This document is important and should be read carefully. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 54.

MEYER PLC
....nothing but a perfect finish
RC:2188

RIGHTS CIRCULAR

Rights Issue of

291,489,840

Ordinary Shares of 50 Kobo each

₦0.75 Kobo per share

On the basis of one (1) new ordinary share for every one (1) ordinary share of 50 Kobo held as at September 8, 2016 for those Shareholders whose names appear on the Register of Members

THE RIGHTS BEING OFFERED IN THIS DOCUMENT ARE TRADEABLE ON THE FLOOR OF THE NIGERIAN STOCK EXCHANGE FOR THE DURATION OF THE ISSUE

Acceptance List Opens:	**Monday, January 9, 2017**
Acceptance List Closes:	**Wednesday, February 15, 2017**

Issuing House:

GREENWICH TRUST LIMITED
(RC 189502)

This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29 of 2007 Laws of the Federation of Nigeria to issue a Rights Circular which contains false or misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained therein or for any omission of a material fact

This Rights Circular is dated December 19, 2016

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1. DEFINITIONS

Key Terms and Abbreviations

Name	Abbreviations	Explanation
Compound Annual Growth Rate	CAGR	Year-on-year growth of an investment over a specified period, if it grows steadily on a compounding basis.
Corporate Affairs Commission	CAC	The agency that administers the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004 and oversees matters provided thereunder including the formation, incorporation, registration, management and winding up of companies.
GTL Registrars Limited	“Registrars”	Registrars to the Offer
Dividend per share	DPS	Amount of dividend allocated to each outstanding 50 Kobo share.
Dividend Yield	DY	A component of total return on a stock that shows how much a company pays out in dividends each year relative to its share price.
Meyer Plc	“Meyer” or “the Company”	The Issuer.
Earnings Per Share	EPS	The amount or percentage of profit allocated to each outstanding 50 Kobo share.
Greenwich Trust Limited	“Greenwich” or “GTL”	Issuing House.
The Issuing House	Issuing House	Greenwich Trust Limited.
The Nigerian Stock Exchange	“The NSE” or “The Exchange”	The Exchange on which securities are listed. It is a trading point for securities and also a self-regulatory organization.
Pari Passu		Equal in all respects.
Price Earnings Ratio	P/E	Amount investors are willing to pay for 1 Kobo of earnings.
Profit After Tax	PAT	Net income after paying corporate tax before paying out Dividend.
Receiving Agents		Market Operators authorized to receive Application Forms/monies from potential investors in the Rights Issue.
Related Parties		Anybody corporate, which is the company’s subsidiary or holding Company.
Rights Circular		The legal Document issued in respect of the Rights Issue.
Rights Issue		Offer by way of Rights to existing shareholders of 291,489,840 Ordinary Shares of 50 Kobo each at ₦0.75 kobo per share in the ratio of one (1) new ordinary share for every one (1) ordinary share previously held.
Securities & Exchange Commission	“SEC” or “the Commission”	Apex regulatory institution of the Nigerian Capital Market.
The Total Offer	“Total Offer”	Offer by way of Rights of 291,489,840 Ordinary Shares of 50 Kobo each at ₦0.75 kobo per share to existing shareholders.

2. CORPORATE DIRECTORY

Head Office:
Plot 34, Mobolaji Johnson Avenue
Oregun Industrial Avenue
Alausa, Ikeja
Lagos

Tel: 01-2715201, 01-7740590

Meyer Décor (Painting Service)
Plot 34, Mobolaji Johnson Avenue
Oregun Industrial Avenue
Alausa, Ikeja
Lagos

Tel: 08023123927, 08051622688, 08074767951

Outlets:-

State	Location of Outlets
Abia	133, Aba/Owerri Road, Aba 08122582000
Abuja	Landmark Plaza, Plot 3124, Federal Housing Junction, IBB Way, Maitama, Abuja 08027285940
Delta	135, Mariam Babangida Way, Asaba 08082608108
Edo	106, Sakponba Road, Benin - City 08120660328
Ekiti	Suite 26, Builders Mart, Former Odua Textile, Iyin Road, Ado-Ekiti 08028150439
Gombe	Princess Ammi Plaza, Opposite Bauchi Park, Plot 10, Bauchi Road, Gombe 09024737341
Kaduna	5, Katsina Road, opposite Muslim Pilgrimage Welfare Board, Kaduna 08027289069
Kano	3, Bompai Road, Beside Union Bank Plc, Kano 08120488900
Kwara	Shopping Complex by Kiddiz Medical Centre, Western Reservoir Road, Ilorin 09022013163
Lagos	Lekki/Express Way, Cisco Bus-Stop, Inside Conoil Filling Station, Lekki 08080416594
Niger	Madala Road, Along Barrack Road, Suleja 08089646557
Ogun	Opposite MAO Filling Station, Olorunsogo, Moshood Abiola Way, Abeokuta 09021697036
Osun	Opposite De Treasure Hotel, Beside Poplat Petrol Station, Km 62 Ibadan Road, Ile-Ife 08087073930
Oyo	Morgan House, Beside High Court, Ring Road, Ibadan 09026910380
Rivers	12, Azikiwe Road, Port Harcourt 08086164210
Sokoto	6, Ahmadu Bello Way, Sokoto. 08027911462

3. ABRIDGED TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
09/01/2017	Acceptance List Opens	All Parties
15/02/2017	Acceptance List Closes	All Parties
15/02/2017	Make newspaper announcement for agents to make returns	GTL/PRA
01/03/2017	File Allotment Proposal/Draft newspaper announcement with SEC	GTL
10/03/2017	Receive allotment approval from SEC	GTL
13/03/2017	Remit net issue proceeds to the Issuer	Receiving Bankers
14/03/2017	Publish allotment announcement	GTL/PRA
16/03/2017	Return excess application monies through registered post, return of allotment filed and registered with Registrar-General, CAC Abuja	GTL, Registrar, Solicitors/Company Secretary
16/03/2017	Dispatch share certificates/credit CSCS accounts	Registrar
16/03/2017	Forward declaration of compliance to the NSE	Stockbrokers/GTL
24/03/2017	Listing of newly issued shares on the Floor of the NSE	Stockbrokers/GTL/Meyer
31/03/2017	File Post Completion Report with the SEC	GTL

4. SUMMARY OF THE ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial statements elsewhere in this Rights Circular.

1.	***ISSUER:***	Meyer Plc.
2.	***ISSUING HOUSE:***	Greenwich Trust Limited.
3.	***SHARE CAPITAL:***	
	(*As At The Date Of The Rights Circular*):	₦650,000,000 comprising 1,300,000,000 Ordinary Shares of 50 kobo each.
	Authorized:	
	Issued and fully paid:	₦145,745,000 comprising Ordinary Shares of 50 kobo each.
	Now being issued:	291,489,840 Ordinary Shares of 50 kobo each at ₦0.75Kobo per share.
4.	***PURPOSE:***	The Rights issue is being undertaken by the Company to finance its strategic growth objectives in order to re-position itself as one of the industry leaders in the manufacture of paints.
5.	***GROSS PROCEEDS:***	₦218,617,380.00
6.	***USE OF PROCEEDS:***	The net issue proceeds estimated at 210,419,343.75 after deducting the total cost of the Issue estimated at 8,198,156.25 (representing 3.75% of the Issue size), will be applied as follows:

UTILISATION	AMOUNT (N)	%	PERIOD
Paint Factory Refurbishment and Upgrade	57.6	27.4	12 months
Working Capital	105.2	50	Immediate
In-factory Tinting Center.	11.8	5.6	3 months
Brand Building & Market Expansion	35.8	17	Continuous
Total	**210.4**	**100**	

Factory Refurbishing and Upgrade: - This involves the acquisition of Iron Pallets, New Basket Mills, Filing Pot Filters, Basket Mill Spare Parts, Factory Scrapping Machine, Forklift, Sieve Shaker, Hardness Rocker, Roto Thinner, Spectromatch Spectrophotometer, Corrosion Cabinet, Accelerated Weathering Meter etc.

In-Factory Tinting Center: - This consists of the different bases, colourants, shaker, Tinting machine and software. The Colour Center will facilitate speedy production of small batches of paints and the production of small batches of paints and the products made will have better overall performance to meet specific needs of our customers.

Brand Building & Market Expansion:- Due to the change of name from DN Meyer Plc to Meyer Plc, the company is going to embark on a corporate rebranding project to introduce a new identity of Meyer Plc. to the market. It involves the development of a new logo, unveiling of the new logo and media campaign to create renewed awareness of the Meyer brand and products in order to increase the company's market share.

7.	***METHOD OF OFFER:***	Rights Issue.
8.	***PROVISIONAL ALLOTMENT:***	On the basis of one (1) new ordinary share for every one (1) ordinary share of 50 Kobo held as at September 8, 2016 for those shareholders whose names appear on the Register of Members and Transfer Books of the Company.

4. SUMMARY OF THE ISSUE

9.	***ISSUE PRICE:***	₦0.75 kobo per share.
10.	***MARKET CAPITALISATION*** At issue price (pre-issue):	₦218,617,380.00
11.	***MARKET CAPITALISATION*** At issue price (post-issue):	₦437,235,000.00
12.	***PAYMENT:***	In full on Acceptance.
13.	***ACCEPTANCE LIST OPENS:***	Monday, January 9, 2016.
14.	***ACCEPTANCE LIST CLOSES:***	Wednesday, February 15, 2016.
15.	**STATUS:**	The new shares to be issued shall rank pari passu in all respects with the outstanding issued Ordinary Shares of the Company.
16.	**QUOTATION:**	The entire 291,489,840 Ordinary Shares of 50 kobo each in the Company's issued share capital are currently quoted on the daily official list of the NSE. Furthermore, an application has been made to the Council of the NSE for the admission to its Daily Official List of the 291,489,840 Ordinary Shares now being offered via Rights.
17.	**E-ALLOTMENT/SHARE CERTIFICATES:**	The CSCS accounts of shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are thereby advised to state the name of their respective Stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Certificates of Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.
18.	**CLAIMS/LITIGATION:**	The Company is currently involved in a total of six cases. Available records show that Meyer Plc is the Plaintiff/Claimant in 3 (three) of the cases and the Defendant/Respondent in the remaining 3 (three) cases. The total value of the claims against the Company is in the sum of ₦18,494,088.82 (Eighteen Million, Four Hundred and Ninety Four Thousand and Eighty Eight Naira, Eighty Two Kobo) whereas the total value of the claims by the Company is in the sum of ₦17,760,962.12 (Seventeen Million, Seven Hundred and Sixty Thousand, Nine Hundred and Sixty Two Naira, Twelve Kobo). Following a review of all the said cases, the Solicitors to the Issue are of the opinion that all but one of the cases involving the Company are in respect of its ordinary course of business. The Solicitors noted that in Suit No. FHC/L/CS/1005/2010, the Claimant sought some interim orders seeking to restrain the Company from raising capital. However, the said interim order though earlier granted by the court, was subsequently discharged and lifted and thus is no longer subsisting.

19. *FINANCIAL SUMMARY:*

	₦'000 EXTRACTED FROM THE COMPANY'S FINANCIAL STATEMENTS As at 31 DECEMBER				
	2015 N'000	**2014 N'000**	**2013 N'000**	**2012 N'000**	**2011 N'000 NON-IFRS**
Turnover	1,187,236	1,340,104	1,587,612	1,487,484	1,362,,715
Profit Before Taxation	60,459	(37,362)	51,189	(28,834)	(80,304)
Profit After Taxation	52,860	(36,575)	47,068	(26,947)	(54,091)
Dividend	-	-	-	-	-
Share Capital	145,745	145,745	145,745	145,745	145,745
Net Assets	685,289	632,029	676,254	633,643	693,009
Total Assets	2,328,334	2,445,823	2,610,804	2,560,918	2,711,943
(Loss)/earnings per share Basic and diluted (kobo)	0.18	(0.15)	0.25	(0.14)	17

5. RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities & Exchange Commission for Clearance and Registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007, the Rules and Regulations of the Commission and the Listing requirements of the NSE and contains particulars in compliance with the requirements of the Commission and the Exchange, for the purpose of giving information to Shareholders with regard to the Rights Issue of 291,489,840 Ordinary Shares of 50 kobo each in Meyer Plc by Greenwich Trust Limited. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 291,489,840 Ordinary Shares of 50 Kobo each being offered via the Rights Issue.

The Directors of Meyer Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respect and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.

Issuing House

GREENWICH TRUST LIMITED

RC 189502

On behalf of

DNM DN MEYER PLC

...nothing but a perfect finish

RC: 2188

is authorised to receive applications for the

Rights Issue of 291,489,840 Ordinary Shares of 50 kobo each at ₦0.75 kobo per Share On the basis of one (1) new ordinary share for every One (1) ordinary share of 50 Kobo each held as at September 8, 2016 for those Shareholders whose names appear on the Register of Members.

The Acceptance List for the new shares now being offered will open on Monday, January 9, 2017 and close on Wednesday, February 15, 2017.

