



MEYER PLC

*(Formerly DN MEYER PLC)*

CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS

31 DECEMBER 2019



**DIRECTORS, ADVISORS AND REGISTERED OFFICE****Corporate information**

**Chairman of the Board** Mr Kayode Falowo

**Directors**

Mr Osa Osunde  
 Erelu Angela Adebayo  
 Mr Tony Uponi  
 Mr Olutoyin Okeowo  
 Mrs Ochee Vivienne Bamgboye  
 Mr. Devashish Nath (Appointed wef 1 February 2019)

**Registered office**

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

**Company Secretary**

Ifetola Fadeyibi (Resigned wef 12 February 2020)  
 Jane Ijebulem (Appointed wef 13 February 2020)  
 Plot 34, Mobolaji Johnson Avenue,  
 Oregun Industrial Estate,  
 Alausa - Ikeja,  
 Lagos

**Company Registrar**

Greenwich Registrars & Data Solutions Limited  
 274, Murtala Muhammed Way  
 Alagomeji, Yaba  
 Lagos

**Auditors**

BDO Professional Services  
 (Chartered Accountants)  
 ADOL House  
 15, CIPM Avenue  
 Central Business District  
 Alausa, Ikeja  
 Lagos.

**Major Bankers**

Access Bank Plc  
 First Bank of Nigeria Limited  
 Zenith Bank Plc  
 United Bank for Africa Plc  
 Stanbic IBTC Bank Limited  
 Guaranty Trust Bank Plc  
 First City Monument Bank Limited  
 Eco Bank Plc

## ACCOUNTS

The Directors are pleased to submit their report together with the Audited Financial Statements for the year ended 31 December 2019.

## LEGAL STATUS

The Company commenced operations in Nigeria in 1960 after it was incorporated as a private limited liability company and was converted to a public company in 1979. The Company was listed on the Nigerian Stock Exchange in 1979.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is manufacturing and sale of paint products, coating, adhesives and flooring products.

Subsidiary	Principal Activities	Date of Incorporation	Percentage Holding
DNM Construction Ltd.	Building and Construction	20 July, 2007	96%

The financial results of the subsidiary have been consolidated in these financial statements.

## DIVIDEND

The Directors have recommended no dividend for the year.

## SHARE CAPITAL AND SHAREHOLDING

- i. The Company did not purchase its own shares during the year.
- ii. The Authorised share capital of the Company is N650,000,000 divided into 1,300,000,000 ordinary shares of 50 kobo each.
- iii. The issued and paid up capital of the Company is N248,863,781.50 divided into 497,727,563 ordinary shares of 50 kobo each.

## SUBSTANTIAL INTEREST IN SHARES

List of shareholding of 5% and above (Section 95 of CAMA) for year 2019

S/N	NAMES	2019 SHAREHOLDING	%
1	Greenwich Trust Nominees Limited	153,129,750	30.77
2	Greenwich Asset Management	24,315,094	4.89
3	Bosworth Investments & Service Ltd.	129,046,000	25.93
4	Mr. Osunde Osa	27,000,250	5.42

No individual shareholder other than as stated above held more than 5% of the issued share capital of the Company as at 31 December 2019. (NB: The shareholders listed in nos. 1 & 2 are members of the Greenwich Trust Group of companies and cumulatively hold 35.6% of the issued shares of the Company.)

#### Interests of Directors in Shares of the Company

The interests of Directors in the issued shares of the company as stated in the Register of Members as at 31 December 2019 are as stated hereunder:

S/N	Name of Director	Direct	Indirect	Direct	Indirect
		shareholding	shareholding	shareholding	shareholding
		2019	2019	2018	2018
1	Kayode Falowo Akintunde	12,408,759	Nil	12,408,759	Nil
2	Mr. Osa Osunde	27,000,250	Nil	27,000,250	Nil
3	Erelu Angela Adebayo	Nil	Nil	Nil	Nil
4	Mr. Tony Uponi	Nil	Nil	Nil	Nil
5	Mr. Olutoyin Okeowo	2,080,482	Nil	1,686,850	Nil
6	Mrs. Vivienne Ochee-Bamgboye	384,998	Nil	384,998	Nil
7	Mr. Devashish Nath	Nil	Nil	Nil	Nil

#### RESEARCH AND DEVELOPMENT

In order to maintain and enhance skills and abilities, the Company's policy of continuously researching into new products and services was maintained.

#### EMPLOYMENT AND EMPLOYEES

##### i) Employment of disabled persons

It is the policy of the Company that there is no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2019 there was no disabled person in the employment of the Company.

##### ii) Health, safety at work and welfare of employees.

Health and safety regulations are in force within the premises of the Company. The Company provides transportation, housing, meal and medical subsidies to all employees.

##### iii) Employee involvement and training

The Company is committed to keeping employees fully informed regarding its performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees. Management, professional and technical expertise are the Company's major assets and investments to develop such skills continue.

The Company's expanding skills base has been extended by the provision of training which has broadened opportunities for career development within the organization. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate.

#### COMPLIANCE WITH REGULATORY REQUIREMENTS

The Directors confirm to the best of their knowledge that the Company has substantially complied with the provisions of the Securities and Exchange Commission, Code of Corporate Governance and other regulatory requirements. The Directors further confirm that the Company has adopted the International Financial Reporting Standards (IFRS) and has complied substantially with the provisions thereof.

#### EFFECTIVENESS OF INTERNAL CONTROL SYSTEM

As the Company operates in a dynamic environment, it continuously monitors its internal control system to ensure its continued effectiveness. In doing this, the Company employs both high level and preventive controls which will ensure maximum opportunity for prevention of misleading or inaccurate financial statements, properly safeguard its assets and ensure achievement of its corporate goals while complying with relevant laws and regulations.

#### POST BALANCE SHEET EVENTS

There were no post balance sheet events that would have had an effect on these financial statements.

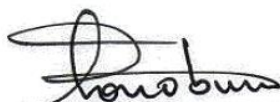
#### HUMAN CAPITAL MANAGEMENT

Employee relations were stable and cordial in the year under review.

#### AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act, 2004, the External Auditors, Messrs. BDO Professional Services (Chartered Accountants) have indicated their willingness to continue in office and a resolution will be proposed to authorise the Directors to determine their remuneration.

#### BY ORDER OF THE BOARD



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Jane Ijegbulem  
Company Secretary  
FRC/2020/004/00000020434  
Meyer Plc.  
Plot 34, Mobolaji Johnson Avenue,  
Oregon Industrial Estate,  
Alausa - Ikeja, Lagos  
[www.meyerpaints.com](http://www.meyerpaints.com)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004.
- b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria 2004.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



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**Kayode Falowo**  
Chairman  
FRC/2014/CISN/00000007051



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**Devashish Nath**  
Managing Director  
FRC/2019/003/00000020121


**MEYER PLC AND ITS SUBSIDIARY COMPANY**  
**CERTIFICATION PURSUANT TO SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT NO. 29 OF**  
**LAW OF THE FEDERAL REPUBLIC OF NIGERIAN 2007**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**


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We the undersigned hereby certify the following with regards to our Audited Financial Report for the year ended 31 December 2019 that:

- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain:
  - i. Any untrue statement of a material fact, or
  - ii. Omit to state a material fact, which would make a statement, misleading in light of the circumstance under which such statements were made;
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in the report.
- d) We:
  - i. are responsible for establishing and maintaining internal controls
  - ii. have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by other within those entities particularly during the periodic reports are being prepared;
  - iii. have evaluated the effectiveness of the company's internal controls as of that date within 90 days prior to the report;
  - iv. have present in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- e) We have disclosed to the auditors of the company and audit committee:
  - i. all significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  - ii. any fraud whether or not material, that involves management or other employees who have significant roles in the company's internal controls.
- f) We have identified in the report whether or not there were significant deficiencies and material weaknesses.

