	10
Unquoted equity securities	-	-	-	-
Balance at the end of the year	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>

30 September, 2013

	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	8	-	-	8
Unquoted equity securities	-	-	-	-
Balance at the end of the year	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>

ii) Company:

30 September, 2014

	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	10	-	-	10
Unquoted equity securities	-	-	-	-
Balance at the end of the year	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>

30 September, 2013

	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	8	-	-	8
Unquoted equity securities	-	-	-	-
Balance at the end of the year	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>

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	Group		Company	
26 Inventories	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Finished goods	863	492	863	492
Work- in- progress	26	27	26	27
Goods-in-transit	1	9	1	9
	<u>890</u>	<u>528</u>	<u>890</u>	<u>528</u>
Impairment due to obsolescence	<u>(192)</u>	<u>(241)</u>	<u>(192)</u>	<u>(241)</u>
	<u>698</u>	<u>287</u>	<u>698</u>	<u>287</u>

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

27 Trade and other receivables

i) Trade receivables	395	111	395	111
Less: provision for impairment of trade receivables	<u>(23)</u>	<u>(19)</u>	<u>(23)</u>	<u>(19)</u>
Trade receivables - net	<u>372</u>	<u>92</u>	<u>372</u>	<u>92</u>
Advances to staff	<u>7</u>	<u>11</u>	<u>7</u>	<u>11</u>
Total financial assets other than cash and cash equivalents classified as receivables	379	103	379	103
Prepayments	72	119	72	119
Other receivables - net (note 27(ii))	<u>58</u>	<u>26</u>	<u>58</u>	<u>26</u>
	<u>509</u>	<u>248</u>	<u>509</u>	<u>248</u>
ii) Other receivables				
Withholding tax receivable	1,454	1,260	1,454	1,260
Other debit balances	<u>66</u>	<u>45</u>	<u>59</u>	<u>45</u>
	<u>1,520</u>	<u>1,305</u>	<u>1,513</u>	<u>1,305</u>
Allowance for doubtful debts				
At 1 October	1,279	1,280	1,279	1,280
Additions	183	-	176	-
Write back	-	(1)	-	(1)
At 30 September	<u>1,462</u>	<u>1,279</u>	<u>1,455</u>	<u>1,279</u>
Other receivables - net	<u>58</u>	<u>26</u>	<u>58</u>	<u>26</u>

28 Cash and cash equivalents

Cash in hand	1	2	1	2
Cash at bank	<u>115</u>	<u>58</u>	<u>115</u>	<u>58</u>
As per statement of financial position	116	60	116	60
Bank overdrafts used for cash management purposes (Note 31)	<u>(12)</u>	<u>(8)</u>	<u>(12)</u>	<u>(8)</u>
As per statement of cashflows	104	52	104	52

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	Group		Company	
29 Trade and other payables	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Trade payables	119	67	119	67
Accruals and provisions	1,074	942	1,043	942
Deferred revenue	466	354	391	256
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	1,659	1,363	1,553	1,265
Other payables	318	294	275	243
	<u>1,977</u>	<u>1,657</u>	<u>1,828</u>	<u>1,508</u>
30 Dividend payable	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
31 Loans and borrowings				
Non-Current				
Bank loans	96	345	96	345
AMCON Loan	407	535	407	535
Finance lease	8	15	8	15
	<u>511</u>	<u>895</u>	<u>511</u>	<u>895</u>
Current				
Overdrafts (note 28)	12	8	12	8
Import Finance Facilities	527	6	527	6
Bank loans	447	165	447	165
AMCON Loan	300	100	300	100
Finance lease	7	7	7	7
	<u>1,293</u>	<u>286</u>	<u>1,293</u>	<u>286</u>
Total loans and borrowings	<u>1,804</u>	<u>1,181</u>	<u>1,804</u>	<u>1,181</u>

i) All loans and borrowings are secured. See details of securities in notes 31(vii) to (x).