SHARE CAPITAL AND RESERVE OF THE COMPANY AS AT 31, DECEMBER 2015

(Extract from the 2015 Audited Accounts)		₦
AUTHORISED SHARE CAPITAL	1,300,000,000 Ordinary shares of 50 kobo each	650,000,000
ISSUED AND FULLY PAID	291,489,840 Ordinary shares of 50 kobo each	145,744,920
EQUITY	Share Premium	10.485,000
	Revenue Reserve	526,403,000
	Non-Controlling Interests	2,656,000
	Total Equity	**685,289,000**

POST OFFER SHARE CAPITAL*		₦
AUTHORISED SHARE CAPITAL	**1,300,000,000 Ordinary Shares of 50k each**	**₦650,000,000**
ISSUED AND FULLY PAID	**582,979,680 Ordinary Shares of 50k each**	**₦291,489,840**

***Assumes that the Rights Issue is fully subscribed**

6. DIRECTORS AND OTHER PARTIES TO THE ISSUE

MR. KAYODE FALOWO (CHAIRMAN)
PLOT 34, MOBOLAJI JOHNSON AVENUE
OREGUN INDUSTRIAL ESTATE
ALAUSA, IKEJA
LAGOS

MR. OLUKAYODE TIJANI (EXECUTIVE DIRECTOR)
PLOT 34, MOBOLAJI JOHNSON AVENUE
OREGUN INDUSTRIAL ESTATE
ALAUSA, IKEJA
LAGOS

MR. OSA OSUNDE (DIRECTOR)
PLOT 34, MOBOLAJI JOHNSON AVENUE
OREGUN INDUSTRIAL ESTATE
ALAUSA, IKEJA
LAGOS

MR. TONY UPONI (DIRECTOR)
PLOT 34, MOBOLAJI JOHNSON AVENUE
OREGUN INDUSTRIAL ESTATE
ALAUSA IKEJA
LAGOS

ERELU ANGELA ADEBAYO (DIRECTOR)
PLOT 34, MOBOLAJI JOHNSON AVENUE
OREGUN INDUSTRIAL ESTATE
ALAUSA IKEJA
LAGOS

MR. OLUTOYIN OKEOWO (DIRECTOR)
PLOT 34, MOBOLAJI JOHNSON AVENUE
OREGUN INDUSTRIAL ESTATE
ALAUSA, IKEJA
LAGOS

MRS. OCHEE VIVIENNE BAMGBOYE (DIRECTOR)
PLOT 34, MOBOLAJI JOHNSON AVENUE
OREGUN INDUSTRIAL ESTATE
ALAUSA, IKEJA
LAGOS

COMPANY SECRETARY
GIO NOMINEES LIMITED
864B, BISHOP ABOYADE COLE STREET
VICTORIA ISLAND
LAGOS

ISSUING HOUSE
GREENWICH TRUST LIMITED
PLOT 1698A, OYIN JOLAYEMI STREET
VICTORIA ISLAND
LAGOS

AUDITORS
BDO PROFESSIONAL SERVICES
(CHARTERED ACCOUNTANTS)
ADOL HOUSE
15, CIPM AVENUE
CENTRAL BUSINESS DISTRICT
ALAUSA-IKEJA
LAGOS

SOLICITORS TO THE ISSUE
MARRIOT SOLICITORS
91A, WILLIAMS STREET
LAGOS

REGISTRARS
GTL REGISTRARS LIMITED
2, BURMA ROAD
APAPA
LAGOS

JOINT STOCKBROKERS
GREENWICH SECURITIES LIMITED
PLOT 1698A, OYIN JOLAYEMI STREET
VICTORIA ISLAND
LAGOS

COMPASS INVESTMENT & SECURITIES LIMITED
LEVENTIS BUILDING, 1ST FLOOR
42/43 MARINA
LAGOS

FIDELITY FINANCE COMPANY LIMITED
3RD FLOOR
NIGER INSURANCE PLAZA
48/50, ODUNLAMI STREET
LAGOS

RECEIVING BANK
ACCESS BANK PLC
PLOT 1665, OYIN JOLAYEMI STREET
VICTORIA ISLAND
LAGOS

7. THE CHAIRMAN'S LETTER

The following is the text of a letter received by Greenwich Trust Limited from Mr. Kayode Falowo, Chairman, Board of Directors of Meyer Plc:

DN MEYER PLC
...nothing but a perfect finish
RC 2188

Plot 34, Mobolaji Johnson Avenue
Oregun Industrial Estate
Alausa Ikeja
Lagos
www.meyerpaints.com

July 4, 2016

To: All Shareholders,

Dear Shareholders,

MEYER PLC ("MEYER" OR "THE COMPANY") RIGHTS ISSUE OF 291,489,840 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.75 KOBO PER SHARE ("THE ISSUE")

We are gratified by the significant progress we have made in our operational and financial performance over the last two years, in spite of the various challenges the overall economy and our business have had to contend with over the same period. Notwithstanding, we believe that we have laid a solid foundation that will enable us achieve optimum growth in our business over the medium to long term. The future we see will propel us to achieve our aspirations and enhance value for our stakeholders.

That said, I would like to review our operating environment to highlight some of the factors that have affected our business recently, thereby emerging as key considerations for our strategy.

THE GLOBAL OPERATING ENVIRONMENT

The performance of the Global economy in 2015 was largely influenced by the slow growth in emerging economies, recovery recorded in the Euro Area, tumbling commodity prices and monetary policy normalization in the United States of America.

The decline in crude oil price with other commodity prices was a major theme during the year, as they recorded their worst level of performances in three years, having decelerated over 18-months. Indices for Oil and precious metals, including gold, copper and iron ore crashed during the year, due to weak demand. Slow growth recorded in China and other emerging economies resulted from various macro-economic factors such as overcapacity, huge fiscal deficit, increasing unemployment, weak demand and debt burden. China's economy succumbed to pressure from these issues to record 6.5% growth in 2015 (versus 7.3% in 2014), while Brazil and Russia, two of the world's largest emerging economies went into recession, due to weak oil exports.

The world also witnessed cases of natural disaster and terrorist attacks that aroused anxiety in some countries and impacted global investments and capital flows negatively. According to Wikipedia, over 400 incidents of terror attacks were recorded in 2015, including major ones like the Paris attack, several Boko Haram attacks and Killings in Kenya by Al Shabab. Also, natural disasters like the wildfire in Australia and California, USA; flooding in Southern Africa and Japan; and deadly earthquakes in Nepal and Chile had their effects on the global economy.

In spite of the above challenges, the world economy still recorded an impressive growth of 3.1% in 2015, compared with 3.4% in 2014. The performance was aided by the growth recorded in the USA economy (up 2.0%), recovery in the Euro Area (1.5% growth in 2015) and solid posture of the UK economy, driven by increased consumer and government spending.

On the whole, developing and frontier economies were the biggest losers in 2015, as it meant lower foreign exchange earnings, reduced foreign capital flows, drop in external reserves, weakened financial markets, increased unemployment and slower economic growth. This is evidenced by the 3.8% growth in Sub-Saharan Africa for 2015, compared with 5.0% recorded in 2014.

THE DOMESTIC OPERATING ENVIRONMENT

The socio-political environment in Nigeria was largely dominated by the general elections in 2015, when a new party emerged winner of the presidential elections and power was handed over seamlessly. To set the tone for its strategy, the new government implemented the Treasury Single Account (TSA), and started reviewing some of the actions and financial activities of public office holders. Economic activities did not pick up on time, as Ministers were not appointed until October 2015. In the midst of these, there were cases of social unrest in the north east, pipeline vandalism and oil theft in the Niger Delta region and widespread killings by the Fulani Herdsmen in various parts of the country.

Consequently, the economy remained fragile during the year, as crude oil prices declined steadily, leading to a further drop in Nigeria's foreign exchange earnings. Price of Brent crude fell by 35% during the year to $37.28, while Nigeria's external reserves position dropped to $29bn at the end of the year. Declining external reserves made the Central Bank of Nigeria (CBN) take stringent foreign exchange policy measures as it could not meet the growing foreign exchange needs of businesses and individuals. Part of the measures taken by the CBN was the restriction of importers, who trade in certain 41 items from accessing foreign exchange through the official window. The foreign exchange situation was worsened by capital flight from our financial markets, thereby widening the supply-demand gap. The disparity between the official and unofficial exchange rates ranged between 30% and 50% and that created room for uncertainties and arbitrage to thrive.

In a related development, government has taken some measures to address its revenue challenges. Various revenue agencies like the Federal Inland Revenue Service (FIRS), the Nigerian Customs Service (NCS) and National Communications Commission (NCC) have been empowered to enhance revenue collection. For instance, non-oil revenue target for 2016 is ₦2.96 trillion, 76% higher than the ₦1.68 trillion projected in 2015. Of the non-oil revenue target in 2016, the FIRS alone is mandated to generate ₦1.45 trillion.

It is worth mentioning that infrastructure challenges remained part of the issues Nigerians had to contend with. Poor power supply, bad road network and lack of access to portable water have continued to increase the cost of living and doing business. To worsen the situation, Nigerians witnessed prolonged scarcity of petrol in 2015, owing to scarcity of foreign exchange and epileptic distribution process. With these issues, Nigerian businesses recorded some of their worst moments in the last decade with banks reporting massive decline in profits, oil and gas operators reporting losses and manufacturers recording low demand and increasing costs.

A combination of these issues depict the performance of the Nigerian Economy in 2015. Based on data from the National Bureau of Statistics (NBS), Nigeria's quarterly GDP growth rate for 2015 averaged 3.0% (2.11% in the fourth quarter of 2015), compared with 6.22% in 2014. CBN's single-digit inflationary target was tested, as inflation rate rose steadily from 7.9% in December 2014 and peaked at 9.5% in December, 2015. The CBN took various monetary policy measures to maintain price stability and boost economic growth, but these actions did not achieve the desired results.

THE NIGERIAN PAINT MANUFACTURING INDUSTRY

The paint production industry mirrored the performance of the larger manufacturing sector. The sector faced various challenges in 2015 ranging from poor power supply, poor transportation system for products, poor storage facilities, high cost of funds, and high cost of importing raw materials due to low access to foreign exchange, low capacity utilisation, and competition from imported alternatives.

Based on Agusto and Co.'s paint manufacturing industry report for 2015, the industry is highly fragmented with over 500 operators, constituting of structured and unstructured players. The structured players account for about 70% of the market share but only about 40% of total paint volume in the market. Decorative paints make up the largest share of the industry, representing about 80% of the market. Huge growth opportunities exist in the business, as Nigeria's paint consumption per capita is low at 2.8 litres in comparison with 5.6 litres for South Africa.

The bulk of the raw materials used in the Nigerian paints industry are imported. Only about 30% of raw materials are obtained locally and majority of the operators in the industry rely on third parties to supply raw materials. This confirms the extent to which the industry is susceptible to exchange rate volatilities.

Government's infrastructure projects and real estate development across the country are expected to boost demand for decorative paints over the medium term. With the local content policy in the Oil and Gas sector, we see opportunity in the Oil and Gas paints and coatings market. According to Frost & Sullivan (research and strategy consulting firm), offshore Oil and Gas paints and coatings market in Nigeria and Angola would hit $1.13 billion in 2019.

HISTORY & BUSINESS

Our Company was incorporated on May 20, 1960 and became a Public Company in 1979. Meyer Plc ("Meyer" or "the Company") is an offshoot of former Hagemeyer Nigeria Limited, the manufacturer of Sigma Paints and Cosmetics.

Meyer Plc is a Manufacturer and Marketer of high quality paints, including Architectural Paints, Wood Paints, Auto Refinishes, Industrial and Marine, Road Lining Paints, Roof Coatings, Tube Coatings, HP Coatings and Adhesives.

In 1994, Hagemeyer was bought over by Dunlop Nigeria Plc, which led to the change of both the corporate and brand names to DN Meyer Plc and Meyer Paints respectively. However, in July 2003, Dunlop Nigeria Plc divested its controlling shares from the Company to ACIMS Limited and DN Meyer Plc ceased to be a subsidiary of Dunlop Nigeria Plc. About this same period, DN Meyer Plc acquired the Flooring Adhesives business of Dunlop Plc, thereby extending the scope of its industrial operation from the production and marketing of only paints to the production and marketing of floor tiles and adhesives in addition. The production of Floor Tiles is presently being reorganised to ensure proper re-tooling of the factory for improved performance.

In February, 2010, a new set of core investors, led by Citiprops Limited, purchased the stake of ACIMS Limited in the Company.

Today, our Company has expanded into complimentary and allied areas of the Paint manufacturing industry. Our recent investment in Research and Development (R&D) of Road Lining paints has made us the preferred local supplier of Road Lining paints with tremendous application capacity. Furthermore, we have a fully owned subsidiary, DNM Construction Limited, which has exhibited its project management expertise in the construction of two (2) Housing Estates in Abeokuta and Abuja within a period of three (3) years, whilst expanding the Meyer Painters Club with over eight hundred (800) members in eight (8) States in Nigeria.

Our Company is committed to the vision of being the undisputed and dominant leader in the finishing business of the construction sector with quality and reliable products, excellent customer service and market presence.

With a track record and experience spanning fifty six (56) years, we believe that the Company has the greatest opportunity to reinvent herself for breakthrough as a key player in Nigeria's developing paint market.

PRODUCT AND SERVICES

At Meyer Plc, we manufacture diverse products of premium class for various uses and customer segments. These are as follows:

1. **Decorative Paints:** This class of paints is used for the beautification and decoration of architectural buildings. Paints in this class include:
   - Textured Paints,
   - Emulsion Paints; and
   - Gloss Paints.

   The brand names for these products are:

   - Meyer Wall Satin - Specialised Premium
   - Meyer Long Life - Specialised Premium
   - Ultimate Emulsion & Gloss - Premium
   - Imperial Emulsion & Gloss - Standard
   - Meyertex Plus - Premium Textured

2. **Wood Finishes:** These products are used for both preservation and beautification of all types of wood. They come in the following brand names:
   - Meyerwood Guard;
   - Meyerguard Varnish;
   - Meyerwood Sanding Sealer;
   - Meyerwood Glossy Lacquer;
   - Meyerwood Cellulose Wood Filler;
   - Meyerwood Matt Lacquer; and
   - Meyer Matching Stains.

3. **Auto Refinishes:** Our auto products bear the brand name of Meyerflex.

4. **Marine, Industrial & High Protective Coatings:** This line of products include the following:
   - Alkyd Systems Chlorinated Rubber Systems;
   - Epoxy Systems Bituminous Coatings; and
   - Aluminum Coatings.