  
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**Devashish Nath**  
**Managing Director**  
**FRC/2019/003/00000020121**

  
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**Rotimi Alashe**  
**Chief Finance Officer**  
**FRC/2013/ICAN/00000002335**

**REPORT OF THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria, 2004, we, the Members of the Audit Committee of Meyer Plc, having carried out our statutory functions under the Act, hereby report that:

- a) the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;
- b) the scope and planning of both the external and internal audit programmes for the year ended 31st December, 2019 are satisfactory and reinforce the company's internal control system;
- c) having reviewed the external auditors' findings and recommendations on management matters, we are satisfied with management's response thereon.
- d) the Company maintained an effective system of accounting and internal control during the year under review.

Finally, we acknowledge the cooperation of management and external auditors in the conduct of these duties.

Signed,



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**Dr. Joseph O. Asaolu**  
Chairman, Audit Committee  
FRC/2017/ICAN/00000016003

**Dated: 12 March 2020**

**Members of Audit Committee:**

- |                                 |                                  |
|---------------------------------|----------------------------------|
| • Dr. Joseph O. Asaolu          | Independent Shareholder/Chairman |
| • Mr. Erinfolami Gafar          | Independent Shareholder/Member   |
| • Mr. Osa Osunde                | Non- Executive Director/Member   |
| • Mrs. Vivienne Ochee- Bamgboye | Non- Executive Director/Member   |

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF MEYER PLC AND ITS SUBSIDIARY COMPANY  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying financial statements of Meyer Plc and its subsidiary Company ('together the Group') for the financial year ended 31 December 2019, which comprises the consolidated and separate statement 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, and notes to the consolidated and separate financial statements which include the significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the Group's and Company's financial position as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2004.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters which, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, therefore, we do not provide a separate opinion on these matters.

**Revenue recognition**

**Risk**

Revenue on sales of paint is recognised when invoices are generated and not when goods are delivered to customers. There is a potential risk that revenue may not be properly accounted for in appropriate periods especially at year end.

**Response**

**Completeness of revenue**

- Reviewed the revenue ledgers and ascertained that invoices are serially numbered.
- Investigated reasons for missing invoices.
- Traced invoices recorded on the goods despatch register at the gate to invoices recorded in the ledger.
  
- Agreed treatment of sales tax
- Agreed posting to customers accounts
- Documented basis for sample size and selection

#### **Confirmed revenue cycle cut-off from goods despatched**

- Obtained details of 12 despatches of inventory prior to and subsequent to the year end / despatches with inventory value over N1million in the months either side of the period end.
- Verify that the revenue and receivables were raised in the appropriate accounting period.

#### **Considered adequacy of provision for credit notes**

- Agreed provision for credit notes to general ledger
- Discussed basis for preparation with management and considered reasonableness and consistency of method
- For a sample of credit notes issued after the year end, checked whether a provision is required by reference to supporting documentation. Considered whether the provision should be for the whole amount, or just for a part, for instance where goods or services are repriced.
- Ensured that relevant credit notes have been provided for

### **Valuation of inventory**

#### **Risk**

In accordance with International Accounting Standard Number 2 (IAS2), inventory should be valued at lower of cost and net realisable value. There is a risk that inventory may not be properly valued.

#### **Response**

##### **Inventory Valuation**

##### **Inquired and verified valuation method**

- Agreed quantity on the Company 's valuation sheet to physical inventory count
- Recomputed inventory valuation at year end and adjusted for the differences.
- Considered need to make a provision for slow-moving inventory and write off of obsolete items..
- Ensured that third party inventory are not included in valuation

##### **Price Test - Raw Materials and Finished Goods**

For a sample of raw materials and purchased finished goods included in inventory, checked costs by reference to:

- Relevant suppliers' invoices (allowing for method of costing inventory) and noted treatment of freight, etc, trade discounts and other price reductions in determining cost
- Overheads incurred in bringing inventory to present location and condition
- Ascertained that inter-company and inter-department profits were recorded properly
- Ensured that carrying amount of inventory is in line with the requirements of IAS 2.

##### **Attend physical inventory count**

- Attended physical inventory count at year-end.
- Observed count, noting attitude and behaviour of counters
- For a selection of items from the floor, compared with count sheets and reconciled differences
- For a selection of items from the count sheets, recounted and reconciled differences
- Verified counts observed by tracing and agreeing to the final inventory listing

##### **Net realisable value (NRV) Testing**

For a sample of items in inventory, verified that the final selling price is above cost after making provision for any additional costs to completion, and costs to sell.

- for sales price - checked selling prices to price lists, prior and current invoicing, etc, allowing for any normal trade and quantity discounts
- for costs to complete - reviewed computations of costs to complete for reasonableness
- for costs to sell - reviewed computations of selling costs
- Obtained an understanding of the reason for an item that has an NRV less than cost, and considered the need for a provision on any such items.

### **Responsibilities of the Directors for the consolidated and separate Financial Statements**

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN 2004 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's and Directors' statements, but does not include the consolidated and separate financial statements and our auditors' report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

### **Auditors' responsibilities for the Audit of the consolidated and separate Financial Statements**

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

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

- \* Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

\* Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

\* Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on other legal and regulatory requirements**

The Companies and Allied Matters Act, CAP C20, LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) in our opinion, proper books of account have been kept by the Company and its subsidiary.
- iii) the Company and subsidiary's statements of financial position, and statements of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria  
30 March 2020

  
Olugbemiga A. Akibayo  
FRC/2013/ICAN/0000001076  
For: BDO Professional Services  
Chartered Accountants



## AND ITS SUBSIDIARY COMPANY

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
Revenue	9	1,106,116	970,134	1,106,116	970,134
Cost of sales	10	(708,240)	(584,589)	(708,240)	(584,589)
<b>Gross profit</b>		<b>397,876</b>	<b>385,545</b>	<b>397,876</b>	<b>385,545</b>
Other operating income	11	23,906	364,162	23,906	364,162
Selling and distribution expenses	12	(226,277)	(188,629)	(226,277)	(188,629)
Administrative expenses	13	(304,986)	(340,964)	(304,881)	(340,854)
<b>(Loss)/profit from operating activities</b>		<b>(109,481)</b>	<b>220,114</b>	<b>(109,376)</b>	<b>220,224</b>
Finance income	14	120,348	-	120,348	-
Finance costs	14	(18,043)	(37,812)	(18,043)	(37,812)
Net finance income/(costs)		<b>102,305</b>	<b>(37,812)</b>	<b>102,305</b>	<b>(37,812)</b>
<b>(Loss)/profit before taxation</b>	15	<b>(7,176)</b>	<b>182,302</b>	<b>(7,071)</b>	<b>182,412</b>
Taxation	16(a)	(6,422)	136,885	(6,422)	136,885
<b>(Loss)/profit for the year</b>		<b>(13,598)</b>	<b>319,187</b>	<b>(13,493)</b>	<b>319,297</b>
<b>Other comprehensive income:</b>					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be reclassified to profit or loss		-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/profit for the year</b>		<b>(13,598)</b>	<b>319,187</b>	<b>(13,493)</b>	<b>319,297</b>
<b>(Loss)/profit for the year attributable to:</b>					
Owners of the parent		(13,594)	319,191	(13,493)	319,297
Non-controlling interest		(4)	(4)	-	-
<b>(Loss)/Profit for the year</b>		<b>(13,598)</b>	<b>319,187</b>	<b>(13,493)</b>	<b>319,297</b>
<b>Total comprehensive (loss)/profit attributable to:</b>					
Owners of the parent		(13,594)	319,191	(13,493)	319,297
Non-controlling interest		(4)	(4)	-	-
<b>Total comprehensive (loss)/profit for the year</b>		<b>(13,598)</b>	<b>319,187</b>	<b>(13,493)</b>	<b>319,297</b>
Basic (loss)/earnings per share (kobo)	29	(0.03)	0.64	(0.03)	0.64
Diluted (loss)/earnings per share (kobo)	29	(0.03)	0.64	(0.03)	0.64