ii) Bank loans

At 1 October	510	1,271	510	1,271
Addition during the year	-	23	-	23
Interest capitalised in the year	42	84	42	84
Repayment during the year	(9)	(868)	(9)	(868)
At 30 September	<u>543</u>	<u>510</u>	<u>543</u>	<u>510</u>

iii) AMCON Loan

At 1 October	635	-	635	-
Addition during the year	-	783	-	783
Interest capitalised in the year	112	74	112	74
Repayment during the year	(40)	(222)	(40)	(222)
At 30 September	<u>707</u>	<u>635</u>	<u>707</u>	<u>635</u>

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	Group		Company	
iv) <u>Import Finance Facilities</u>	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
At 1 October	6	18	6	18
Addition during the year	1,035	-	1,035	-
Interest capitalised in the year	-	-	-	-
Repayment during the year	(514)	(12)	(514)	(12)
At 30 September	<u>527</u>	<u>6</u>	<u>527</u>	<u>6</u>
v) <u>Finance lease</u>				
At 1 October	22	-	22	-
Addition during the year	-	21	-	21
Interest capitalised in the year	3	1	3	1
Repayment during the year	(10)	-	(10)	-
At 30 September	<u>15</u>	<u>22</u>	<u>15</u>	<u>22</u>

vi) Analysis of Bank loans

- 2014

	Current portion long term borrow- ings	Non- current portion long term borrow- ings	Total
	N'm	N'm	N'm
First Bank of Nigeria Limited	133	96	229
Standard Chartered Bank Limited	314	-	314
Asset Management Corporation of Nigeria	300	407	707
Fidelity Bank Plc - Import Finance Facility	527	-	527
	<u>1,274</u>	<u>503</u>	<u>1,777</u>

- 2013

First Bank of Nigeria Limited	38	187	225
Standard Chartered Bank Limited	127	158	285
Asset Management Corporation of Nigeria	100	535	635
Fidelity Bank Plc - Import Finance Facility	6	-	6
	<u>271</u>	<u>880</u>	<u>1,151</u>

The amount of N1.777 billion (2013: N1.151 billion) represents outstanding balance on the loan granted to the Company by the following Banks:

vii) First Bank of Nigeria Limited

An amount of N229 million (2013 : N225 million) inclusive of interest capitalised represents loan granted to the company by First Bank of Nigeria Limited to ensure gradual liquidation of outstanding balance on the overdraft held by the company with the bank under a loan agreement dated 8 October 2013. The loan is bearing an interest rate of 18% per annum and repayable for thirty six month exclusive of three months moratorium. Interest repayment is monthly while principal repayment is half yearly.

The loan is secured by a mortgage debenture over the Company's assets valued at N6.9 billion as at January, 2014.

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viii) **Standard Chartered Bank Nigeria Limited**

The balance of N314 million (2013: N285 million) represents outstanding balance on the restructured aggregation of the balance on the N400m overdraft facility for working capital to be repaid. The loan is restructured on a reducing balance basis at the rate of 15% per annum. However, this is subject to review in line with money market conditions at the discretion of the bank during the life of the facility. However, negotiation for restructuring is on.

The loan is secured by a parri passu interest in a legal mortgage on 36 properties belonging to John Holt Plc and its subsidiaries and a Corporate guarantee of John Holt Plc related companies.

ix) **Asset Management Corporation of Nigeria.**

The balance of N707 million (2013: N635 million) represents restructured term loan of Union Bank of Nigeria Plc and Intercontinental Bank that merged with Access Bank Plc that was subsequently transferred to AMCON under a restructuring terms and condition dated 8 April 2013. The loan is interest bearing at 15% @ per annum and payable over sixty months inclusive of moratorium. The repayment of principal is quarterly payment while interest repayment is monthly effective from 1 January 2013.

The loan is secured by:

- Deed of mortgage managed by UBA Trustees stamped and registered to cover up to N161.85 million to be shared pari-passu with other lenders
- All asset debenture of N7 billion being shared pari-passu with other lenders.

x) **Fidelity Bank Plc - Import Finance Facilities**

This represents the outstanding balance in respect of the USD12 million term Import overdraft granted by Fidelity Bank Plc. to facilitate the importation of the Company's products through letters of credit. The facility is payable in 365 days with 240 days clean up cycle. The facility was granted at an interest rate of 18% per annum.