THE PROPOSED RIGHTS ISSUE

In view of the opportunities we see in our business and in order to enhance our capacity to compete for market share, we are in the process of raising fresh equity capital by way of a rights issue. This approach is preferred as it enables existing shareholders to participate in the exercise to retain their shareholding in the Company and benefit from its future growth and profitability.

We plan to raise about ₦218,617,380.00 by issuing a total of 291,489,840 shares at 75 kobo each. The proceeds of the issuance will be used to upgrade our factory, develop our in-factory tinting centre, enhance our brand and market presence, as well as boost working capital.

CHANGE OF NAME

As part of our effort to reposition the Company, the board and management obtained relevant approvals to proceed with the name change of the Company from DN Meyer Plc to Meyer Plc which has now been concluded. We believe that the name change will have a positive impact on our medium to long term strategy. 16% of the proceeds of the proposed Rights Issue will be invested in brand development and awareness campaign.

PROSPECTS FOR OUR OPERATING ENVIRONMENT AND BUSINESS

The recent passage of the 2016 budget and the gradual recovery in crude oil price to around $50 per barrel (higher than the $38/barrel benchmark price) is promising for the economy. Having recorded a 0.36% slip in GDP in the first half of 2016, all indications point to the likelihood of a decline in GDP for the second quarter of the year. If this happens, Nigeria would be said to have been in a recession.

It is my belief that an acceleration in government's fiscal activities, the implementation of a clearer exchange rate policy, return to optimum crude oil production and stronger crude oil price in the international market would help restore confidence in the economy and contribute to the achievement of a stronger economy at the end of 2016.

To reposition our business, we shall raise fresh equity capital and complete our name change during the year. We have mapped out strategies to exploit the potential in our industry to boost our market share by focusing on high margin non-decorative industrial and marine paint products. In addition, we shall review our product packaging, drive our sales team by incentivising them and building stronger relationship with key distributors to improve our revenue and market recognition. Our depot upgrade initiative will continue unabated and we shall leverage on strategic alliances with operators in real estate and infrastructure space to expand our market share. We shall also continue to pursue cost control initiatives to enhance profitability and return to shareholders. We therefore face the rest of 2016 with renewed confidence for a better performance.

CONCLUSION

Finally, the Board and Management of our Company are confident that in the absence of unforeseen circumstances, the Company will continue to exist as a going concern and record significant growth and improvement in its operations over the coming years. I therefore encourage you to take up your Rights in full.

Yours faithfully,

Mr. Kayode Falowo
Chairman

DN MEYER PLC RC: 2181

Plot 34, Mobolaji Johnson Avenue,
Oregun, Alausa, Ikeja.
P. M. B. 21002, Ikeja, Lagos State.
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E-mail: info@meyerpaint.com

SON NIS ISO 9001 : 2008 REGISTERED COMPANY Certificate No. 0000074
NIS NATIONAL CERTIFICATE SCHEME

July 4, 2016

The Directors
Greenwich Trust Limited
Plot 1698A, Oyin Jolayemi Street
Victoria Island
Lagos

Dear Sirs,

Confirmation of Going Concern Status of Meyer Plc

The Directors of Meyer Plc are required to prepare financial statements at the end of each financial year, which gives a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company. They are also responsible for maintaining proper accounting records, for taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgments and estimates that are prudent and reasonable.

We hereby confirm that applicable accounting standards have been followed and the Company's financial statements for the years 2011 to 2015 were prepared using accounting policies, which comply with International Financial Reporting Standards.

The Directors of Meyer Plc, having made appropriate enquiries, reviewed budgets, projected cash flows and other relevant information, consider that adequate resources will exist for the business to continue in operation for the foreseeable future and that, it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully,
FOR: Meyer Plc

L. OMOLOLA IKWUAGWU

OLUKAYODE TIJANI
DIRECTOR

GIO NOMINEES LIMITED
COMPANY SECRETARIES

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P.O.Box 4929, GPO, Marina
Lagos, Nigeria

The Managing Director
Greenwich Trust Limited
Plot 1698A, Oyin Jolayemi Street
Victoria Island
Lagos

8 August 2016

Our ref: BDO/HBO/kap

The Managing Director,
Meyer Plc
Plot 34, Mobolaji Johnson Avenue
Alausa, Ikeja
Lagos

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF MEYER PLC ("THE COMPANY")

We have audited the consolidated and separate financial statements of ***Meyer Plc and its subsidiary Company*** ('together the Group') for the financial year ended 31 December 2015, which comprises the consolidated and separate statements of financial position, consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate statement of cash flows for the year then ended, a summary of the significant accounting policies and other explanatory notes.

Based on our audit of the financial statements of the Group for the year ended 31 December 2015, we hereby confirm that nothing has come to our notice that makes us believe that the Company will not continue in operation as a going concern.

Yours faithfully,

Sanni A. Dosunmu
Managing Partner

Olugbemiga A. Akibayo
Partner

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the principal policies applied consistently throughout the current and preceding years is set out below:

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

a. Going Concern

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

b. Foreign Currency

Foreign Currency Transactions
In preparing the financial statements of the Group, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit 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, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with goods, and the amount of revenue can be measured reliably. If it is probable that discounts 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.

(ii). Other Income
This comprises profit from sale of financial assets, plant and equipment, foreign exchange gains, fair value gains of non-financial assets measured at fair value through profit or loss and impairment loss no longer required written back.
Income arising from disposal of items of financial assets, plant and equipment and scraps is recognised at the time when proceeds from the disposal has been received by the Group. The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets. The Group recognised impairment no longer required as other income when the Group received cash on an impaired receivable or when the value of an impaired investment increased and the investment is realisable.

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

The Group classifies its expenses as follows:

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

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

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

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

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

f. Income Tax Expenses
Income tax expense comprises current income tax, education tax and deferred tax. (See policy's' on income taxes)

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

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

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment and are depreciated accordingly. Subsequent costs and additions are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
All other repairs and maintenance costs are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

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

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

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

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

Derecognition

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

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

i. Intangible Assets

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

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Computer software 5 years

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

j. Impairment of Non-Financial Assets

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

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

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

k. Financial Assets
The Group classifies its financial assets into the following categories: Financial assets at fair value through profit or loss (or held-for-trading), Held-to-maturity, Available-for-sale financial assets 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). Financial assets at fair value through profit or loss (Held-for-trading)
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. Financial assets are designated at fair value through profit or loss or as Held-for-trading if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. The investments are carried at fair value, with gains and losses arising from changes in their value recognised in the income statement in the period in which they arise. Such investments are the Group's investments in quoted equities.

ii). Held-to-maturity financial assets
The Group classifies financial assets as Held-to-maturity financial assets when the Group has positive intent and ability to hold the financial assets (i.e. investments) to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent

to initial recognition, held-to-maturity financial assets are measured at amortized cost using effective interest method less any impairment losses. Any sale or reclassification of more than insignificant amount of held-to-maturity investments, not close to their maturity, would result in the reclassification of all held-to-maturity financial assets as available-for-sale, and prevent the Group from classifying investment securities as held-to maturity for the current and the following two financial years.

Interest on held-to-maturity financial assets are included in the income statement and are reported as 'net gain or loss' on investment securities.

iii). Available–for–sale investments
Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the two preceding categories and not as loans and receivables which may be sold by the Group 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.

iv). 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.

v). 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.

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

m). Other Financial Assets

i). 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.

n). Impairment of Financial Assets
The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment charges are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

Significant financial difficulty of the issuer or obligor;

A breach of contract, such as a default or delinquency in interest or principal payments; The Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider; Its becoming probable that the borrower will enter bankruptcy or any other financial reorganisation; The disappearance of an active market for that financial asset because of financial difficulties; or Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the Group;
- national or local economic conditions that correlate with defaults on the assets in the Group;
- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions;
- deterioration in the value of collateral; and
- initiation of bankruptcy proceedings.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The amount of the impairment loss on assets carried at amortised cost is recognised immediately through the income statement and a corresponding reduction in the value of the financial asset is recognised through the use of an allowance account. A write off is made when all or part of a claim is deemed uncollectable or forgiven after all the possible collection procedures have been completed and the amount of loss has been determined. Write offs are charged against previously established provisions for impairment or directly to the income statement.

Any additional recoveries from borrowers, counterparties or other third parties made in future periods are offset against the write off charge in the income statement once they are received. Provisions are released at the point when it is deemed that following a subsequent event the risk of loss has reduced to the extent that a provision is no longer required, the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

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

Cost is determined as follows:-

Raw materials
Raw materials which includes purchase cost and other costs incurred to bring the materials to their location and condition are valued using weighted average cost.

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 weighted average cost.

Finished Goods
Cost is determined using the weighted average method and includes cost of material, labour, production and attritable overheads based on normal operating capacity.

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

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 Group 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

p. Financial Liabilities
Financial liabilities are initially recognised at fair value when the Group becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Group financial liabilities includes: 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.

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

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

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

The matching contributions made by Meyer Plc to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.
Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

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

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

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

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

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

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

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

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

x. 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.

y. **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.

z. 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.

aa. 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 cash flows (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.

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

STATEMENT OF FINANCIAL POSITION

The following is a summary of Company's Statement of Financial Position as at December 31, 2011, 2012, 2013, 2014, 2015 and 2016.

				N' 000		
	Notes	**2012**	**2013**	**2014**	**2015**	**2016 (H1 Unaudited)**
Non-current assets						
Property, plant and equipment	16	1,799,413	1,741,238	1,701,502	1,653,615.00	1,632,524
Investment in subsidiary	17	-	-	-	-	9,600
Intangible assets	18	-	-	-	-	-
Deferred tax asset	15(d)	160,888	254,538	254,538	254,538.00	254,538
Called up shares not paid		-	16,755	16,755	-	-
Total non-current assets		**1,960,301**	**2,012,531**	**1,972,795**	**1,908,153**	**1,896,662**
Current assets						
Inventories	19	331,140	210,110	198,493	196,315	214,635
Trade and other receivables	20	118,352	176,302	149,878	188,090	137,263
Other assets		5,526	4,379	7,170	0	13,438
Cash and cash equivalents	21	166,100	224,237	134,242	35,776	(1,449)
Total current assets		**621,118**	**615,028**	**489,783**	**420,181**	**363,886**
Total assets		**2,581,419**	**2,627,559**	**2,462,578**	**2,328,334**	**2,260,549**
Non-current liabilities						
Deferred taxation	15(d)	431,590	521,521	515,687	515,687	515,687
Borrowings	22(ii)	673,288	671,616	622,303	530,923	509,650
Employment benefits	22(a)	20,262	29,028	25,051	21,722	20,808
Finance lease obligation		3,750	2,216	-	-	-
		1,128,890	**1,224,381**	**1,163,041**	**1,068,332**	**1,046,145**
Current liabilities						
Trade and other payables	24	533,044	531,513	515,703	466,284	460, 620
Borrowings	22(i)	256,745	166,933	124,292	96,277	101,690
Finance lease obligation	23	2,372	1,076	878	-	-
Current tax liabilities	15(b)	9,970	10,647	9,880	12,152	7,574
Total current liabilities		**802,131**	**710,169**	**650,753**	**574,713**	**569,689**
Total liabilities		1,931,021	1,934,550	1,813,794	1,643,045	1,690,665
Equity						
Share capital	25	162,500	162,500	162,500	145,745	145,745
Share premium account	26	10,485	10,485	10,485	10,485	10,485
Retained earnings	27	477,133	516,815	472,729	526,403	488,289
Total equity attributable to owners of the company	27(ii)	**650,118**	**689,800**	**645,714**	**682,633**	**644,519**
Non-controlling interest		280	3,209	3,070	2,656	-
Total equity		**650,398**	**693,009**	**648,784**	**685,289**	**644,519**
Total equity and liabilities		**2,581,419**	**2,627,559**	**2,462,578**	**2,328,334**	**2,260,549**

INCOME STATEMENT

The following is a summary of the Company's Profit and Loss and Other Comprehensive Income as at December 31, 2011, 2012, 2013, 2014, 2015 and 2016.