The accompanying notes on pages 10 to 41 and other national disclosures on pages 42 to 44 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

MEYER PLC  
AND ITS SUBSIDIARY COMPANY  
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2019

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	Notes	GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Non-current assets</b>					
Property, plant and equipment	17	271,472	1,564,566	271,472	1,564,566
Intangible assets	19	-	-	-	-
Investment in subsidiary	20	-	-	9,600	9,600
<b>Total Non-Current Assets</b>		<b>271,472</b>	<b>1,564,566</b>	<b>281,072</b>	<b>1,574,166</b>
<b>Current assets</b>					
Inventory	21	107,599	131,044	107,599	131,044
Trade and other receivables	22	354,885	147,704	318,463	111,478
Cash and cash equivalents	23	1,479,914	22,628	1,479,730	22,444
Non current assets held for sale	18	1,942,398	301,376	1,905,792	264,966
		1,533,350	-	1,533,350	-
		3,475,748	301,376	3,439,142	264,966
<b>Current liabilities</b>					
Short term borrowings	24(i)	1,813	328,820	1,813	328,820
Trade and other payables	26	2,936,482	701,222	2,951,836	716,877
Taxation	16(b)	11,256	8,469	10,971	8,184
		2,949,551	1,038,511	2,964,620	1,053,881
<b>Net current assets/(liabilities)</b>		<b>526,197</b>	<b>(737,135)</b>	<b>474,522</b>	<b>(788,915)</b>
<b>Total assets less current liabilities</b>		<b>797,669</b>	<b>827,431</b>	<b>755,594</b>	<b>785,251</b>
<b>Non-current liabilities</b>					
Deferred tax liability	16(d)	120,628	120,628	120,628	120,628
Long term borrowings	24(iii)	-	16,164	-	16,164
Employment benefits	25	27,396	27,396	27,396	27,396
		148,024	164,188	148,024	164,188
<b>Net assets</b>		<b>649,645</b>	<b>663,243</b>	<b>607,570</b>	<b>621,063</b>
<b>Equity</b>					
Share capital	27	248,864	248,864	248,864	248,864
Share premium	28	53,173	53,173	53,173	53,173
Revenue reserve	29(i)	345,156	358,750	305,533	319,026
Non controlling interest	29(ii)	2,452	2,456	-	-
<b>Total equity</b>		<b>649,645</b>	<b>663,243</b>	<b>607,570</b>	<b>621,063</b>

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The financial statements and notes to the financial statements were approved by the Board of directors on 24 March 2020 and signed on its behalf by:



**Kayode Falowo**  
Chairman  
FRC/2014/CISN/00000007051



**Devashish Nath**  
Managing Director  
FRC/2019/003/00000020121



**Rotimi Alashe**  
Chief Finance Officer  
FRC/2013/ICAN/00000002335

The accompanying notes on pages 10 to 41 and other national disclosures on pages 42 to 44 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Cash flows from operating activities</b>					
(Loss)/profit after taxation		(13,598)	319,187	(13,493)	319,297
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	17	14,184	37,420	14,184	37,420
Finance income	14	(120,348)	-	(120,348)	-
Finance charges	14	18,043	37,812	18,043	37,812
Profit on disposal of property, plant and equipment	11	(2,689)	-	(2,689)	-
Income tax expense	16(a)	6,422	(136,885)	6,422	(136,885)
Loan waived	24(iii)	-	(297,408)	-	(297,408)
		<u>(97,986)</u>	<u>(39,874)</u>	<u>(97,881)</u>	<u>(182,294)</u>
Decrease/(increase) in inventory	21	23,445	(16,432)	23,445	-16,432
(Increase)/decrease in trade and other receivables	22	(207,182)	37,540	-206,986	37,540
Increase in trade and other payables	26	2,235,260	49,906	2,234,959	49,796
increase in employee benefits	25(a)	-	236	-	236
<b>Cash provided by operating activities</b>		<u>1,953,537</u>	<u>31,376</u>	<u>1,953,537</u>	<u>31,376</u>
Tax paid	16(b)	(3,635)	(3,040)	(3,635)	(3,040)
<b>Net cash inflow/(outflow) from operating activities</b>		<u>1,949,902</u>	<u>(28,336)</u>	<u>1,949,902</u>	<u>28,336</u>
<b>Cash flows from investing activities</b>					
Additions to property, plant and equipment	17	(254,439)	(1,831)	(254,439)	(1,831)
Finance income	14	120,348	-	120,348	-
Proceeds from disposal of property, plant and equipment		2,689	-	2,689	-
<b>Net cash outflow from investing activities</b>		<u>(131,402)</u>	<u>(1,831)</u>	<u>(131,402)</u>	<u>(1,831)</u>
<b>Cash flows from financing activities</b>					
Share issue expenses	28	-	(1,203)	-	-1,203
Long term loan repaid	24(iii)	(343,171)	(307,124)	(343,171)	(307,124)
Additional loan - short term	24(iii)	-	324,497	-	324,497
Finance charges	14	(18,043)	(37,812)	(18,043)	(37,812)
<b>Net cash outflow from financing activities</b>		<u>(361,214)</u>	<u>(21,642)</u>	<u>(361,214)</u>	<u>(21,642)</u>
<b>Net increase in cash and cash equivalents</b>		<u>1,457,287</u>	<u>4,864</u>	<u>1,457,286</u>	<u>4,863</u>
Cash and cash equivalents at the beginning of the year		22,628	17,765	22,444	17,581
Cash and cash equivalents at the end of the year		<u>1,479,914</u>	<u>22,628</u>	<u>1,479,730</u>	<u>22,444</u>
<b>Cash and cash equivalents comprise:</b>					
Cash at Bank and in hand	31	<u>1,479,914</u>	<u>22,628</u>	<u>1,479,730</u>	<u>22,444</u>

The accompanying notes on pages 10 to 41 and other national disclosures on pages 42 to 44 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

MEYER PLC AND ITS SUBSIDIARY COMPANY  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

8

	Share capital N'000	Share premium N'000	Revenue reserve N'000	Non controlling interest N'000	Total equity N'000
Balance at 1 January 2019	248,864	53,173	358,750	2,456	663,243
<b><i>Comprehensive Income for the year</i></b>					
Loss for the year	-	-	(13,594)	(4)	(13,598)
<i>Other comprehensive income</i>	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	(13,594)	(4)	(13,598)
<b>Contributions by and distributions to owners :</b>					
Issued share capital	-	-	-	-	-
Share premium	-	-	-	-	-
	-	-	-	-	-
Balance at 31 December 2019	248,864	53,173	345,156	2,452	649,645
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2018	248,864	54,376	39,559	2,460	345,259
<b><i>Comprehensive Income for the year</i></b>					
Profit for the year	-	-	319,191	(4)	319,187
<i>Other comprehensive income</i>	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	319,191	(4)	319,187
<b>Contributions by and distributions to owners:</b>					
Share issue expenses	-	(1,203)	-	-	(1,203)
Balance at 31 December 2018	248,864	53,173	358,750	2,456	663,243