The loan is secured by:

- Corporate guarantee of John Holt UK Limited
- Irrecoverable letter of domiciliation of FCY contract proceeds by John Holt Limited (UK) for shell Petroleum's transactions.

	Group		Company	
32 Employee benefits	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Defined contribution plan (Note 32(i))	116	82	116	82
Defined benefit plan (Note 32(ii))	262	286	262	286
	<u>378</u>	<u>368</u>	<u>378</u>	<u>368</u>
i) Defined contribution plan				
At 1 October	82	93	82	93
Deductions	34	31	34	31
Remittances	-	(42)	-	(42)
At 30 September	<u>116</u>	<u>82</u>	<u>116</u>	<u>82</u>
ii) Defined benefit plan				
At 1 October	286	312	286	312
Provision during the year	57	85	57	85
Actuarial gain recognised	(57)	(33)	(57)	(33)
	<u>286</u>	<u>364</u>	<u>286</u>	<u>364</u>
Payments during the year	(24)	(78)	(24)	(78)
At 30 September	<u>262</u>	<u>286</u>	<u>262</u>	<u>286</u>

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	Group		Company	
iii) Movement in the defined benefit plan	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
At 1 October	286	312	286	312
Current service cost	29	45	29	45
Interest costs	28	40	28	40
Actuarial gain recognised	(57)	(33)	(57)	(33)
Benefits paid	(24)	(78)	(24)	(78)
At 30 September	<u>262</u>	<u>286</u>	<u>262</u>	<u>286</u>

iv) The amount recognised in the income statement is as follows:

Current service costs	29	45	29	45
Interest costs	28	40	28	40
Expected return on plan assets	-	-	-	-
Actuarial gain recognised	(57)	(33)	(57)	(33)

The principal actuarial assumptions used were:

Discount rate	12.5%	13%	12.5%	13%
Inflation rate	9%	10%	9%	10%
Rate of salary increase	9%	11%	9%	11%

Defined benefit plan was revalued by Messrs Bestwold Developments Limited on the assumptions regarding future mortality experiences set based on actuarial advice, published statistics and experience in the territory.

33 Related party transactions

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

John Holt Plc is a subsidiary of John Holt & Company (Liverpool) Limited, United Kingdom which holds 53% of its issued share capital.

During the year, the Company carried out transactions with its parent Company and other related companies in the ordinary course of business.

The following balances resulted from transactions carried out with related parties during the year.

Due to subsidiary companies (Note 33 (i))	-	-	3,271	3,268
Due to associate and others (Note 33 (ii))	24	24	24	24
Due to Parent company (Note 33 (iii))	<u>1,836</u>	<u>2,288</u>	<u>1,836</u>	<u>2,288</u>
	<u>1,860</u>	<u>2,312</u>	<u>5,131</u>	<u>5,580</u>

i) Due to subsidiary companies

Holt Engineering Limited	-	-	2	2
West African Drug Company Limited	-	-	316	329
HPL Limited	-	-	5	5
Probyn Road Properties Nig. Limited	-	-	2	2
Africa Properties (Nig.) Limited	-	-	30	32
JALLCO Limited	-	-	2,909	2,891
John Holt Agric. Engineers Limited	-	-	7	7
	<u>-</u>	<u>-</u>	<u>3,271</u>	<u>3,268</u>

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	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
ii) Due to associate company YMNL Limited	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>
iii) Due to Parent company John Holt and Company (Liverpool) Limited, UK	<u>1,836</u>	<u>2,288</u>	<u>1,836</u>	<u>2,288</u>

During the year, the Company purchased goods worth of N474 million (2013: N349million) from the parent company.