		N' 000				
	Notes	2012	2013	2014	2015	**2016 (H1 Unaudited)**
Continuing operations						
Revenue	8	1,487,484	1,587,612	1,340,104	1,187,236	614,055
Cost of sales	9	(921,892)	(1,018,017)	(747,861)	(681,853)	(353,644)
Gross profit		**565,592**	**569,595**	**592,243**	**505,383**	**260,410**
Investment income	10	18,359	29,007	12,172	-	7,036
Other gains and losses	11	46,024	104,164	14,083	199,049	-
Distribution expenses	12	(42,314)	(36,011)	(33,392)	(234,497)	(110,615)
Marketing expenses		-	(151,609)	(152,041)	-	-
Administrative expenses		(500,936)	(346,174)	(348,886)	(318,925)	(137,742)
Finance costs	13	(115,559)	(117,783)	(121,541)	(90,551)	(9,650)
(Loss)/profit before tax		**(28,834)**	**51,189**	**(37,362)**	**60,459**	**9,440**
Income tax expense		1,887	(4,121)	787	(7,599)	(3,021)
(Loss)/profit for the year	15(a)	**(26,947)**	**47,068**	**(36,575)**	**52,860**	**6,419**
Other comprehensive income, net of income tax		-	-	-	-	-
Items that will not be reclassified subsequently to profit or loss:		-	-	-	-	-
Remeasurement of defined benefit obligation		(2,151)	(6,367)	(7,650)	-	-
Deferred tax credit		-	1,910	-	-	-
Total comprehensive (loss)/ income for the year		**(29,098)**	**42,611**	**(44,225)**	**52,860**	**6,419**
(Loss)/profit for the year attributable to:						
Owners of the company		(26,827)	47,335	(36,436)	53,674	-
Non-controlling interests		(120)	(267)	(139)	(814)	-
		(26,947)	**47,068**	**(36,575)**	**52,860**	**6,419**
Owners of the company		(28,978)	42,878	(44,086)	53,674	-
Non-controlling interests		(120)	(267)	(139)	(814)	-
		(29,098)	**42,611**	**(44,225)**	**52,860**	**6,419**
		-	-	-	-	
(Loss)/earnings per share Basic and diluted - (Kobo)	28	(8)	16	(12)	18	2.22

FIVE YEAR FINANCIAL INFORMATION CONT'D

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	N' 000				
	2012	**2013**	**2014**	**2015**	**2016** (H1 Unaudited)
Cash flow from operating activities					
Operating cash flows before movements in working capital					41,584
Cash receipts from customers	1,474,233	1,615,052	1,367,084	-	(18,319)
Cash paid to suppliers and employees	(1,475,163)	(1,368,379)	(1,225,782)	-	(7,946)
Decrease in assets	(29,592)	-	-	-	
Decrease in employee benefit					(913)
Decrease in trade and other receivables					8,705
Decrease in trade and other payables					(25,925)
Increase in current tax liabilities					(4,715)
					(7,755)
Income taxes paid	(4,236)	(809)	(954)	7,599	(2,604)
Net cash generated by operating activities	**(34,758)**	**245,864**	**140,348**	**7,599**	**(10,358)**
Cash flow from investing activities					
Purchase of property, plant and equipment	(24,172)	(11,336)	(30,456)	(3,704)	(1,784)
Proceeds from sale of Property, plant and equipment	3,437	3,870	1,435	1,955	610
Interest received	18,359	29,007	12,172	1,850	-
Net cash (utilised)/generated by investing activities	*(2,376)*	*21,541*	*(16,849)*	*101*	*(1,174)*
Cash flow from financing activities					
Finance cost	(115,559)	(117,783)	(121,541)	(92,401)	(9,650)
Loan obtained	104,326	-	17,308	92,313	-
Loan paid	(104,496)	(87,697)	(109,261)	(110,343)	(15,860)
Working capital loan	32,875	28,795	-	-	-
Bank overdraft paid	-	(32,583)	-	-	-
Net cash generated by financing activities	**(82,854)**	**(209,268)**	**(213,494)**	**(110,431)**	**25,510**
Net (decrease)/increase in cash and cash equivalents	**(119,988)**	**58,137**	**(89,995)**	**(110,330)**	**(37,042)**
Cash and cash equivalents at beginning of the year	**286,088**	**166,100**	**224,237**	**134,242**	**35,593**
Cash and cash equivalents at end of the year	**166,100**	**224,237**	**134,242**	**23,912**	**(1,449)**

Notes to the Consolidated Financial Statements
For the years ended 30 June 2016

1 The Group

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

The Company - Corporate information and principal activities

DN Meyer Plc is a Manufacturing Company incorporated in Nigeria on the 20th of May 1960. The Company manufactures and markets paints. The shares of the Company are held as follows: 30% by Citiprops Limited, 18.79% by Bosworth, 9.26% by Osa Osunde and 42% by Nigerian citizens.

Its registered office is at Plot 34, Mobolaji Johnson Avenue, Oregun Industrial Estate, Alausa Ikeja, Lagos.

2 Basis of Preparation

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting 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 authorized by the Board of Directors on 19 June 2016.

b. Basis of Measurement

The group financial statements have been prepared on the historical cost basis except for the following: Property, plant and equipment is measured at revalued amount.

c. Functional and presentation currency

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

d. Use of Estimates and Judgment

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 judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment 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 Company

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 June 2016. They have not been adopted in preparing the financial statements for the year ended 30 June 2016 and are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated in the table below.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 9 (2014) (issued Jul 2014)		**Classification and Measurement** Financial assets will either be measured at amortised cost, fair value through other compressive income (FVTOCI) or fair value through profit or loss (FVTPL **Impairment** the impairment model is a more forward looking model in that a credit event no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCL), an entity will now always recognised (at minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in the credit risk after initial recognition. Hedging The new hedge accounting model introduced the following key changes: -Simplified effectiveness testing, including removal of the 80-125% highly effective threshold. -More items will now qualify for hedge accounting, e.g. pricing components within a non-financial item, and net foreign exchange cash position. -Entities can hedge account more effectively the exposures that give rises to two risk position (e.g. interest rate risk and foreign exchange risk or commodity risk and foreign exchange risk) that are managed by separate derivates over different periods-less profit or loss volatility when using options, forward, and foreign currency swaps. - New alternatives available for economic hedges of credit risk and own use contracts which will reduce profit of loss volatility	Annual reporting periods commencing on or after January 2018	The first time application of IFRS 9 will have a side and significant impact on the accounting for financial instruments. The new impairment requirements are likely to bring significant changes for impairment provisions for trade receivables, loans and other financial assets not measured at fair value through profit or loss. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard

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 2018	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 recognizes 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 judgments

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

i) Income and deferred taxation

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

ii) Impairment of Property, Plant and Equipment

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

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

iii) ***Legal Proceedings***

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

4.1 Consolidation

i. Subsidiary

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

De-facto control exists in situations where the company has the practical ability to direct the activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including: The size of The Company's voting rights relative to both the size and dispersion of other parties who hold voting rights; Substantive potential voting rights held by The Company and by other parties and other contractual arrangements.

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

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

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

iii) Acquisition-related costs are expensed as incurred.

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

iv) Disposal of subsidiaries

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

4.2 Summary of significant accounting policies

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

a. Going Concern

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

b. Foreign currency

Foreign Currency Transactions: 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.

Revenue Recognitions: 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, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with goods, and the amount of revenue can be measured reliably. If it is probable that discounts 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.

(ii) Other Income

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

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

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;
- Administrative expenses;
- Selling and distribution expenses;
- Other allowances and amortizations

Finance Income and Finance Costs

Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains. Dividend income from investments is recognized in profit or loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e. Borrowing Costs

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

f. Income Tax Expenses

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

g. Earnings per Share

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

h. Property, Plant and Equipment

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

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

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

Depreciation

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method on the following bases: Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhaul.

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

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss component of the statement of comprehensive income within ‘Other income’ in the year that the asset is derecognised. The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Intangible Assets

Computer Software
Computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over the useful life of the asset. Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

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

Computer software	5 Years

Derecognition of Assets

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

Impairment of non- financial terms

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 decreased.

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: Financial assets at fair value through profit or loss (or held-for-trading), Held-to-maturity, Available-for-sale financial assets 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. Financial assets at fair value through profit or loss (Held-for-trading)

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. Financial assets are designated at fair value through profit or loss or as Held-for-trading if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. The investments are carried at fair value, with gains and losses arising from changes in their value recognised in the income statement in the period in which they arise. Such investments are the Group's investments in quoted equities.

ii. Financial assets at fair value through profit or loss (Held-for-trading)

The Group classifies financial assets as Held-to-maturity financial assets when the Group has positive intent and ability to hold the financial assets (i.e. investments) to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using effective interest method less any impairment losses. Any sale or reclassification of more than insignificant amount of held-to-maturity investments, not close to their maturity, would result in the reclassification of all held-to-maturity financial assets as available-for-sale, and prevent the Group from classifying investment securities as held-to maturity for the current and the following two financial years.

iii. Available–for–sale investments

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the two preceding categories and not as loans and receivables which may be sold by the Group 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.

iv. 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.

i. Impairment of Financial Assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment charges are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

J. Significant financial difficulty of the issuer or obligor

A breach of contract, such as a default or delinquency in interest or principal payments; The Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider; Its becoming probable that the borrower will enter bankruptcy or any other financial reorganisation; The disappearance of an active market for that financial asset because of financial difficulties; or Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the Group;
- national or local economic conditions that correlate with defaults on the assets in the Group;
- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions;
- deterioration in the value of collateral; and,
- initiation of bankruptcy proceedings.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The amount of the impairment loss on assets carried at amortised cost is recognised immediately through the income statement and a corresponding reduction in the value of the financial asset is recognised through the use of an allowance account. A write off is made when all or part of a claim is deemed uncollectable or forgiven after all the possible collection procedures have been completed and the amount of loss has been determined. Write offs are charged against previously established provisions for impairment or directly to the income statement.

m. Prepayments

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

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:-

Raw Materials
Raw materials which includes purchase cost and other costs incurred to bring the materials to their location and condition are valued using weighted average cost.

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 weighted average cost.

Finished Goods
Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

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

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 Group 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.

p. 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.

q. 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.

r. Financial Liabilities
Financial liabilities are initially recognised at fair value when the Group 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 includes: 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.

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.

Derecognition 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.

s. 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.

t. Employee Benefits
The Group operates the following contribution and benefit schemes for its employees:

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

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

The matching contributions made by DN MEYER PLC to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments available

(ii) Short-Term Benefits
Short term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed by DN Meyer Plc in the income statement as the employees render such services. A liability is recognised for the amount expected to be paid under short - term benefits if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

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

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date. Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

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

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

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

y. 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.

z. Related party transactions or internal 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.

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 cash flows (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 relates to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Finance Director (being the Chief Operating Decision Maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

4.3 Determination of Fair Value

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

i. Property, plant and equipment

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

ii. Valuation of 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. Valuation techniques employed is the net asset per share basis.

iii. Fair Value Hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7. Financial Instrument Disclosure'.
Level 1: quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities values using models where all significant inputs are observable.
Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

c. Financial Risk Management

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7.
i. General
Pursuant to a financial policy maintained by the Board of Directors, the Group uses several financial instruments in the ordinary course of business. The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts and trade and other payables.

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

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

Credit Risk

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

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

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

	2016 N'000	2015 N'000
Trade receivables (Note 18)	86,258	93,193
Cash and cash equivalents (Note 20)	(1,449)	35,222
	84,809	**128,415**

As at the reporting date there was no concentration of credit risk with certain customers. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

Cash is held with the following institutions:

	N'000	N'000
Access Bank Plc	2,635	23,528
Diamond Bank Plc	1,705	508
Eco Bank Plc	(371)	2,911
First City Monument Bank Limited	(1,063)	502
Guaranty Trust Bank Plc	(2,773)	2,351
Stanbic IBTC Bank	641	2,396
First Bank of Nigeria Limited	(1,104)	-
Zenith Bank Plc	(891)	-
Sterling Bank	83	482
Union Bank Plc	647	12
Skye Bank	(381)	22
Heritage Bank	70	-
United Bank for Africa	1346	-
Mainstreet Bank Limited	49	-
	593	32,712

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

As at 30 June 2016	=N=000 Book value	=N=000 Contractual cash flow	=N=000 One year or less	=N=000 1-5 years
Borrowings	611,340	-	101,690	509,650
Trade and other payables	460,620	-	460,620	-
	1,071,960	-	582,822	509,650

	Book value	Contractual cash flow	One year or less	1-5 years
Borrowings				
Trade and other payables	627,200		96,277	530,923
	486,545		486,545	
	1,113,745	**-**	**582,822**	**530,923**

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

Foreign Exchange Risk
The functional currency of the Group is the Nigerian naira.

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

As at 31 December 2015	Effective interest rate	one year or less	1-5 years	Total
Cash and cash equivalents	-	593	-	593
Borrowings	-	(101,690)		(96,277)
	-	**(101,096)**	**-**	**(95,684)**

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.

5 Revenue

	GROUP		COMPANY	
	6/30/2016 N'000	**30/06/2015 N'000**	**6/30/2016 N'000**	**30/06/2015 N'000**
Paints	248,891	270,928	248,891	270,928
Application of paints	15,928	14,799	15,928	14,799
Trading property	-	-	-	-
	264,819	**285,726**	**264,819**	**285,726**

5.1 Cost of sales

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

	6/30/2016 N'000	30/06/2015 N'000	6/30/2016 N'000	30/06/2015 N'000
Paints	141,979	156,474	141,979	156,474
Application of paints	10,497	8,182	10,497	8,182
Trading property	-		-	-
	152,476	**164,656**	**152,476**	**164,656**

6 Segment Reporting

Products and services from which reportable segments derive their revenues
The determination of the company operating segments is based on the organisation units for which information is reported to the management. The company has two areas of revenue generation: Paints and Services (Application). Revenue are primarily generated from the sale of Paints and Services rendered through application of paints. Certain headquarter activities are reported as 'Corporate'. These consist of corporate headquarters including the Corporate Executive Committee.

Certain headquarter activities are reported as 'Corporate'. These consist of corporate headquarters including the Corporate Executive Committee. Information reported to the entity's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal categories are sale of paints, adhesives/tiles, application of paints and investment property. The entity’s reportable segments under IFRS 8 are therefore as follows:

Segment Revenue and Results

	6/30/2016 N'000	30/06/2015 N'000	6/30/2016 N'000	30/06/2015 N'000
Paints	248,891	270,928	248,891	270,928
Application of paints	15,928	14,799	15,928	14,799
	264,819	**285,726**	**264,819**	**285,726**

Segment Revenue and Results

Finance Income	-	290	1,920	290
Finance costs	(7,890)	(25,217)	(7,890)	(25,217)
Profit/(Loss) before tax	(20,505)	(30,090)	(20,505)	(21,438)
Tax (Provision)	7,166	-	7,166	-
Profit /(Loss) for the period	(13,339)	(30,090)	(13,339)	(21,438)

Segment Accounting Policies

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

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

Business and Geographical Segments

The company operates in all geographical areas in the country.