The accompanying notes on pages 10 to 41 and other national disclosures on pages 42 to 44 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

MEYER PLC AND ITS SUBSIDIARY COMPANY  
 SEPERATE STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2019	248,864	53,173	319,026	621,063
Additions in the year				-
<b><i>Comprehensive Income for the year</i></b>				
Loss for the year	-	-	(13,493)	(13,493)
<i>Other comprehensive income</i>	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	(13,493)	(13,493)
<b>Contributions by and distributions to owners :</b>				
Issued share capital	-	-	-	-
Share premium	-	-	-	-
	-	-	-	-
Balance at 31 December 2019	248,864	53,173	305,533	607,570
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at 1 January 2018	248,864	54,376	(271)	302,969
<b><i>Comprehensive Income for the year</i></b>				
Profit for the year	-	-	319,297	319,297
<i>Other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	319,297	319,297
<b>Contributions by and distributions to owners:</b>				
Share issue expenses	-	(1,203)	-	(1,203)
	-	(1,203)	-	(1,203)
Balance at 31 December 2018	248,864	53,173	319,026	621,063

The accompanying notes on pages 10 to 41 and other national disclosures on pages 42 to 44 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

## 1 The Group

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

### The Company - Corporate information and principal activities

Meyer Plc (previously called DN Meyer Plc) is a manufacturing Company incorporated in Nigeria on the 20 May 1960. The name was changed by a special resolution and the authority of the Corporate Affairs Commission on 1st of July 2016. The Company manufactures and markets paints. The shares of the Company are held as to 30.77% by Greenwich Trust Nominees Ltd, 4.89% by Greenwich Asset Management, 25.93% by Bosworth, 5.42% by Osa Osunde and 33.01% 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.

The financial statements were authorised for issue by the Board of Directors on 24 March 2020.

### (b) Basis of measurement

The group financial statements have been prepared on the historical cost basis except for the certain financial instruments measured at fair value

### (c) Functional and presentation currency

The Group and Company's 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 judgement

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

## 3(a) New standards, interpretations and amendments effective from 1 January 2019

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

- IFRS 16 Leases (IFRS 16); and
- IFRIC 23 Uncertainty over Income Tax Treatments (IFRIC 23)

Details of the impact of these two standards are given in note 8 below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

### (b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material)
- IFRS 3 Business Combinations (Amendment - Definition of Business)
- Revised Conceptual Framework for Financial Reporting

**4) Critical accounting estimates and judgements**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience 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**

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

**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.

**5) 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.

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

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 shares 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.

**6) Summary of significant accounting policies**

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

**(a) Going concern**

The directors assess the Company and its subsidiary's future performance and financial position on a going concern basis and have no reason to believe that the Company and its subsidiary 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 conversion 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 converted 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, property, 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 recognises impairment no longer required as other income when the Group receives 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 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 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 't' 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
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##### **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 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 instruments**

**a) Financial assets**

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

i) **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income (FVOCI) consist of:

- Non-trading equity investments designated by management at initial recognition. Once designated, they cannot be reclassified into any other category
- Financial assets held with the objective of both collecting contractual cash flows and selling the financial assets and the assets cash flows are solely payment of principal and interest.

ii) **Financial assets at amortised cost**

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The group financial assets are trade receivables, other receivables and cash and cash equivalents.

iii) **Trade receivables** □

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 7(b).

iv) **Other receivables**

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payment within three years from the end of the reporting period.

v) **Cash and cash equivalents**

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

vi) **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

vii) **Impairment of financial instruments**

The Company has trade receivables for the sales of inventory that is subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivable are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

**b) Financial liabilities**

Financial liabilities are initially recognised at fair value when the Company becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Company financial liabilities include trade and other payables.

Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

i) **Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

ii) **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.

**iii) De-recognition of financial liabilities**

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

**(l) 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 at actual cost.

**Work in progress**

Cost of work in progress includes cost of raw materials, labour, production and attributable overheads based on normal operating capacity.

**Finished goods**

Cost is determined using standard costing 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 inventory.

**(m) 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.

**(n) 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.

**(o) 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.

**(p) 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.

**(q) 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.

**(r) 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.

**(s) 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 being audited except in the extremely rare circumstances where no reliable estimate can be made.

**(t) 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.

**(u) Effective Interest Method**

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

(w) **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.

**7 Determination of fair value**

(a) 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 neighbourhood. The figure thus arrived at represents the best price that the subsisting interest in the property will reasonably be expected to be sold if made available for sale by private treaty between a willing seller and buyer under competitive market conditions.

**ii Valuation of financial assets at fair value through other comprehensive income (FVOCI)**

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.

(b) **Financial risk management**

**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:

	2019	2018
	N'000	N'000
Trade receivables (Note 21)	48,182	46,260
Cash and cash equivalents (Note 30)	1,479,730	22,444
	1,527,912	68,704

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	456,731	1,882
Eco Bank Plc	881	4,807
Guaranty Trust Bank Plc	980	1,039
Stanbic IBTC Bank	302	6,132
First Bank of Nigeria Limited	29	2,857
Greenwich Asset Management Limited	1,020,137	-
	1,479,060	16,717

c) Impairment of trade receivables

The Company has trade receivables for the sales of inventory that is subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivable are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2019 or 1 January 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2019 and 31 December 2018 (on adoption of IFRS 9) was determined as follows for both trade receivables and contract assets:

31 December 2019	1 - 30 days	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	181 - 360 days past due	Above 360 days	Total
Expected loss rate - Corporate	0.0%	0%	0%	0%	0%	0%	
Expected loss rate - Others	0.0%	0%	0%	0%	0%	100%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount -trade receivables	10,500	17,451	4,109	10,062	6,060	26,820	75,002
Gross carrying amount - contract assets	-	-	-	-	-	-	-
<b>Loss allowance</b>	-	-	-	-	-	<b>26,820</b>	<b>26,820</b>
<b>31 December 2018</b>	<b>1 - 30 days</b>	<b>31 - 60 days past due</b>	<b>61 - 90 days past due</b>	<b>91 - 180 days past due</b>	<b>181 - 360 days past due</b>	<b>Above 360 days</b>	<b>Total</b>
Expected loss rate - Corporate	0.0%	0%	0%	0%	0%	0%	
Expected loss rate - Others	0.0%	0%	0%	0%	0%	100%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount -trade receivables	9,809	23,500	3,319	5,932	3,700	60,972	107,232
Gross carrying amount - contract assets	-	-	-	-	-	-	-
<b>Loss allowance</b>	-	-	-	-	-	<b>60,972</b>	<b>60,972</b>

**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 31 December 2019	Book value	Contractual cashflow	One year or less	1-5 years
	N'000	N'000	N'000	N'000
Borrowings	1,813	-	1,813	-
Trade and other payables	2,951,836	-	2,951,836	-
	<u>2,953,649</u>	<u>-</u>	<u>2,953,649</u>	<u>-</u>