34 Share Capital

<i>Authorised:</i>				
Ordinary shares of 50k each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
<i>Issued and fully paid</i>				
Ordinary shares of 50k each	<u>195</u>	<u>195</u>	<u>195</u>	<u>195</u>
	No.'m	No.'m	No.'m	No.'m
<i>Authorised:</i>				
Ordinary shares of 50k each	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>
<i>Issued and fully paid</i>				
Ordinary shares of 50k each	<u>390</u>	<u>390</u>	<u>390</u>	<u>390</u>

35 Property, plant and equipment revaluation reserve

i) At 1 October as stated	833	5,878	304	2,433
Transfer to revenue reserve* (note 38)	-	(5,422)	-	(2,365)
Transfer from deferred tax liability (note 21)	-	203	-	203
At 1 October as restated	833	659	304	271
Revaluation surplus net of tax (note 35(ii))	<u>659</u>	<u>174</u>	<u>80</u>	<u>33</u>
At 30 September	<u>1,492</u>	<u>833</u>	<u>384</u>	<u>304</u>

* Transfer to revenue reserve' represents fair value gain on investment property improperly classified as property, plant and equipment in previous years.

ii) Surplus on revaluation of Property, plant and equipment (net of tax) as reported in Other Comprehensive Income (OCI) is as follows:

Revaluation surplus (Note 18)	63	384	21	227
Disposal in the year	-	(186)	-	(186)
Depreciation written back on revaluation (Note 18)	22	31	11	17
Write back of deferred tax liability	580	-	50	-
Deferred tax on revaluation (Note 21)	<u>(6)</u>	<u>(55)</u>	<u>(2)</u>	<u>(25)</u>
At 30 September	<u>659</u>	<u>174</u>	<u>80</u>	<u>33</u>

36 Available-for-sale financial assets revaluation reserve

At 1 October	7	2	7	2
Fair value gain for the year (note 24 (ii))	<u>2</u>	<u>5</u>	<u>2</u>	<u>5</u>
At 30 September	<u>9</u>	<u>7</u>	<u>9</u>	<u>7</u>

	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
37 Reserve on actuarial valuation of defined benefit plan		Restated		Restated
Balance at the beginning of the year	33	-	33	-
Actuarial gain - change in assumption	28	21	28	21
Actuarial gain - experience adjustment	29	12	29	12
Balance at the end of the year	<u>90</u>	<u>33</u>	<u>90</u>	<u>33</u>
38 Revenue reserve				
At 1 October as stated	962	(4,235)	(4,228)	(6,659)
Transfer from revaluation reserve (note 35(i))	-	5,422	-	2,365
Deferred tax on revaluation surplus (note 21(ii))	-	(490)	-	(203)
Deferred tax on defined benefit plan(note 21(i))	-	172	-	172
At 1 October as restated	<u>962</u>	<u>869</u>	<u>(4,228)</u>	<u>(4,325)</u>
Profit after taxation	<u>591</u>	<u>93</u>	<u>246</u>	<u>97</u>
At 30 September	<u>1,553</u>	<u>962</u>	<u>(3,982)</u>	<u>(4,228)</u>
39 Transactions with key management personnel				
Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the company. Key management includes directors (executive and non-executive) and members of the Executive Committee.				
i) Directors' emoluments				
Remuneration paid to the Company's Directors (excluding pension contribution) were:				
Fees:				
- Chairman	0.04	0.04	0.04	0.04
- Other Directors	0.09	0.05	0.09	0.05
Sitting allowance	1.00	0.36	1.00	0.36
Executive compensation	5.40	-	5.40	-
Other Director expenses	<u>16.80</u>	<u>10.80</u>	<u>16.80</u>	<u>10.80</u>
	<u>23.33</u>	<u>11.25</u>	<u>23.33</u>	<u>11.25</u>
ii) Fees and other emoluments				
Chairman	0.40	0.16	0.40	0.16
Highest paid director	<u>5.40</u>	<u>0.16</u>	<u>5.40</u>	<u>5.40</u>
	<u>5.80</u>	<u>0.32</u>	<u>5.80</u>	<u>5.56</u>
The number of Directors (including the Chairman and the highest paid Director) who received fees and emoluments (excluding pension contributions) in the following ranges was:				
N	N	Number	Number	Number
50,000 -	100,000	-	-	-
100,001 -	200,000	1	3	3
200,001 -	300,000	3	-	-
5,000,001 -	6,000,000	<u>1</u>	<u>-</u>	<u>-</u>
The number of directors who received emoluments				
		5	3	5
The number of directors who did not receive emoluments				
		<u>2</u>	<u>2</u>	<u>2</u>