Segment assets and liabilities

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

7 Other Operating Income

	GROUP		COMPANY	
	6/30/2016 N'000	**30/06/2015 N'000**	**6/30/2016 N'000**	**30/06/2015 N'000**
Profit on disposal of property, plant and equipment	337	1,796	337	1,796
Bank credit write back	-			
Accrued expenses no longer required	-			
Inventory provision no longer required	-			
Rental income	-			
Gains on restructured loan	-			
Sundry income	-	1,441	-	1,441
Processing of certificate of occupancy	-			
Use of facilities, rent, sale of empty drums & debt recovered	6,699	16,203	6,699	16,203
	7,036	**19,440**	**7,036**	**19,440**

8 Selling and Distribution Expenses

	6/30/2016 N'000	30/06/2015 N'000	6/30/2016 N'000	30/06/2015 N'000
Carriage inward	21,504	16,704	21,504	16,704
Sales Promotion/Commission	-	-	-	
Basic	41,311	45,787	41,311	45,787
Overtime	1,012	1,831	1,012	1,831
Fringe costs	30,667	30,488	30,667	30,488
Christmas bonus	3,374	3,534	3,374	3,534
NSITF	608	640	608	640
Pension scheme	6,779	7,164	6,779	7,164
Gratuity scheme				
Casual labour	5,360	6,346	5,360	6,346
	110,615	**112,494**	**110,615**	**112,494**

9 Administrative Expenses

	N'000	N'000	N'000	N'000
Purchases canteen	7,673	6,851	7,673	6,851
Medical expenses	1,802	3,726	1,802	3,726
Maintenance mechanical	1,447	2,723	1,447	2,723
Security guards expenses	5,976	7,377	5,976	7,377
Computer rental expenses	2,991	2,614	2,991	2,614
Building rents & rates	4,864	5,649	4,864	5,649
Repairs & maintenance general	994	2,932	994	2,932
Depreciation -land & building	11,140	11,140	11,140	11,140
Depreciation - vehicles	4,543	6,661	4,543	6,661
Depreciation - office equipment	720	753	720	753
Depreciation - furniture and fittings	556	531	556	531
Advert & publicity expenses	2,521	505	2,521	505
Fuel & lubricants	2,455	2,419	2,455	2,419
Vehicle expenses	3,282	3,898	3,282	3,898
Travelling	5,252	8,080	5,252	8,080
Directors fees & board expense	12,086	12,478	12,086	12,478
Insurance expenses	2,072	2,601	2,072	2,601
Legal & professional	3,379	13,013	3,379	3,776
Printing & photocopy	862	915	862	915
Telephone	1,179	3,194	1,179	3,194
AGM expenses	4,132	1,667	4,132	1,667
Courier/postage	17	364	17	364
Audit fees	2,500	5,298	2,500	5,298
Performance cost	27,608	28,526	27,608	28,526
Year-end expenses	-	-	-	-
Clearing license renewal	1,189	2,943	1,189	2,943
Industrial training fund				
General stores & consumables	3,025	5,110	3,025	5,110
Management Fee	7,543		7,543	
Entertainment	970	953	970	953
Other expenses	14,962	12,561	14,962	12,561
	137,742	**155,480**	**137,742**	**146,243**

10 Finance Income and Cost

(I). Finance Income

	6/30/2016 N'000	30/06/2015 N'000	6/30/2016 N'000	30/06/2015 N'000
Interest received on bank deposit	**-**	**1441**	**-**	**1441**

(II). Finance Cost

Interest on bank overdraft and loans	9,650	55,339	9,650	55,339
Interest on finance lease	-	118	-	118
Total interest expenses	**9,650**	**55,457**	**9,650**	**55,457**

11 Profit / (Loss) for the period has been arrived at after charging/ (crediting) the followings:

	6/30/2016 N'000	30/06/2015 N'000	6/30/2016 N'000	30/06/2015 N'000
Depreciation and amortisation expense:				
Depreciation of property, plant and equipment	22,831	32,711	22,831	32,711
Amortisation of intangible assets (included in cost of sales)	-	-	-	-
	22,831	**32,711**	**22,831**	**32,711**
Profit on disposal of property, plant and equipment	337	1,796	337	1,796
Auditors remuneration	2,500	6,207	2,500	6,207
Staff cost	122,059	129,814	122,059	129,774
Director's remuneration and fees	375	313	375	313
Salaries and allowance	11,711	12,700	11,711	12,165
Interest on loans and overdrafts	9,650	55,457	9,650	55,457

12 Tax Expense

12.1 Current Tax

	GROUP		COMPANY	
Income tax payable on the results for the period	**6/30/2016 N'000**	**30/06/2015 N'000**	**6/30/2016 N'000**	**30/06/2015 N'000**
Current tax expense in respect of the current year:				
Income tax	2,832	1,242	2,832	1,242
Education tax	189	241	189	241
	3,021	1,483	3,021	1,483
In respect of prior years		-		
	3,021	**1,483**	**3,021**	**1,483**
Total income tax expense recognised in current year for continuing operations	**3,021**	**1,483**	**3,021**	**1,483**

12.2 Per Statement of Financial Position

	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
At 1 January	12,152	9,880	11,867	9,880
Charged for the period	3,021	7,599	3,021	7,314
Payments during the year	(2,604)	(641)	(2,604)	(641)
Adjustments -withholding tax utilised	(4,710)	- 4,686	(4,710)	(4,686)
	7,859	**12,152**	**7,574**	**11,867**

12.3 Deferred Taxation

	GROUP		COMPANY	
	6/30/2016 N'000	**12/31/2015 N'000**	**6/30/2016 N'000**	**12/31/2015 N'000**
Deferred tax liabilities	515,687	515,687	515,687	515,687
Deferred tax assets	(254,538)	(254,538)	(254,538)	(254,538)
	261,149	**261,149**	**261,149**	**261,149**

Deferred Tax

	GROUP		COMPANY	
	6/30/2016 N'000	**12/31/2015 N'000**	**6/30/2016 N'000**	**12/31/2015 N'000**
Movement at a glance				
Deferred tax (liabilities)/assets:				
At 1 January	261,149	261,149	261,149	261,149
Recognised in profit or loss	-		-	
At 30 June	261,149	261,149	261,149	261,149

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

13 Earnings/ (Loss) Per Share

Earnings/(Loss) per share are calculated on the basis of profit after taxation and the number of issued and fully paid ordinary shares of each financial year.

	GROUP		**COMPANY**	
	6/30/2016 N	**30/06/2015 N**	**6/30/2016 N**	**30/06/2015 N**
Basic/diluted (loss)/earnings per share	2.20	(23.57)	2.20	(20.73)
Total basic/diluted (loss)/earnings per share	**2.20**	**(23.57)**	**2.20**	**(20.73)**

13.1 Basic/ Diluted earnings per share

The earnings/ (loss) and weighted average number of ordinary shares used in the calculation of basic earnings per share are:

	6/30/2016 N'000	**30/06/2015 N'000**	**6/30/2016 N'000**	**30/06/2015 N'000**
Earnings from continuing operations				
Profit / (Loss) for the period attributable to owners of the Company	6,419	(76,607)	6,419	(67,370)
Number of shares				
Number of ordinary shares for the purposes of basic earnings per share	291,489,840	325,000,000	291,489,840	325,000,000
Profit/(Loss) per share (Kobo) - Basic	**2**	**(23.57)**	**2.20**	**(20.73)**

The denominators for the purposes of calculating both basic earnings per share is based on issued and paid ordinary shares of 50 kobo each.

13.2 Impact of Changes in Accounting Policies

There were no changes in the company's accounting policies during the period that impacted earnings per share.

14 Property, Plant and Equipment

The earnings/ (loss) and weighted average number of ordinary shares used in the calculation of basic earnings per share are:

The Group

	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture & fittings N'000	Motor vehicles N'000	Total N'000
Cost						
At 1 January 2015	1,764,897	222,307	31,016	13,389	210,084	2,241,693
Additions	-	2,295	850	559	-	3,704
Reclassification			-	-		-
Disposals	-	(18,217)	(152)	-	(7,954)	(26,323)
At 31 December 2015	**1,764,897**	**206,385**	31,714	**13,948**	**202,130**	**2,219,074**
Additions		910	604		270	1,784
Disposals			(522)		(1,376)	(1,898)
At 30th June 2016	**1,764,897**	**207,295**	**31,796**	**13,948**	**201,024**	**2,218,960**
Accumulated depreciation and impairment						
At 1 January 2015	134,160	194,392	28,289	11,309	172,043	540,193
Charge for the year	22,281	13,515	1,474	1,093	13,135	51,498
Disposals	-	(18,217)	(60)	-	(7,954)	(26,231)
At 31 December 2015	**156,441.00**	**189,690**	**29,703**	**12,402**	**177,224**	**565,460**
Charge for the year	11,140	5,872	720	556	4,543	22,831
Reclassification				(26)		
Eliminated on disposals			(480)		(1,376)	(1,856)
At 30th June 2016	**167,581**	**195,562**	**29,943**	**12,932**	**180,391**	**586,436**
Carrying amount						
At 30th June 2016	**1,597,316**	**11,732**	**1,854**	**1,016**	**20,633**	**1,632,524**
At 31 December 2015	**1,608,456**	**16,695**	**2,011**	**1,546**	**24,906**	**1,653,614**

The Company

	Leasehold Property N'000	Plant & machinery N'000	Office equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Total N'000
Cost						
At 1 January 2015	1,764,897	213,809	31,016	13,389	210,084	2,233,195
Additions	-	2,294	850	559	-	3,703
Disposals	-	(18,217)	(152)	-	(7,954)	(26,323)
At 31 December 2015	**1,764,897**	**197,886**	**31,714**	**13,948**	**202,130**	**2,210,575**
Additions	-	910	604	-	270	1,784
Disposals	-	-	(522)	-	(1,376)	(1,898)
At 30th June 2016	**1,764,897**	**198,796**	**31,796**	**13,948**	**201,024**	**2,210,461**
Accumulated depreciation and impairment						
At 1 January 2015	134,160	185,893	28,289	11,308	172,043	531,693
Charge for the year	22,281	13,515	1,474	1,093	13,135	51,498
Reclassification	-	-	24,917	(24,917)	-	-
Eliminated on disposals	-	(18,217)	(60)	-	(7,954)	(26,231)
At 31 December 2015	**156,441**	**181,191**	**54,620**	**(12,516)**	**177,224**	**556,960**
Charge for the year	11,140	5,872	720	556	4,543	22,831
Eliminated on disposals	-	-	(480)	-	(1,376)	(1,856)
At 30th June 2016	**167,581**	**187,063**	**54,860**	**(11,960)**	**180,391**	**577,936**
Carrying amount						
At 30th June 2016	**1,597,316**	**11,732**	**(23,063)**	**25,908**	**20,633**	**1,632,525**
At 31 December 2015	**1,608,456**	**16,695**	**(22,906)**	**26,464**	**24,906**	**1,653,615**
At 31 December 2014	**1,630,737**	**27,916**	**2,727**	**2,081**	**38,041**	**1,701,502**

14.1 Property, Plant and Equipment

There were no impairment losses recognised during the year.

14.2 Assets pledged as Security

Buildings with a carrying amount of N1.60 billion (2015:N1.61 billion) have been pledged to secure borrowing of the holding company. This has been pledged as a security for bank loan.

14.2 Contractual Commitments

At 30 June2016, the company and the group had no contractual commitments for the acquisition of property, plant and equipment (2015: Nil).

15. Intangible Assets

The Company

	Tetra 2000 N'000	Web Site N'000	Payroll N'000	Sage N'000	Total N'000
Cost					
At 1 January 2015					-
Additions					-
Transfer from property, plant and equipment - WIP	398	478	315	2,966	4,157
At 30 September, 2015	**398**	**478**	**315**	**2,966**	**4,157**
Amortisation					
At 1 January 2015	398	478	315	2,966	4,157
Charge for the year					-
At 30 September, 2015	**398**	**478**	**315**	**2,966**	**4,157**
Carrying amount					
At 30 September, 2015	**-**	**-**	**-**	**-**	**-**
At 31 December 2013	**-**	**-**	**-**	**-**	**-**

Significant intangible assets

The Group currently used sage ERP 100 accounting package in collating and preparing accounting information for decision making. The carrying amount of the sage accounting package is Nil (31 December, 2014: Nil)

16. Investment in Subsidiary

	GROUP		COMPANY	
	6/30/2016 N'000	**12/31/2015 N'000**	**6/30/2016 N'000**	**12/31/2015 N'000**
Carrying amount at cost			**9,600**	**9,600**

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

Name of the company	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
			6/30/2016	**12/31/2015**
DNM Construction limited	Construction and rehabilitation of building	Nigeria	96%	96%

The Group owns 96% of the DNM Construction limited. The remaining 4% shares attributable to non-controlling interest is stated below:

	Cost N'000	%
Mr. Kayode Falowo	100	1
Mr. Toyin Okeowo	100	1
Alhaji Ibrahim Suleman	100	1
Arc. Ayoola Onajide	100	1
	400	**4**

Two out of the four shareholders are directors of DN Meyer Plc.