As at 31 December 2018	Book value	Contractual cashflow	One year or less	1-5 years
	N'000	N'000	N'000	N'000
Borrowings	344,984	-	328,820	16,164
Trade and other payables	716,877	-	716,877	-
	<u>1,061,861</u>	<u>-</u>	<u>1,045,697</u>	<u>16,164</u>

**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 2019	Effective interest rate	one year or less	1-5 years	Total
Cash and cash equivalents	-	1,479,730	-	1,479,730
Borrowings	-	(1,813)	-	(1,813)
	-	<u>1,477,917</u>	<u>-</u>	<u>1,477,917</u>

**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.

(ii) **Capital management**

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

The debt-to-adjusted-capital ratio at 31 December 2019 and at 31 December 2018 were as follows:

	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
Trade and other payables	2,951,836	716,877
Borrowings	1,813	344,984
Less: cash and cash equivalents	<u>(1,479,730)</u>	<u>(22,444)</u>
Net debt	<u>1,473,919</u>	<u>1,039,417</u>
Total equity	<u>607,570</u>	<u>621,063</u>
Debt to adjusted capital ratio (%)	<u>243%</u>	<u>167%</u>

**8 Effect of changes in accounting policies**

**IFRS 16**

The Company adopted IFRS 16 with a transition date of 1 January 2019. The Company has chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have significant leasing activities which may have an impact on the financial statements.

As at 1 January 2019, the directors of the Company reviewed and assessed the Company's leases for possible impact of the adoption of IFRS 16 without undue cost of effort in accordance with requirement of IFRS 16. No material adjustments were identified.

**IFRIC 23**

The Company adopted IFRIC 23 with a transition date of 1 January 2019. The Company has chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements.

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation requires:

- The Company to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- The Company to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

As at 1 January 2019, the directors of the Company reviewed and assessed the Company's uncertainty over income tax treatment for possible impact of the adoption of IFRIC 23 without undue cost of effort in accordance with requirement of IFRIC 23. No material adjustments were identified.

9 Revenue from contracts with customers

The Company has disaggregated revenue into various categories as analysed below:

31 December 2019	GROUP			COMPANY		
	Paint	Application of paint	Total	Paint	Application of paint	Total
Customer category	N'000	N'000	N'000	N'000	N'000	N'000
Private	331,747	58,090	389,837	331,747	58,090	389,837
Wholesale	696,390	-	696,390	696,390	-	696,390
Retail	19,889	-	19,889	19,889	-	19,889
<b>Sum Total</b>	<b>1,048,026</b>	<b>58,090</b>	<b>1,106,116</b>	<b>1,048,026</b>	<b>58,090</b>	<b>1,106,116</b>
Product category	N'000	N'000	N'000	N'000	N'000	N'000
Decorative	783,438	58,090	841,528	783,438	58,090	841,528
Auto & Wood	58,099	-	58,099	58,099	-	58,099
Industrial and Marine	206,489	-	206,489	206,489	-	206,489
<b>Sum Total</b>	<b>1,048,026</b>	<b>58,090</b>	<b>1,106,116</b>	<b>1,048,026</b>	<b>58,090</b>	<b>1,106,116</b>
Region-Wise	N'000	N'000	N'000	N'000	N'000	N'000
East	240,037	-	240,037	240,037	-	240,037
West	314,491	58,090	372,581	314,491	58,090	372,581
North	493,498	-	493,498	493,498	-	493,498
<b>Sum Total</b>	<b>1,048,026</b>	<b>58,090</b>	<b>1,106,116</b>	<b>1,048,026</b>	<b>58,090</b>	<b>1,106,116</b>

31 December 2018	GROUP			COMPANY		
	Paint	Application of paint	Total	Paint	Application of paint	Total
Customer category	N'000	N'000	N'000	N'000	N'000	N'000
Private	325,904	52,051	377,955	325,904	52,051	377,955
Wholesale	566,824	-	566,824	566,824	-	566,824
Retail	25,355	-	25,355	25,355	-	25,355
<b>Sum Total</b>	<b>918,083</b>	<b>52,051</b>	<b>970,134</b>	<b>918,083</b>	<b>52,051</b>	<b>970,134</b>
Product category	N'000	N'000	N'000	N'000	N'000	N'000
Decorative	678,491	52,051	730,542	678,491	52,051	730,542
Auto & Wood	56,539	-	56,539	56,539	-	56,539
Industrial and Marine	183,053	-	183,053	183,053	-	183,053
<b>Sum Total</b>	<b>918,083</b>	<b>52,051</b>	<b>970,134</b>	<b>918,083</b>	<b>52,051</b>	<b>970,134</b>
Region-Wise	N'000	N'000	N'000	N'000	N'000	N'000
East	191,862	-	191,862	191,862	-	191,862
West	449,589	52,051	501,640	449,589	52,051	501,640
North	276,632	-	276,632	276,632	-	276,632
<b>Sum Total</b>	<b>918,083</b>	<b>52,051</b>	<b>970,134</b>	<b>918,083</b>	<b>52,051</b>	<b>970,134</b>

10 Cost of sales	GROUP		COMPANY	
	N'000	N'000	N'000	N'000
Paints	671,165	549,674	671,165	549,674
Application of paints	37,075	34,915	37,075	34,915
	<b>708,240</b>	<b>584,589</b>	<b>708,240</b>	<b>584,589</b>

**Segment Reporting**

**Products and services from which reportable segments derive their revenues**

The determination of the Group's operating segments is based on the organisation units for which information is reported to the management. The Group has two areas of revenue generation: Paints and Services (Application). Revenue is primarily generated from the sale of Paints and Services rendered through application of paints.

Certain headquarters 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 and application of paints and investment property. The entity's reportable segments under IFRS 8 are therefore as follows:

**Paints** This segment is involved in the production of diverse paints products of premium class in their different categories.

**Painting services** This segment is involved in application of paints on completed buildings in accordance with the architectural design.

	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Segment Revenue and results</b>				
Paints	1,048,026	918,083	1,048,026	918,083
Painting services	58,090	52,051	58,090	52,051
	<u>1,106,116</u>	<u>970,134</u>	<u>1,106,116</u>	<u>970,134</u>
<b>Segment results</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Investment income	120,348	-	120,348	-
Other gains and losses	23,906	364,162	23,906	364,162
Finance costs	(18,043)	(30,866)	(18,043)	(37,812)
(Loss)/profit before tax	<u>(7,176)</u>	<u>182,302</u>	<u>(7,071)</u>	<u>182,412</u>

**Segment Accounting Policies**

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 6. Segment results 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.