40 Employees	Number	Number	Number	Number
i) Number of persons employed during the year:				
Managerial	133	119	133	119
Non-managerial	<u>111</u>	<u>153</u>	<u>111</u>	<u>153</u>
	<u>244</u>	<u>272</u>	<u>244</u>	<u>272</u>
ii) Employees' costs:	N'm	N'm	N'm	N'm
Salaries, wages, medical and welfare	221	248	221	248
Defined benefit plan	57	85	57	85
Defined contribution plan	<u>18</u>	<u>19</u>	<u>18</u>	<u>19</u>
	<u>296</u>	<u>352</u>	<u>296</u>	<u>352</u>

iii) The number of employees of the Group including Directors whose emoluments (excluding allowances and pension contributions) during the year were within the bands stated below:

N	N	Number	Number	Number	Number
100,000 - 500,000		218	247	218	247
500,001 - 1,000,000		13	15	13	15
1,000,001 - 1,500,000		4	3	4	3
1,500,001 - 2,000,000		1	1	1	1
2,000,001 - 2,500,000		3	5	3	5
2,500,001 - 3,000,000		4	1	4	1
5,000,001 - 6,000,000		<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
		<u>244</u>	<u>272</u>	<u>244</u>	<u>272</u>

41 Reconciliation of net profit to net cash (absorbed)/provided by operating activities

	Group		Company	
Cash flows from operating activities	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Profit after tax	591	93	246	97
Adjustment for:				
Depreciation of property plant and equipment	85	102	75	86
Impairment loss on investment in Associate	3	-	3	-
Finance costs	250	510	250	510
Deferred taxation	-	45	-	46
Revaluation surplus - Disposal	-	(186)	-	(186)
Gain on fair value of investment property	(322)	(162)	(160)	(22)
Actuarial gain on defined benefit plan	57	33	57	33
Interest capitalised	157	159	157	159
Gain on disposal of property plant and equipment	(6)	(122)	(6)	(122)
Income tax (income)/expense	(164)	171	20	14
Income tax paid	<u>(2)</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
	<u>649</u>	<u>630</u>	<u>642</u>	<u>615</u>

	Group		Company	
	2014	2013	2014	2013
	N'm	N'm	N'm	N'm
Changes in:				
Inventory	(411)	500	(411)	500
Trade and other receivables	(261)	2,499	(261)	95
Due to related parties	(452)	113	(449)	2,513
Employee benefits	10	(37)	10	(37)
Trade and other payables	320	(734)	320	(718)
	<u>(794)</u>	<u>2,341</u>	<u>(791)</u>	<u>2,353</u>
Cash (consumed)/ generated from operating activities	<u>(145)</u>	<u>2,971</u>	<u>(149)</u>	<u>2,968</u>

42 Going concern

The financial statements have been prepared on a going concern basis. Though, the Company made a profit before taxation of N266 million (Group: N427 million) during the year ended 30 September 2014, at that date its current liabilities exceeded its current assets by N7.1billion (2013:N6.9billion) and it had a negative shareholders' funds of N3.3billion (2013:N3.7billion). As at the same date, the Group current liabilities exceeded its current assets by N4.3 billion (2013: N4.3 billion) and had a shareholders' funds of N3.3 billion (2013: N2.0 billion). Further, the validity of the going concern basis depends on the willingness of the Company's shareholders to continue their support by providing adequate working capital facilities and the Company's bankers and major creditors continuing to provide adequate support. In the absence of such financial support from its shareholders, bankers and major creditors, the going concern basis would be invalid and adjustments would have to be made to reduce the value of assets to their recoverable amounts and provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

However, the directors are implementing a number of measures to improve the liquidity and profitability of the Company by implementing strategies to enhance revenue and control costs. Some of the measures being implemented by the Directors are:

- Closure of non performing branches;
- Exploring additional bank finance;
- Disposal of properties surplus to requirement;
- Exploring ways to enhance long term finance; and
- Implementation of strategies to enhance revenue.