17. Inventories

	The Group		The Company	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
	N'000	N'000	N'000	N'000
Raw materials	38,006	34,789	38,006	34,789
Work in progress	36,669	17,545	36,669	17,545
Finished Goods - Paints & Adhesives	139,531	145,027	139,531	145,027
Consumables	429	4,024	429	4,024
	214,635	201,385	214,635	201,385
Provision for obsolete spares and slow moving stock	(0)	(5,069)	(0)	(5,069)
	214,635	**196,316**	**214,635**	**196,316**

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

18. Trade and Other Receivables

	6/30/2016	12/31/2015	6/30/2016	12/31/2015
	N'000	N'000	N'000	N'000
Trade receivables	178,469	185,806	142,243	149,178
Allowance for doubtful debts	(55,985)	(55,985)	(55,985)	(55,985)
	122,484	129,821	86,258	93,193
Other receivables				
Insurance claim	1,720	2,168	1,720	2,168
WHT claimable	35,586	36,474	35,586	36,474
Returnable containers	12,538	12,538	12,538	12,538
Sundry debtors	1,561	1,592	1,161	1,595
Due from related party	-	-	-	-
	173,889	**182,594**	**137,263**	**145,968**

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

19. Other Assets

	6/30/2016	12/31/2015	6/30/2016	12/31/2015
	N'000	N'000	N'000	N'000
Prepayments	13,438	5,492	13,438	5,492
	13,438	5,492	13,438	5,492
Allowance for other assets				
	13,438	**5,492**	**13,438**	**5,492**
Current	13,438	5,492	13,438	5,492
Non-current	-	-	-	-
	13,438	**5,492**	**13,438**	**5,492**

20. Cash and Cash Equivalent

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

	6/30/2016	12/31/2015	6/30/2016	12/31/2015
	N'000	N'000	N'000	N'000
Cash and bank balances	(3,754)	11,748	(3,938)	11,563
Short term investments (Note 20.1)	2,489	24,030	2,489	24,030
	(1,265)	**35,778**	**(1,449)**	**35,593**

20.1. Short- term Investments

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

21. Borrowings

	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
Bank overdrafts	-	-	-	-
Working capital loan				-
Term loan	611,340	627,200	611,340	627,200
Total borrowings	611,340	627,200	611,340	627,200

21.1. Analysis of loan balances to current and non-current portion

Bank overdrafts	-	-	-	-
Working capital loan			-	
Term loan	101,690	96,277	101,690	96,277
Current portion	101,690	96,277	101,690	96,277

This relates to the amount that will fall due in the next 12 months to AMCON, FBN and Eco Bank.

Term loan				
Restructured long term loan	611,340	627,200	611,340	627,200
Unsecured				
Loans from FBN/Oceanic through BOI/CBN intervention fund	89,840	105,700	89,840	105,700
Secured				
Loans from UBN transferred to AMCON	521,500	521,500	521,500	521,500
	611,340	627,200	611,340	627,200
Reclassification as short term loan	(101,690)	(96,277)	(101,690)	(96,277)
	509,650	**530,923**	**509,650**	**530,923**
Movement at a glance				
Opening balance	627,200	746,595	627,200	746,595
Obtained during the year:	-	-	-	
Term (interest capitalised)	-	92,313	-	92,313
Gains on loan restructuring	-	(101,365)	-	(101,365)
Bank overdrafts	-	-		-
Repayment of loan	(15,860)	(110,343)	(15,860)	(110,343)
Closing balance	611,340	627,200	611,340	627,200

21.2. Loans from Bank of Industry of Nigeria (BOI) includes loans from First Bank of Nigeria and Oceanic Bank of Nigeria restructured under BOI. The rate of interest is 7% and spread over ten years.

21.3. Loans from Asset Management Corporation of Nigeria (AMCON) includes loan from Union Bank of Nigeria restructured under AMCON. On 14th March 2016 the loan was restructured with a new principal amount of N521.50million at a rate of 12.33% and spread over sixty-five months payable on quarterly basis commencing from 31 August 2016. The loan is secured by a charge over the company's leasehold property.

21.4. The current position of the loan relates to amount that will fall due after twelve month to AMCON and FBN.

22. Employment Benefits

	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
Balance as at 1 January	21,722	25,051	21,722	25,051
Payment for the period	(914)	(3,329)	(914)	(3,329)
Balance as 30 June	20,808	21,722	20,808	21,722

23. Trade and Other Payables

	GROUP		COMPANY	
	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
Trade payable	188,033	230,294	182,198	224,459
Other payables:				
Retention fees	112	112	112	112
Proposed dividend	-	3,527	-	3,527
Unclaimed dividend	-	-	-	-
Value added tax	124,502	122,936	124,502	122,936
Withholding tax payable	21,461	20,625	21,419	20,625
PAYE	7,309	6,473	7,309	6,473
Accruals	63,198	47,256	62,881	46,795
National housing fund	26	14	26	14
Rent receivable	3,453	6,653	3,453	6,653
Sundry creditors	19,275	24,531	19,175	24,531
Pension scheme (note ….)	5,444	3,862	5,444	3,862
Management fees	7,543		7,543	
Due to related party			26,558	26,558
	440,357	**466,283**	**460,620**	**486,545**

In accordance with Pension Reform Act, 2014 the employees of the company are members of an arranged pension scheme which is managed by several private sector service providers. The company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the defined contribution plan is to make the specified contributions is to make the specified contributions. The total expenses recognised in the profit & loss of N2,953,000 (2015 N3,862,000) represents contributions payable to these plans by the company at rates specified in the rules of plans.

24. Share Capital

	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
Authorised:				
1,300,000,000 ordinary shares of 50k each	650,000	650,000	650,000	650,000
Issued and fully paid:				
291,489,840 ordinary shares of 50k each	145,745	145,745	145,745	145,745

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

25. Share Premium

Share premium	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
At 1 January	10,485	10,485	10,485	10,485
Closing balance	**10,485**	**10,485**	**10,485**	**10,485**

26. Retained Earnings

	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
At 1 January	526,403	472,729	481,870	408,640
Profit/(Loss) attributable to owners of the company	6,419	53,674	6,419	73,230
Closing balance	**532,822**	**526,403**	**488,289**	**481,870**

(i) Non-Controlling Interest

	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
At 1 January	2,656	3,070	481,870	408,640
Adjustment during the period		400		
transfer from profit or loss	-	(814)	-	73,230
Closing balance	**2,656**	**2,656**	**481,870**	**481,870**

27. Directors and Employees

27.1 Directors

	The Group		The Company	
	6/30/2016 N'000	12/31/2015 N'000	6/30/2016 N'000	12/31/2015 N'000
Emoluments:				
Fees	375	1,017	375	1,017
Other remuneration and allowances	11,711	16,500	11,711	16,500
	12,086	**17,517**	**12,086**	**17,517**

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

Range (N)	Number	Number	Number	Number
1,000,001 - 2,000,000	-	-	-	-
3,000,001 and above	2	2	2	2
	2	**2**	**2**	**2**

27.2 Employees

The average number of employees employed during the year:

Number	Number	Number	Number
129	130	129	130
129	**130**	**129**	**130**

The aggregate payroll costs:

	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	91,960	99,632	91,960	99,632
Pension and social benefits	7,549	7,968	7,549	7,968
Staff training	30	30	30	30
	99,539	**107,629**	**99,539**	**107,629**

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

Range (N)	Number	Number	Number	Number
Up to 500,000	5	57	5	57
500,001 - 2,000,000	106	59	106	59
2,000,001 - 3,000,000	8	5	8	5
3,000,001 and above	10	9	10	9
	129	**130**	**129**	**130**

28. Approval of Financial Statements

The unaudited condensed interim consolidated and separate financial statements were approved by the Board on 19 July, 2016.

11. STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

The Company was registered as Sick-Hagemeyer Limited on May 20, 1960 and by a resolution dated May 4, 1976, the Company name was changed to Hagemeyer (Nigeria) Limited. The Company was listed on the Nigeria Stock Exchange in 1979 under the Chemicals and Paints Sector. In 1994, about 68% of the Company's issued share capital was acquired by Dunlop Nigeria Plc (Dunlop). The acquisition by Dunlop led to the change of the corporate and brand name to DN Meyer Plc and Meyer Paints respectively in February 1995.

As at December 31, 2015 the Company had an authorised share capital of ₦650,000,000 and a paid up capital of ₦145,745,000. The initial share capital on incorporation and subsequent changes therein are as follows:

Year	Authorised		Issued		Consideration
	Increase	Cumulative	Increase	Cumulative	
1982	2,000	2,000	1,400	1,866	Bonus
1986	-	2,000	622	2,488	Bonus
1988	1,500	3,500	622	3,111	Bonus
1990	10,000	13,500	10,000	13,111	Cash
1992		13,500		13,111	
1993	1,500	15,000	622	13,733	Bonus
1994		15,000		13,733	
1995		15,000		13,733	
1996	35,000	50,000	22,703,000	36,436,230	Cash
1998		50,000		36,436,230	
1999		50,000		36,436,230	
2000		50,000		36,436,230	
2001	50,000	100,000	36,436,230	72,872,460	Bonus
2002		100,000		72,872,460	
2003		100,000		72,872,460	
2004	-	100,000	24,290,820	97,163,280	Bonus
2005	50,000	150,000	24,290,820	121,454,100	Bonus
2006		150,000		121,454,100	
2007		150,000	24,290,820	145,744,920	Bonus
2008	500,000	650,000		145,744,920	
2009		650,000		145,744,920	
2010		650,000		145,744,920	
2011		650,000		145,744,920	
2012		650,000		145,744,920	
2013		650,000		145,744,920	
2014		650,000		145,744,920	
2015		650,000		145,744,920	

STATUTORY AND GENERAL INFORMATION

SHAREHOLDING STRUCTURE

As at December 31, 2015, the entire 291,489,840 Ordinary Shares of 50 kobo each in the paid-up capital of the Company were beneficially held as follows:

Shareholder	No. of Shares	Percentage (%)
Citiprops Limited	87,454,451	30.00
Bosworth Limited	54,773,000	18.79
Mr. Osa Osunde	27,000,250	9.26
Other Nigerians	122,262,139	41.95
TOTAL	**291,489,840**	**100**

Other than those mentioned above, no shareholder held more than 5% of the issued share capital of the Company as at December 31, 2015.

DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors of the Company in the issued share capital of the Company as recorded in the Register of Members as at December 31, 2015 and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

Directors	Direct Shareholding	Indirect Shareholding	Total Shareholding
Mr. Kayode Falowo	210,000	Nil	210,000
Mr. Olukayode Tijani (Executive Director)	Nil	Nil	Nil
Mr. Osa Osunde	27,000,250	Nil	27,000,250
Mr. Tony Uponi	Nil	Nil	Nil
Erelu Angela Adebayo	Nil	Nil	Nil
Mr. Olutoyin Okeowo	Nil	Nil	Nil
Mrs. Ochee Vivienne Bamgboye	Nil	Nil	Nil

STATUS OF UNCLAIMED DIVIDENDS

As at December 31, 2015, the unclaimed dividend of the Company amounted to ₦1,719,807.35. To address the issue of unclaimed dividends, the Company shall publish the schedule of unclaimed dividends in its annual report that would be circulated to all shareholders of the Company.

INDEBTEDNESS
As at the date of the last audited financial statements, the Company had no outstanding debentures, mortgages, charges, material contingent liabilities or other similar indebtedness other than in the ordinary course of business.

RISK & MITIGATING FACTORS

Investors should consider the inherent risk associated with investing in the Nigerian stock market as well as the risk peculiar to the Company, and the industry in which it operates and the general business environment. These risks could be categorised into Sectoral/Industry Risk, Currency Risk, Company Risk and Environmental Risk.

a) Sectoral/Industry Risks

The Company is exposed to the general industry risks in which it operates which include rising cost of factor input especially power and raw materials. The industry is characterized by immense competition amongst local paints manufacturing companies especially unbranded products manufacturers and smuggled products sold at lower prices.

As part of its effort to demonstrate its dominance in the chemical and paint industry, Meyer Plc has further taken a bold step to strengthen its capital base in order to fund expansion and growth in production. This growth strategy would ensure that the company continues to remain relevant in the industry as well as consolidate its position as a clear industry leader in delivering superior quality products at competitive prices. In addition, the company will work with the Federal Government to eradicate substandard paint products from the Nigerian paint market.

b) Currency Risks

This refers to the likelihood of incurring losses as a result of fluctuations in the value of the Naira and adverse changes in exchange rates of the Naira against major currencies.

Meyer Plc however envisaged these bottlenecks and mitigated against it by purchasing the bulk of its 2016 raw materials in 2015.

c) Company Risks

These are risks that are specific to Meyer Plc which may hamper the company's achievement of its business objectives. These risks include failure in the accounting and internal control processes, lack of adequate supervision, poor management and human capital management.

The Company consistently reviews and updates its strategies, policies and procedures in line with the ever changing and dynamic environment. The company has constituted different committees to periodically perform these reviews.

d) Environmental Risks

This is the risk that raw materials used in the production of the paints are harmful to human health and pose a threat to the environment.

Meyer has consistently invested in research and development in order to bring its manufacturing process in line with national and international standard, acceptable to the public health code and environmental preservation.

General Risk Disclosure

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors.

CORPORATE GOVERNANCE

The Company recognises the importance of an effective Corporate Governance structure which is implemented to ensure the Company meets its corporate and economic performance. Accordingly, the Company is in compliance with Code of Best Practices in Corporate Governance in Nigeria.

Responsibility of the Board of Directors:

The Board of Directors is actively involved in the running of the Company in order to maintain culture of best practices. The Directors are involved, among other things, in keeping proper accounting records which disclose with reasonable accuracy at any time, the financial status of the Company and ensure that the accounts comply with the relevant Statutory and Regulatory provisions. The Company is in compliance with Securities and Exchange Commission's Code of Corporate Governance requirements. Please find below the Company's level of compliance with the code:

- Independence of Internal Auditors: In line with the Company's vision to maintain the highest standards and to ensure the independence of the Internal Audit function, the Board decided to shield the Internal Audit Department from the control of the Executive Management and also prevents the staff of the department from performing operational and management task that could impair their ability to make independent reviews of all aspect of the company's operations thereby making the department independent.

- Balance of Power and Authority: There is a balance of power and authority so that no individual or group of individuals has unfettered powers of decision making.

- Appointment and retirement of Directors: In accordance with the provisions of Section 259 of the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, one-third of the Directors of the Company retire annually. The Directors to retire every year shall be those who have been longest in office since their last election.