	N'000	N'000	N'000	N'000
<b>11 Other operating income</b>				
Profit on disposal of property, plant and equipment	2,689	-	2,689	-
Rental income	7,869	8,386	7,869	8,386
Loan waived	-	297,408	-	297,408
Sale of scraps	1,408	1,605	1,408	1,605
Bad debt recovered	-	2,042	-	2,042
Sundry income	11,200	43,320	11,200	43,320
Canteen takings	603	41	603	41
Insurance Claimed	137	-	137	-
VAT written back	-	11,360	-	11,360
	<u>23,906</u>	<u>364,162</u>	<u>23,906</u>	<u>364,162</u>

**MEYER PLC AND ITS SUBSIDIARY COMPANY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**  
**NOTES TO THE FINANCIAL STATEMENTS**

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12 Selling and distribution expenses	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Carriage inward	27,320	24,438	27,320	24,438
Sales promotion/commission	2,738	-	2,738	-
Basic salary	125,165	80,960	125,165	80,960
Overtime	158	577	158	577
Fringe costs	46,733	55,406	46,733	55,406
Christmas bonus	6,156	6,376	6,156	6,376
NSITF	2,251	1,504	2,251	1,504
Pension scheme	7,579	11,842	7,579	11,842
Casual labour	8,177	7,526	8,177	7,526
	<u>226,277</u>	<u>188,629</u>	<u>226,277</u>	<u>188,629</u>
<b>13 Administrative expenses</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Canteen expenses	16,910	16,727	16,910	16,727
Medical expenses	3,300	6,980	3,300	6,980
Maintenance - mechanical	2,691	3,111	2,691	3,111
Security guards expenses	9,809	9,112	9,809	9,112
Computer charges	1,412	6,901	1,412	6,901
Building rents and rates	10,926	5,678	10,926	5,678
Repairs and maintenance general	1,234	2,491	1,234	2,491
Depreciation -land and building	3,915	23,256	3,915	23,256
Depreciation - vehicles	7,155	11,638	7,155	11,638
Depreciation - office equipment	1,583	1,088	1,583	1,088
Depreciation - furniture and fittings	138	280	138	280
Advert and publicity expenses	3,134	3,205	3,134	3,205
Fuel and lubricants	3,193	4,772	3,193	4,772
Vehicle running expenses	7,759	7,517	7,759	7,517
Travelling	10,370	18,824	10,370	18,824
Directors fees and board expenses	16,798	24,612	16,798	24,612
Insurance expenses	9,882	4,343	9,882	4,343
Legal and professional fees	14,000	23,249	13,995	23,239
Printing and photocopy	1,846	2,346	1,846	2,346
Telephone	1,480	1,888	1,480	1,888
AGM expenses	2,228	2,889	2,228	2,889
Courier/postage	8	574	8	574
Audit fees	4,600	4,100	4,500	4,000
Bank charges - local	2,446	1,912	2,446	1,912
Performance cost	48,115	46,853	48,115	46,853
Staff training	7,985	879	7,985	879
Provision for doubtful debts	-	5,377	-	5,377
Clearing licence renewal	4,202	2,651	4,202	2,651
Industrial training fund	2,023	1,020	2,023	1,020
General stores and consumables	4,272	4,403	4,272	4,403
Entertainment	5,355	6,873	5,355	6,873
Provision for gratuity payable	-	422	-	422
Management fees expenses	57,449	56,502	57,449	56,502
	<u>266,218</u>	<u>312,473</u>	<u>266,113</u>	<u>312,363</u>

	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Lost on sale of scrapped Goods	266,218	312,473	266,113	312,363
Provision for doubtful receivables	3,630	-	3,630	-
Other expenses	-	939	-	939
	35,138	27,552	35,138	27,552
	<u>304,986</u>	<u>340,964</u>	<u>304,881</u>	<u>340,854</u>
<b>14 <u>Finance income and costs</u></b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
(i) Finance income:				
Interest received on bank deposit	120,348	-	120,348	-
(ii) Finance costs:	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Interest on bank overdraft and loans	16,766	34,746	16,766	34,746
Finance expense on lease	1,277	3,066	1,277	3,066
	<u>18,043</u>	<u>37,812</u>	<u>18,043</u>	<u>37,812</u>
<b>15 (Loss)/profit for the year is arrived at after charging:</b>				
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Depreciation of property, plant and equipment	14,184	37,420	14,184	37,420
Profit on disposal of property, plant and equipment	2,689	-	2,689	-
Auditors remuneration	4,600	4,100	4,500	4,000
Interest on loans and overdraft	16,766	34,746	16,766	34,746
<b>16 Tax expense</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
a) <b><u>Per profit and loss account</u></b>				
Income tax payable on results for the year:				
Minimum tax	6,251	3,636	6,251	3,636
Education tax	171	-	171	-
Deferred tax written back	-	(140,521)	-	(140,521)
	<u>6,422</u>	<u>(136,885)</u>	<u>6,422</u>	<u>(136,885)</u>

b) Per statement of financial position

	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Balance at 1 January</b>				
Income tax	5,018	4,422	4,733	4,137
Education tax	3,451	3,451	3,451	3,451
	<u>8,469</u>	<u>7,873</u>	<u>8,184</u>	<u>7,588</u>
<b>Payments during the year:</b>				
Income tax	-	-	-	-
Education tax	-	-	-	-
Withholding tax utilised	(3,635)	(3,040)	(3,635)	(3,040)
<b>Provision for the year:</b>				
Income tax	-	-	-	-
Minimum tax	6,251	3,636	6,251	3,636
Education tax	171	-	171	-
<b>Balance at 31 December</b>	<u>11,256</u>	<u>8,469</u>	<u>10,971</u>	<u>8,184</u>

c) *Income tax recognised in profit or loss*

The charge for taxation in these financial statements is computed on the basis of minimum tax in accordance with the provisions of the Finance Act, 2019.

The charge for education tax is based on the provision of the Education Tax Act which is 2% of the assessable profit for the year

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

	N'000	N'000	N'000	N'000
<b>(Loss)/profit before tax</b>	<u>(7,176)</u>	<u>182,302</u>	<u>(7,071)</u>	<u>182,412</u>
Tax at the statutory corporation tax rate of 30%	(2,121)	54,724	(2,121)	54,724
Effect of income that is exempt from taxation	(807)	(92,686)	(807)	(92,686)
Effect of expenses that are not deductible in determining taxable profit	5,494	15,169	5,494	15,169
Loss relieved	(3,373)	22,793	(3,373)	22,793
Minimum tax	6,252	3,636	6,252	3,636
Education tax at 2% of assessable profit	171	-	171	-
Balancing charge	806	-	806	-
Current year deferred tax	-	(140,521)	-	(140,521)
<b>Tax expense recognised in profit or loss</b>	<u>6,422</u>	<u>(136,885)</u>	<u>6,422</u>	<u>(136,885)</u>
<b>Effective rate</b>	<u>-0.89</u>	<u>-0.75</u>	<u>-0.91</u>	<u>-0.75</u>

d) Deferred taxation

	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Deferred tax liabilities	515,687	515,687	515,687	515,687
Deferred tax assets	(395,059)	(395,059)	(395,059)	(395,059)
	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>
<b>Deferred tax</b>				
Movement in deferred tax				
At 1 January	120,628	261,149	120,628	261,149
Write back during the year	-	(140,521)	-	(140,521)
At 31 December	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>

The tax rate used for 2019 and 2018 reconciliation above is the corporate tax rate of 30% and 2% (for tertiary education tax) payable by corporate entities in Nigeria on taxable profits under tax laws in the Country, for the year ended 31 December 2019. The charge for taxation in these financial statements is based on the provisions of the Finance Act, 2019.

The charge for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004 which is 2% of the assessable profit for the year.