Based on the measures described above and after the consideration of the related uncertainties, the directors have a reasonable expectation that the Company will have adequate resources to continue in operation for the foreseeable future and accordingly have prepared these financial statements on a going concern basis.

43 Capital Commitments

The directors are of the opinion that there were no capital commitments at 30 September 2014 (2013 - Nil).

44 Contingent Liabilities

There were contingent liabilities in respect of legal actions against the Company, the monetary amount of which cannot be quantified. No provision has been made in these financial statements in respect of the legal actions as the directors, having taken legal advice, do not believe that any material liability will eventually be borne by the Company.

45 Events after reporting date

As a direct result of the devaluation of the Naira after the reporting date, the Company has suffered an exchange loss of about N151 million.

46 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with International Accounting Standard (IAS)1 issued by the International Accounting Standards Board.

JOHN HOLT PLC
CONSOLIDATED FINANCIAL SUMMARY
30 SEPTEMBER

	Group			Company		
	2014	2013	2012	2014	2013	2012
	N'm	N'm	N'm	N'm	N'm	N'm
Statement of financial position						
Non-current assets	8,981	8,663	7,472	4,836	4,700	4,263
Current assets	1,323	595	3,595	1,323	595	1,191
Current liabilities	(5,642)	(4,862)	(8,916)	(8,427)	(7,515)	(9,172)
Non-current liabilities	(1,323)	(2,366)	(312)	(1,036)	(1,469)	(312)
Total net assets/(liabilities)	<u>3,339</u>	<u>2,030</u>	<u>1,839</u>	<u>(3,304)</u>	<u>(3,689)</u>	<u>(4,030)</u>
Equity						
Share capital	195	195	195	195	195	195
Revaluation reserve	1,492	833	5,505	384	304	2,440
Available for sale reserve	9	7	2	9	7	2
Reserve on actuarial valuation of defined benefit plan	90	33	-	90	33	-
Revenue reserve	1,553	962	(3,863)	(3,982)	(4,228)	(6,667)
Total equity	<u>3,339</u>	<u>2,030</u>	<u>1,839</u>	<u>(3,304)</u>	<u>(3,689)</u>	<u>(4,030)</u>
Statement of comprehensive income						
Revenue	<u>2,815</u>	<u>3,038</u>	<u>2,764</u>	<u>2,768</u>	<u>2,989</u>	<u>2,728</u>
Profit/(loss) before taxation	427	264	172	266	111	(1,899)
Taxation	<u>164</u>	<u>(171)</u>	<u>(239)</u>	<u>(20)</u>	<u>(14)</u>	<u>38</u>
Profit/(loss) for the year	591	93	(67)	246	97	(1,861)
Other comprehensive income	<u>718</u>	<u>212</u>	<u>(1,244)</u>	<u>139</u>	<u>71</u>	<u>205</u>
Total comprehensive income /(loss)	<u>1,309</u>	<u>305</u>	<u>(1,311)</u>	<u>385</u>	<u>168</u>	<u>(1,656)</u>
Basic earnings/(loss) per share(Kobo)	<u>151.87</u>	<u>23.91</u>	<u>(17.22)</u>	<u>63.21</u>	<u>25.02</u>	<u>(478.33)</u>
Net assets/(liabilities) per share(Kobo)	<u>858.02</u>	<u>521.65</u>	<u>472.62</u>	<u>(849.01)</u>	<u>(947.94)</u>	<u>(1,035.64)</u>

Basic earnings/(loss) per ordinary share are based on the earnings/(loss) after taxation divided by the number of issued and fully paid N0.50 ordinary shares at the end of each financial year.

Net assets/(liabilities) per ordinary share are based on the net assets divided by the number of issued and fully paid N0.50 ordinary shares at the end of each financial year.