- Separation of responsibilities between Chairman and Managing Director: The responsibilities of the Chairman are clearly separated from that of the head of management (i.e. MD/CEO) such that no one individual/related party has unrestricted powers of decision making by occupying the two positions at the same time.

The oversight functions of the Board are performed through its various committees namely: Strategy, Finance & General Purpose Committee, Governance and Establishment Committee and Audit Committee. The Committees meets every three (3) months and at such times when the need arises and report to the overall Board. These Committees are constituted as follows:

(i) **Strategy, Finance and General purpose committee**:
The purpose of the Strategy, Finance and General Purpose Committee is to, conduct independent and objective review of the Company's financial and investment policy and performance of same, evaluate the Company's strategic plans and the Company's capital deployment in the context of the Company's Corporate Strategy and assist the Board in carrying out its oversight responsibilities relating but not limited to potential mergers, acquisitions, divestitures and other key strategic transactions outside the ordinary course of the Company's business.

(ii) **Governance and Establishment Committee:**
The Governance and Establishment Committee is constituted to provide assistance to the Board of Directors in fulfilling its oversight responsibility in relation to compensation, benefit and other human resource and administration matters affecting employees of the company.

(iii) **Audit Ccommittee:**
The Audit Committee is responsible for the oversight of the quality and integrity of the Company's accounting and reporting practices; controls and financial statements and the performance of the company's internal audit function and independent auditors.

CORPORATE GOVERNANCE

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

Meyer Plc is dedicated to the protection and promotion of shareholders' interest thus regularly updating and reviewing its structures and processes in order to implement the best business practice at all times and in turn exhibiting a value based performance.

The Company recognises the importance of adoption of best practice principles, its valuable contribution to long-term business prosperity and accountability to its shareholders. The Company is managed in a way that maximizes long-term shareholder value and takes into account the interests of all its stakeholders.

The Company believes that full disclosure and transparency in its business operations are in line with good corporate governance and best practice; and is implementing principles set out in the Code of Corporate Governance issued by the Securities & Exchange Commission, Nigeria.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Meyer Plc has a subsidiary, **DNM Construction Limited** (96% owned by Meyer)**,** which is responsible for the construction, repairs and renovation of buildings, paints application on roads, airports and other non-core businesses of Meyer Plc.

CLAIMS & LITIGATION

The Company is currently involved in a total of six cases. Available records show that Meyer Plc is the Plaintiff/Claimant in 3 (three) of the cases and the Defendant/Respondent in the remaining 3 (three) cases. The total value of the claims against the Company is in the sum of ₦18,494,088.82 (Eighteen Million, Four Hundred and Ninety Four Thousand and Eighty Eight Naira, Eighty Two Kobo) whereas the total value of the claims by the Company is in the sum of ₦17,760,962.12 (Seventeen Million, Seven Hundred and Sixty Thousand, Nine Hundred and Sixty Two Naira, Twelve Kobo).

Following a review of all the said cases, the Solicitors to the Issue are of the opinion that all but one of the cases involving the Company are in respect of its ordinary course of business. The Solicitors noted that in Suit No. FHC/L/CS/1005/2010, the Claimant sought some interim orders seeking to restrain the Company from raising capital. However, the said interim order though earlier granted by the court, was subsequently discharged and lifted and thus is no longer subsisting. We are of the opinion that the court is not likely to grant any adverse order or judgment against Meyer Plc in this suit. This is in view of the fact that the main issue in dispute bothers on the ownership of 116,595,936 units of shares which approximates to 40% of the Company's paid up capital. We are convinced that the court will not give orders to stifle the entire Company based solely on the fact that there is a dispute over ownership of 40% of the Company's shares.

Consequently, the Directors of the Company are of the opinion that the aforementioned cases are not likely to have any material adverse effect on the Company or the proposed Rights Issue and are not aware of any other pending and/or threatened claim or litigation, which may be material to the Rights Issue.

Following from the above, the Solicitors, are of the opinion that the Company's liability arising from all the present claims and litigations against the Company is not likely to have any material adverse effect on the Company and/or the legality, timing or pricing of the proposed rights issue and are not aware of any other pending and or threatened claims or litigation involving the Company."

COSTS AND EXPENSES

The costs and expenses of this Offer including fees payable to the SEC, the NSE and professional parties, filing fees, legal fees, and other expenses, brokerage commission and the costs of printing and advertising the Issue are estimated at ₦8,205,880.84 representing approximately 3.75% of the total amount to be raised.

RELATIONSHIP BETWEEN THE ISSUER AND THE ISSUING HOUSE/OTHER ADVISERS

As at the date of this Circular and in compliance with SEC Rule as amended, we hereby state that there is no shareholding relationship between Meyer Plc and the Issuing House. However, the Group Managing Director of the Issuing House is also the Chairman of Meyer Plc, GTL Registrars Limited and Greenwich Securities Limited. Furthermore, Mr. Tony Uponi is also a director in both Greenwich Trust Limited and Greenwich Securities Limited

Other than as stated above, there is no other relationship between Meyer Plc, its respective directors, major shareholders and principal officers and the Parties to the Offer, except in the ordinary course of business.

MATERIAL CONTRACTS

The following agreements have been entered into and are considered material to this Offer:

1. A Vending Agreement dated Monday, December 19, 2016 between Meyer Plc and Greenwich Trust Limited wherein the Issuing House agreed to offer 291,489,840 Ordinary Shares of 50 kobo each at ₦0.75 Kobo per share on behalf of the Company.

2. Management Services Agreement between Meyer Plc and Greenwich Trust Limited dated December 1, 2014.

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

DECLARATIONS

1. No share of Meyer Plc is under option or agreed conditionally or unconditionally to be put under option other than it may have been agreed under Meyer Plc's Staff Equity Participation Scheme;

2. No commission, discount, brokerage or other special terms have been granted by the Company to any person in connection with the Issue or sale of any share of the Company;

3. Save as discussed herein, the Directors of Meyer have not been informed of any holding representing 5% or more of the Issued Share Capital of the Company;

4. There are no founders; management or deferred shares or any options outstanding in Meyer Plc other than it may have been agreed under the Meyer Plc Staff Equity Participation Scheme;

5. There are no material service agreement between Meyer or any of its Directors or employees other than in the ordinary course of business;

6. There are no long term service agreement between Meyer and any of its Directors and employees except Pension Agreement;

7. No Director of the Company has had any interest; direct or indirect; in any property purchased or proposed to be purchased by the Company in the five years prior to the date of this Rights Circular; and

8. No Director or key management staff of the Company is or has been involved in any of the following:

    a) A petition under any bankruptcy or solvency laws filed (and not struck out) against him/her or any partnership in which him/her is or was partner or any company of which he/she is or was a Director or key personnel;

    b) A conviction in a criminal proceedings or is named subject of pending criminal proceedings relating to fraud or dishonesty; and

    c) The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

STATUTORY AND GENERAL INFORMATION

CONSENTS

The following have given and not withdrawn their written consents to the issue of this Rights Circular with their names and reports (where applicable) included in the form and context in which they appear:

Directors:	Mr. Kayode Falowo	Chairman
	Mr. Olukayode Tijani	Executive Director
	Mr. Osa Osunde	
	Mr. Tony Uponi	
	Erelu Angela Adebayo	
	Mr. Olutoyin Okeowo	
	Mrs. Ochee Vivienne Bamgboye	
Company Secretary:	GIO Nominee Limited	
Issuing House:	Greenwich Trust Limited	
Stockbrokers:	Greenwich Securities Limited	
	Fidelity Finance Company Limited	
	Compass Investments & Securities Limited	
Auditors:	BDO Professional Services	
Solicitors to the Issue:	Marriot Solicitors	
Registrars:	GTL Registrars Limited	
Receiving Bank:	Access Bank Plc	

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of Greenwich Trust Limited during normal business hours on any weekday (except Public Holidays), from Monday, January 9, 2017 until Wednesday, February 15, 2017.

a) Certificate of incorporation of the Company;

b) Memorandum & Articles of Association of the Company;

c) Certified True Copy of the Company's Increase in Authorised Share Capital;

d) Shareholders Resolution approving the Issue and also authorising the change of name of the Company, which was passed at the Annual General Meeting of July 1, 2016;

e) Resolution of the Board of Directors approving the Issue, which was passed at the meeting of July 1, 2016;

f) Audited Statement of Accounts of the Company for each of the five years ended December 31, 2015;

g) Rights Circular issued in connection with the Issue;

h) Schedule of Claims & Litigation referred to on page 58H of this Rights Circular;

i) Material Contracts referred to on page 57;

j) Letter from the Securities & Exchange Commission approving the Rights Issue;

k) Letter from the Nigerian Stock Exchange approving the Listing of the Rights Issue shares; and

l) The written consents referred to on page 56 of this Rights Circular.

12. PROVISIONAL ALLOTMENT LETTER

DN MEYER PLC
...nothing but a perfect finish
RC 2188

Plot 34, Mobolaji Johnson Avenue
Oregun Industrial Estate
Alausa Ikeja
Lagos

July 8, 2016

Dear Sir/Madam,

MEYER PLC ("THE COMPANY") RIGHTS ISSUE OF 291,489,840 ORDINARY SHARES OF 50 KOBO AT ₦0.75 KOBO PER SHARE ("THE ISSUE")

1 Provisional Allotment

The letter from the Chairman dated, July 4, 2016 in the Rights Circular contains particulars of the Rights Issue now being made. The Directors of your Company have provisionally allotted to you the new ordinary shares set out on the first page of the Acceptance/Renunciation Form, representing One (1) new Ordinary Share for every One (1) Ordinary Share of 50 kobo held as at the close of business on September 8, 2016 for those shareholders whose names appear on the Register of Members and Transfer Books of the Company.

You may accept all or part of the shares allotted to you or renounce your Rights to all or some of them. Shareholders who elect to accept the provisional allotment in full should complete box B of the Acceptance/Renunciation Form, while those who elect to renounce their Rights partially or in full should complete box C of the Form. You may also apply for additional shares over and above your provisional allotment as described in 2 (A)(i) below.

2 Acceptance and Payment

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Article of Association of the Company and to the Clearance of the Securities & Exchange Commission. If payment is not received by Wednesday, February 15, 2017, the provisional allotment will be deemed to have been declined and will be cancelled.

The Central Bank of Nigeria has placed a maximum limit on cheque payment at ₦10million with effect from January 1, 2010. Any payment value exceeding ₦10million should be made via the e-payment mode. Kindly consult your Bankers/Receiving Agents in this regard.

You may participate in the Issue through any of the following methods:

(A) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box "B" of the enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 63 of this document not later than Wednesday, February 15, 2017. The cheque or draft must be written in favour of the Receiving Agent and drawn on a bank in the same town or city where the Receiving Agent is located and crossed "**Meyer Plc Rights Issue**" with your name, address and day time telephone number (if any) written on the back of the cheque or bank draft. All cheques and drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and returned by post.

i. Completing item (2) of box B of the Acceptance/Renunciation Form:

Payment should be made in accordance with "A" above. Shareholders who apply for additional number of shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (see item 4 below).

(B) Partial Acceptance

To accept your provisional allotment partially, please complete item (i) of box "C" and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on page 63 of this document together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable in respect of the shares you have decided to accept.

If you wish to renounce your provisional allotment partially or in full, please complete item (3) of box "C", however, if you wish to trade some or all of your renounced Rights on the floor of the Exchange, please complete item (iii) of box "C" and submit your Acceptance/Renunciation Form to a stockbroker (Not a Bank) of your choice together with payment for any provisional allotment you are accepting partially. The Stockbroker will guide you on the procedure for trading your Rights.

3. Trading in Rights on the NSE

The approval of the Exchange has been obtained for trading in the Rights of the Company. The Rights will be tradable between Monday, January 9, 2017 and Wednesday, February 15, 2017 at the price which is obtainable on the floor of the Exchange. If you wish to renounce your Rights partially or in full, you may trade such Rights on the floor of the Exchange between these dates. Please complete item (iii) of box "C" of the Acceptance/Renunciation Form and contact your Stockbroker who will guide you regarding payment and the procedure for purchasing Meyer Plc Rights.

4. Allotment of Additional Shares

Rights which are not taken up by Wednesday, February 15, 2017, will be allotted will be allotted on a basis to be determined by the Directors of Meyer Plc and cleared by SEC, to existing shareholders who have applied and paid for additional shares by completing item (ii) of box "B". Ordinary shares not take up by shareholders after allotment will revert to the unissued authorised share capital of the Company.

5. Subscription Monies

Acceptance/Renunciation Forms must be accompanied by bank drafts or cheques for the full amount due on acceptance. The bank draft should be made payable to the bank or Receiving Agent at whose branch or office the Acceptance/Renunciation Form is lodged and should be crossed "**MEYER PLC RIGHTS Issue**".

6. Surplus Monies

If any subscription is not accepted or accepted for fewer shares than the number applied for, the full amount or the balance (as the case may be) of the amount paid on acceptance will be returned by registered post within 5 (five) working days of allotment.

7. Rounding Principle

The number of Rights Issue shares to which shareholders will be entitled to are stated in the table of entitlements set out in Annexure 1. The allocation of Rights Issue shares will be such that shareholders will not be allocated a fraction of Rights Issue shares and as such any shareholding giving rise to a fraction of less than 1 of a Rights Issue share will be rounded down to the nearest whole number.

8. E-Allotment/Share Certificates

At the completion of the Issue, the Ordinary Shares will be registered and transferable in units of 50k each. The CSCS Accounts of shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the names of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Certificates of shareholder that do not provide their CSCS Account details will be dispatched by registered post not later than 15 working days after the date of allotment.

Yours faithfully,

L. OMOLOLA IKUSAGUN (MRS)

M: GIO NOMINEES LIMITED

Company Secretary

13. RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by SEC, to whom brokerage will be paid at the rate of ₦0.75kobo per ₦100.00 worth of shares allotted in respect of applications bearing their official stamp.

The Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House cannot give rise to a liability on the part of the Issuing House under any circumstances.

BANKS	
ACCESS BANK PLC	SKYE BANK PLC
CITI BANK NIGERIA LIMITED	STANBIC IBTC BANK PLC
DIAMOND BANK PLC	STANDARD CHARTERED BANK NIGERIA LIMITED
ECOBANK NIGERIA LIMITED	STERLING BANK PLC
FIDELITY BANK PLC	UNION BANK OF NIGERIA PLC
FIRST BANK OF NIGERIA LIMITED	UNITED BANK FOR AFRICA PLC
FIRST CITY MONUMENT BANK PLC	UNITY BANK PLC
GUARANTY TRUST BANK PLC	WEMA BANK PLC
HERITAGE BANK LIMITED	ZENITH BANK PLC
KEYSTONE BANK LIMITED	

STOCKBROKERS AND OTHERS		
ADONAI STOCKBROKERS LTD	GLOBALVIEW CONSULT & INVESTMENTS LTD	RAINBOW SECURITIES & INVESTMENT LTD
AFRINVEST SECURITIES LTD	GOLDEN SECURITIES LTD	READINGS INVESTMENTS LTD
ALANGRANGE SECURITIES LTD	GREENWICH SECURITIES LTD	REGENCY ASSETS MANAGEMENT LTD
AMYN INVESTMENTS LTD	GRUENE CAPITAL LTD	RENCAP (SECURITIES) NIGERIA LTD
ANCHORIA INVESTMENT & SECURITIES LTD	GTI SECURITIES LTD	REWARD INVESTMENTS & SERVICES LTD
ATLAST PORTFOLIOS LTD	HARMONY SECURITIES LTD	ROSTRUM INVESTMENT & SECURITIES LTD
BELFRY INVESTMENTS & SECURITIES LTD	HEARTBEAT INVESTMENTS LTD	ROYAL GUARANTY AND TRUST LTD
CALYX SECURITIES LTD	HEDGE SECURITIES & INVESTMENTS COMPANY LTD	ROYAL TRUST SECURITIES LTD
CAMRY SECURITIES LTD	HERITAGE CAPITAL MARKET LTD	SANTRUST SECURITIES LTD
CAPITAL BANCORP PLC	ICAP AFRICAN BROKERS LTD	SECURITIES AFRICA FINANCIAL LTD
CAPITAL EXPRESS SECURITIES LTD	ICMG SECURITIES LTD	SECURITIES AND CAPITAL MGT. COMPANY LTD
CAPITAL TRUST BROKERS LTD	ICON STOCKBROKERS LTD	SECURITY SWAPS LTD
CARDINALSTONE SECURITIES LTD	IMPERIAL ASSET MANAGERS LTD	SFC SECURITIES LTD
CASHCRAFT SECURITIES LTD	INDEPENDENT SECURITIES LTD	SHELONG INVESTMENT LTD
CASHVILLE INVESTMENTS & SECURITIES LTD	INTEGRATED TRUST & INVESTMENTS LTD	SIGMA SECURITIES LTD
CDL CAPITAL MARKETS LTD	INTERSTATE SECURITIES LTD	SIGNET INVESTMENTS & SECURITIES LTD
CENTRE POINT INVESTMENTS LTD	INVESTMENT CENTRE LTD	SKYVIEW CAPITAL LTD
CENTURY SECURITIES LTD	INVESTMENT ONE STOCKBROKERS INT'L LTD	SMADAC SECURITIES LTD
CHAPEL HILL ADVISORY PARTNERS LTD	INVESTORS AND TRUST COMPANY LTD	B&B WEALTH MANAGEMENT LTD
CITI INVESTMENT CAPITAL LTD	KINLEY SECURITIES LTD	SOLID-ROCK SECURITIES & INVESTMENT PLC
CITY INVESTMENT MANAGEMENT LTD	KOFANA SECURITIES & INVESTMENT LTD	SPRING TRUST & SECURITIES LTD
CLEARVIEW INVESTMENT COMPANY LTD	KUNDILA FINANCE SERVICES LTD	CBO INVESTMENT MANAGEMENT LTD
COMPASS INVESTMENT COMPANY LTD	LAMBETH TRUST AND INVESTMENT CO. LTD	STANDARD ALLIANCE CAPITAL & ASSET MANAGEMENT LTD
CORE TRUST & INVESTMENT LTD	LEAD SECURITIES & INVESTMENT LTD	STANDARD UNION SECURITIES LTD
COWRY ASSET MANAGEMENT LTD	LEADWAY CAPITAL & TRUSTS LTD	SUPRA COMMERCIAL TRUST LTD
CSL STOCBROKERS LTD	MAGNARTIS FINANCE & INVESTMENT LTD	SURPORT SERVICES LIMITED
DE-CANON INVESTMENTS LTD	MAINSTREET BANK SECURITIES LTD	TAK ASSET MANAGEMENT LTD
DEEP TRUST INVESTMENTS LTD	MARIMPEX FINANCE & INVESTMENT CO LTD	TFS SECURITIES & INVESTMENT COMPANY LTD
DE-LORDS SECURITIES LTD	MAVEN ASSET MANAGEMENT LTD	THE BRIDGE SECURITIES LTD
DENHAM MANAGEMENT LTD	MBC SECURITIES LTD	CONVERGED DYNAMICS NIG. LTD.
DEPENDABLE SECURITIES LTD	MBL FINANCIAL SERVICES LTD	TOMIL TRUST LIMITED
DIAMOND SECURITES LTD	TIB ASSET MANAGEMENT LTD	TOPMOST SECURITIES LTD
EBN SECURITIES LTD	MEGA EQUITIES LTD	TOWER ASSETS MANAGEMENT LTD
EMERGING CAPITAL LTD	MERISTEM STOCKBROKERS LTD	TOWER SECURITIES & INVESTMENT COMPANY LTD
EMPIRE SECURITIES LTD	MERISTEM TRUSTEE LTD	TRADELINK SECURITIES LTD
ENTERPRISE STOCKBROKERS PLC	MIDAS STOCKBROKERS LTD	TRADERS TRUST AND INVESTMENT COMPANY LTD
EPIC INVESTMENT & TRUST LTD	MISSION SECURITIES LTD	TRANSAFRICA FINANCIAL SERVICES LTD
EUROCOMM SECURITIES LTD	MOLTEN TRUST LTD	TRANSWORLD INVESTMENT & SECURITIES LTD
EXPRESS PORTFOLIO SERVICES LTD	MORGAN CAPITAL SECURITIES LTD	TRUST YIELDS SECURITIES LTD
FALCON SECURITIES LIMITED	MOUNTAIN INVESTMENT AND SECURITIES LTD	TRUSTBANC CAPITAL MANAGEMENT LTD
FORTRESS ASSET & INVESTMENT MANAGEMENT LTD	MUTUAL ALLIANCE INVESTMENT & SECURITIES LTD	FLOURISH SECURITIES INVESTMENT & TRUST LTD
FBN SECURITIES LTD	NETWORK CAPITAL LTD	TRUSTHOUSE INVESTMENTS LTD
FCSL ASSET MANAGEMENT COMPANY LTD	NETWORTH SECURITIES & FINANCE LTD	TRW STOCKBROKERS LTD
FIDELITY FINANCE COMPANY LTD	NEWDEVCO INVESTMENT & SECURITIES CO. LTD	UNEX CAPITAL LTD
FIDELITY SECURITIES LTD	NIGERIAN INTERNATIONAL SECURITIES LTD	UNITED CAPITAL SECURITIES LTD
GREENWICH ASSETS MANAGEMENT LTD	NOVA FINANCE & SECURITIES LIMITED	VALMON SECURITIES LTD
FINANCIAL TRUST COMPANY NIG. LTD	VETIVA FUND MANAGEMENT LTD	VALUELINE SECURITIES & INVESTMENT LTD
FINMAL FINANCE SERVICES LTD	PARTHIAN PARTNERS LIMITED	ZENITH SECURITIES LTD
FIRST INLAND CAPITAL LTD	PARTNERSHIP SECURITIES LTD	
FIRST INTEGRATED CAPITAL MANAGEMENT LTD	PEACE CAPITAL MARKET LTD	
FIRST STOCKBROKERS LTD	PHRONESIS SECURITIES LTD	
FIS SECURITIES LTD	PINEFIELDS INVESTMENTS SERVICES LTD	
IMPERIAL PORTFOLIO LTD	PIPC SECURITIES LTD	
FORESIGHT SECURITIES & INVESTMENT LTD	PIVOT TRUST & INVESTMENT COMPANY LTD	
FORTHRIGHT SECURITIES & INVESTMENTS LTD	PORTFOLIO ADVISERS LTD	
LEAD ASSETS MANAGEMENT LTD	PRIMERA AFRICA SECURITIES LTD	
FORTRESS CAPITAL LTD	PRIMEWEALTH CAPITAL LTD	
FSDH SECURITIES LTD	PROFESSIONAL STOCKBROKERS LTD	
FUNDS MATRIX & ASSETS MANAGEMENT LTD	PROMINENT SECURITIES LTD	
FUTUREVIEW SECURITIES LTD	PSI SECURITIES LTD	
GIDAUNIYA INVESTMENT & SECURITIES LTD	PYRAMID SECURITIES LTD	
GLOBAL ASSET MANAGEMENT NIG. LTD	QUANTUM SECURITIES LTD	

14. ACCEPTANCE/RENUNCIATION FORM

Acceptance List Opens: January 9, 2017	Acceptance List Closes: February 15, 2017

DN MEYER PLC
...nothing but a perfect finish
RC: 2188

291,489,840

Ordinary Shares of 50 kobo each
at
₦0.75 Kobo per share
Payable in full on Acceptance

Issuing House

GREENWICH TRUST LIMITED
RC 189502

Instructions for completing the acceptance/renunciation form

1 Acceptance and/or renunciation must be made on the prescribed form. Photostat copies of the Acceptance/Renunciation Form will be rejected.
2 Allottees should complete only one of the boxes marked "B" and "C" on the reverse side of this form.
3 Shareholders accepting the provisional allotment in full should complete box "B" and submit their Acceptance/Renunciation Form to any of the Receiving Agents listed in this Rights Circular together with a Cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "MEYER PLC RIGHTS ISSUE" with the name, address and daytime telephone number (if any) of the shareholder written on the back. If payment is not received by the close of the Rights Issue, the provisional allotment will be deemed to have been declined and will be cancelled.
4 Shareholders accepting their provisional allotment partially should complete box "C" and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed in the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the amount payable for the partial acceptance.
5 Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced Rights and/or apply for additional shares by completing item (ii) of box "B".
6 All cheques or bank drafts will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reasons will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
7 Joint Allottees must sign the appropriate section of the Acceptance/Renunciation Form. Acceptance/Renunciation Forms of Corporate Allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorized officials who should also state their designation.

REGISTRAR'S USE ONLY

No. of shares Provisionally allotted	No. of shares accepted	Additional shares Applied for	Renounced Shares	Amount paid	
No. of additional Shares allotted	Total No. of Shares allotted	Total amount payable	Amount capitalized	Amount to be Returned	Draft Number

Stamp of Receiving Agent

ACCEPTANCE/RENUNCIATION FORM

Care should be taken to comply with the instructions set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your stockbroker, banker, solicitor, accountant or any other professional adviser for guidance.

DN MEYER PLC
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(A) TRADING IN RIGHTS

i. Shareholders who renounce their Rights partially or in full may trade their Rights on the floor of The Exchange. The renounced Rights will be traded actively on the floor of The Exchange.

ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced Rights and or apply for additional shares by completing item (ii) of box "B" below.

iii. Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of shares purchased. They will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box "B" will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.

iv.If you wish to purchase renounced Rights please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Meyer Plc Rights.

REG ACCOUNT NO:
NAME:
UNITS HELD:
RIGHTS DUE:
AMOUNT: ₦

PLEASE COMPLETE SECTION B OR C AS APPLICABLE

(B) FORM OF FULL ACCEPTANCE AND REQUEST FOR ADDITIONAL SHARES

i. I/We accept this allotment in full as shown above.

ii. 1/We also apply for the following additional shares.

This section should be completed if you wish to apply for additional shares

No of Additional Shares applied for:	Additional Amount payable at ₦0.75 Kobo per share:
	₦

iii. I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us in accordance with the Provisional Allotment Letter contained in the Rights Circular.

iv. I/We enclose my/our bank draft of ₦..being the amount payable as shown above, plus any additional amount payable as shown in item (ii) above.

(C) FORM OF RENUNCIATION OR PARTIAL ACCEPTANCE

No of Shares accepted (1)	Amount payable at ₦0.75 Kobo per share (2)	No of shares renounced (3)
	₦	

i. I/We accept the number of shares as shown in Column (1) above and enclose my/our bank draft for ₦..................... shown in column (2) above.
ii. I/We hereby renounce my/our right to Ordinary Shares shown in Column (3) above being the balance of the Ordinary Shares allotted to me/us.
iii. I/We confirm that I/We wish to trade my/our rights to ....Ordinary Shares (being my/our renounced shares as shown in Column (3) above on the floors of The Exchange. I /We shall obtain a Transfer Form from my/our Stockbroker, complete it in accordance with his instructions and return it to the Stockbroker with the form.

(For either B or C)

1st Signature.. **2nd Signature**...

(for Joint/Corporate Allotees only)

Date.. **Next of Kin**..

CSCS No (if you want shares allotted to your CSCS A/c)

Clearing House Number (CHN)

Name of Stockbroker

GSM(for SMS)

Stamp of Receiving Agent

Seal of Corporate Allottee

MEYER PLC

....nothing but a perfect finish

RC:2188

Hambak