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17 Property, plant and equipment - Group

Cost:	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture & fittings N'000	Motor vehicles N'000	Capital Work In Progress N'000	Total N'000
At 1 January 2018	1,764,897	207,456	33,167	13,948	173,382	-	2,192,850
Additions	-	-	1,706	125	-	-	1,831
At 31 December 2018	1,764,897	207,456	34,873	14,073	173,382	-	2,194,681
At 1 January 2019	1,764,897	207,456	34,873	14,073	173,382	-	2,194,681
Additions	-	3,132	6,693	65	-	244,549	254,439
Disposals	-	-	-	-	(21,877)	-	(21,877)
Transfers (Note 18)	(1,762,368)	-	-	-	-	-	(1,762,368)
At 31 December 2019	2,529	210,588	41,566	14,138	151,505	244,549	664,875
<b>Accumulated depreciation and impairment:</b>							
At 1 January 2018	202,920	203,093	31,453	13,652	141,577	-	592,695
Charge for the year	23,239	1,173	1,088	282	11,638	-	37,420
At 31 December 2018	226,159	204,266	32,541	13,934	153,215	-	630,115
At 1 January 2019	226,159	204,266	32,541	13,934	153,215	-	630,115
Charge for the year	3,915	1,220	1,813	81	7,155	-	14,184
Transfer (Note 18)	(229,019)	-	-	-	-	-	(229,019)
Eliminated on disposals	-	-	-	-	(21,877)	-	(21,877)
At 31 December 2019	1,055	205,486	34,354	14,015	138,493	-	393,403
<b>Carrying amounts as at</b>							
31 December 2019	1,474	5,102	7,212	123	13,012	244,549	271,472
31 December 2018	1,538,738	3,190	2,332	139	20,167	-	1,564,566

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b) Property, plant and equipment - Company

Cost	Leasehold Property N'000	Plant & machinery N'000	Office equipment N'000	Furniture and fittings N'000	Motor Vehicles N'000	Capital Work- in Progress N'000	Total N'000
At 1 January 2018	1,764,897	198,957	33,167	13,948	173,382	-	2,184,351
Additions	-	-	1,706	125	-	-	1,831
At 31 December 2018	1,764,897	198,957	34,873	14,073	173,382	-	2,186,182
At 1 January 2019	1,764,897	198,957	34,873	14,073	173,382	-	2,186,182
Additions	-	3,132	6,693	65	-	244,549	254,439
Disposal	-	-	-	-	(21,877)	-	(21,877)
Transfer (Note 18)	(1,762,368)	-	-	-	-	-	(1,762,368)
At 31 December 2019	2,529	202,089	41,566	14,138	151,505	244,549	656,376
<b>Accumulated depreciation and impairment</b>							
At 1 January 2018	202,920	194,595	31,453	13,652	141,576	-	584,196
Charge for the year	23,239	1,173	1,088	282	11,638	-	37,420
At 31 December 2018	226,159	195,768	32,541	13,934	153,214	-	621,616
At 1 January 2019	226,159	195,768	32,541	13,934	153,214	-	621,616
Charge for the year	3,915	1,220	1,813	81	7,155	-	14,184
Disposal	-	-	-	-	(21,877)	-	(21,877)
Transfer (Note 18)	(229,019)	-	-	-	-	-	(229,019)
At 31 December 2019	1,055	196,988	34,354	14,015	138,492	-	384,904
Carrying amount as at							
31 December 2019	1,474	5,101	7,212	123	13,013	244,549	271,472
31 December 2018	1,538,738	3,189	2,332	139	20,168	-	1,564,566

c) Assets pledged as security

None of the Company's assets is pledged as collateral for loans (2018: Nil)

d) Finance lease

The Company held some motor vehicles under a finance lease arrangement. As at 31 December 2019, the net carrying amount of the motor vehicles is N10,206,250 (2018: N15,531,250)

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## e) Contractual commitments

At 31 December 2019, the Company had no contractual commitments for the acquisition of property, plant and equipment (2018: Nil).

18 Non-current asset held for sale	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Cost	1,762,368	-	1,762,368	-
Accumulated depreciation	229,018	-	229,018	-
Carrying amount	<u>1,533,350</u>	<u>-</u>	<u>1,533,350</u>	<u>-</u>

During the year, the Company initiated the process of selling its head office building as part of its restructuring plans. The transaction has not be concluded as at year end but the following conditions have been met, hence the classification as non-current asset held for sale in accordance with IFRS 5.

- i) management is committed to a plan to sell
- ii) the asset is available for immediate sale
- iii) active programme to locate a buyer has been initiated and a buyer has been identified
- iv) the asset has been actively marketed at fair value
- v) the sale is highly probable, within 12 months
- vi) it is unlikely that the plan to sell will be significantly changed or withdrawn

As at year end the buyer has paid N2.5 billion out of the agreed consideration of N3.5 billion. This amount has been included in other payables as deposit for asset

19 Intangible asset	Tetra 2000 N'000	Web Site N'000	Payroll N'000	Sage N'000	Total N'000
(i) Cost					
At 1 January 2019	398	478	315	2,966	4,157
Additions	-	-	-	-	-
At 31 December, 2019	<u>398</u>	<u>478</u>	<u>315</u>	<u>2,966</u>	<u>4,157</u>
Amortisation					
At 1 January 2019	398	478	315	2,966	4,157
Charge for the year	-	-	-	-	-
At 31 December, 2019	<u>398</u>	<u>478</u>	<u>315</u>	<u>2,966</u>	<u>4,157</u>
Carrying amount					
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Significant intangible assets

The Company currently uses sage accounting package line 1000 in collating and preparing accounting information for decision making. The carrying amount of the sage accounting package is Nil (31 December, 2018:Nil)

20	Investment in subsidiary	GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
	Carrying amount at cost	-	-	9,600	9,600

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

Name of the company	Principal activity	Place of incorporation	<u>Proportion of ownership interest and voting power held by the Company</u>	
			2019	2018
DNM Construction Limited	Construction and rehabilitation of buildings	Nigeria	96%	96%

The Company's owns 96% of the DNM Construction Limited

The remaining 4% shares attributable to non controlling interest is as detailed below:

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

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

21	Inventory	GROUP		COMPANY	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
	Raw Materials	19,286	31,967	19,286	31,967
	Work-in-progress	17,731	19,491	17,731	19,491
	Finished goods	61,587	79,586	61,587	79,586
	Consumables	8,995	-	8,995	-
		<u>107,599</u>	<u>131,044</u>	<u>107,599</u>	<u>131,044</u>

The carrying amount of the inventory is the lower of cost and net realisable values as at the reporting dates.

22 Trade and other receivables	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Trade receivables	111,228	143,458	75,002	107,232
Allowance for doubtful debts (i)	(26,820)	(60,972)	(26,820)	(60,972)
Trade receivables - net	84,408	82,486	48,182	46,260
Amount due from related parties (Note 32)	3,414	3,414	3,414	3,414
Insurance claim	2,120	939	2,120	939
WHT claimable	74,443	43,402	74,443	43,402
Prepayments (iv)	5,906	14,331	5,906	14,331
Sundry debtors	711	2,440	515	2,440
Deferred costs	184,822	1,631	184,822	1,631
	355,824	148,643	319,402	112,417
Provision for doubtful balances (ii)	(939)	(939)	(939)	(939)
<b>Total trade and other receivables</b>	<b>354,885</b>	<b>147,704</b>	<b>318,463</b>	<b>111,478</b>

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

(i) *Movement in allowance for doubtful debts is as analysed below:*

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	60,972	57,637	60,972	57,637
Addition during the year	-	5,377	-	5,377
Provision written off	(34,152)	(2,042)	(34,152)	(2,042)
Balance at the end of the year	26,820	60,972	26,820	60,972

(ii) *Movement in provision for doubtful balances*

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	939	12,538	939	12,538
Provision during the year	-	939	-	939
Write off during the year	-	(12,538)	-	(12,538)
Balance at the end of the year	939	939	939	939

Trade receivables represents receivables from customers for goods sold and other trading services rendered to them. Trade receivables are stated at amortised cost as at the statement of financial position date. The movement in the impairment allowance for trade receivables has been included in administrative expenses line in the consolidated statement of profit or loss and other comprehensive income.

(iii) *The age analysis of trade receivables is as follows:*

	N'000	N'000
Past due < 90days	35,690	36,628
Past due 90-180 days	10,062	5,932
Past due 180-360 days	2,430	3,700
Past due 360 days and above	26,820	60,972
	75,002	107,232

(iv) **Prepayments**

	N'000	N'000	N'000	N'000
Prepaid rent	3,249	1,377	3,249	1,377
Prepaid expenses	2,657	12,954	2,657	12,954
<b>Total prepayments</b>	<b>5,906</b>	<b>14,331</b>	<b>5,906</b>	<b>14,331</b>

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23	Cash and cash equivalents	GROUP		COMPANY	
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
	Cash and bank balances	3,345	20,267	3,161	20,083
	Short term investments	1,476,569	2,361	1,476,569	2,361
		<u>1,479,914</u>	<u>22,628</u>	<u>1,479,730</u>	<u>22,444</u>

For the purposes of the statement of cashflows, cash and cash equivalents include cash on hand and in banks and short term investments with an original maturity of three months or less, net of outstanding bank overdraft. 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 above.

(i) **Short term investments**

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

24 **Borrowings**

(i)	Short term borrowings	N'000	N'000	N'000	N'000
	GTL Registrars	1,813	1,922	1,813	1,922
	Long term loan due within one year	-	47	-	47
	Finance lease obligations	-	7,618	-	7,618
	Commercial Papers	-	319,233	-	319,233
		<u>1,813</u>	<u>328,820</u>	<u>1,813</u>	<u>328,820</u>

(i) **Finance lease obligations**

(a)	The movement in the finance lease obligations is as follows:	N'000	N'000	N'000	N'000
	Balance at the beginning of year	7,618	18,269	7,618	18,269
	Repayments	(7,618)	(10,651)	(7,618)	(10,651)
	Balance at the end of the year	<u>-</u>	<u>7,618</u>	<u>-</u>	<u>7,618</u>

(b) Finance lease liabilities are secured by the related motor vehicles as disclosed in Note 17(d). Future minimum finance lease payments at the end of each reporting period under review were as follows:

Minimum lease payment	Total	Within 1	Within 1 to
	N'000	year	2 years
		N'000	N'000
<b>31 December 2019</b>			
Lease payment	-	-	-
<b>31 December 2018</b>			
Lease payment	<u>7,618</u>		<u>7,618</u>

(iii)	Long term borrowings	N'000	N'000	N'000	N'000
	FBN (CBN/BOI intervention fund)	-	16,164	-	16,164
	<b>Total long term borrowings</b>	<u>-</u>	<u>16,164</u>	<u>-</u>	<u>16,164</u>

The movement in loan is as follows:

Balance at the beginning of the year	344,984	625,019	344,984	625,019
Additions during the year	-	286,685	-	286,685
Interest capitalized	-	37,812	-	37,812
Loan waived	-	(297,408)	-	(297,408)
Repayments	(343,171)	(307,124)	(343,171)	(307,124)
	<u>1,813</u>	<u>344,984</u>	<u>1,813</u>	<u>344,984</u>
Amount due within one year	(1,813)	(328,820)	(1,813)	(328,820)
Amount due after one year	<u>-</u>	<u>16,164</u>	<u>-</u>	<u>16,164</u>

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This current position relates to amount that will fall due in the next 12 months to GTL Registrars.

Loans from GTL Registrars, a related party, were transferred to suppliers directly on behalf of Meyer Plc. The rate of interest is 17% and spread over 90 days.

	GROUP		COMPANY	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
25(a) <b>Employment benefits</b>				
Balance as at 1 January	27,396	27,160	27,396	27,160
Additions	-	422	-	422
Payment for the year	-	(186)	-	(186)
Balance 31 December	27,396	27,396	27,396	27,396
26 <b>Trade and other payables</b>	N'000	N'000	N'000	N'000
Trade payables	100,572	96,345	94,737	90,510
Amount due to related parties (Note 32)	27,816	173,649	50,085	195,918
<b>Total financial liabilities, excluding loans and</b>	128,388	269,994	144,822	286,428
Other payables and accruals (Note 26(a))	2,808,094	431,228	2,807,014	430,449
<b>Total trade and other payables</b>	2,936,482	701,222	2,951,836	716,877
(a) <b>Other payables and accruals</b>	N'000	N'000	N'000	N'000
Retention fees	-	112	-	112
Value added tax	83,089	100,468	83,089	100,468
Withholding tax payable	45,570	30,666	45,528	30,624
Pay As You Earn (PAYE)	2,682	3,455	2,682	3,455
Accruals	35,093	81,604	34,993	80,967
Industrial Training Fund	8,447	6,424	8,447	6,424
National Housing Fund	65	65	65	65
Rent receivable	3,415	11,284	3,415	11,284
Sundry creditors	89,659	31,596	88,721	31,496
Deposit for Assets held For Sale	2,500,000	-	2,500,000	-
Customer deposits	37,884	48,503	37,884	48,503
Pension scheme (Note 26(i))	2,190	48,764	2,190	48,764
<b>Other credit balances</b>	-	68,287	-	68,287
	2,808,094	431,228	2,807,014	430,449

(i) In accordance with Pension Reform Act, 2014 the employees of the Company are members of a pension scheme which is managed by pension fund administrators of their choice. 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.

27 <b>Share Capital</b>	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
<b>Authorised Share capital</b>				
1,300,000,000 Ordinary share of 50k each	650,000	650,000	650,000	650,000
<b>Issued and fully paid:</b>				
497,728,000 ordinary shares of 50k each	248,864	248,864	248,864	248,864

	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>28 Share Premium</b>				
Balance at the beginning of the year	53,173	54,376	53,173	54,376
Share issue expenses	-	(1,203)	-	(1,203)
Balance as at the year end	53,173	53,173	53,173	53,173
<b>29(i) Revenue reserve</b>	N'000	N'000	N'000	N'000
Balance at the beginning of the year	358,750	39,559	319,026	(271)
Transfer from statement of profit or loss	(13,594)	319,191	(13,493)	319,297
Balance at the end of the year	345,156	358,750	305,533	319,026
<b>(ii) Non controlling interest</b>	N'000	N'000	N'000	N'000
Balance as at 1 January	2,456	2,460	-	-
Transfer from profit or loss	(4)	(4)	-	-
	2,452	2,456	-	-

**30 Basic (loss)/earnings per ordinary share**

Basic earnings/ (loss) per ordinary share of ₦0.50k each is calculated on the Group's earnings/(loss) after taxation based on the number of shares in issue at the end of the year.

	N'000	N'000	N'000	N'000
(Loss)/profit for the year attributable to	(13,594)	319,191	(13,493)	319,297
Basic (loss)/earnings per share of ₦0.50k each	(0.03)	0.64	(0.03)	0.64
Diluted (loss)/earnings per share (kobo)	-0.03	0.64	(0.03)	0.64

**31 Reconciliation of statement of cash flows**

For the purpose of the statement of cash flows, cash comprises cash at bank and in hand, net of overdraft facilities. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	N'000	N'000	N'000	N'000
Cash and bank balances	1,479,914	22,628	1,479,730	22,444

**32 Related Parties Disclosures****(a) Transactions with related parties**

The Company enters into various transactions with its related Companies and with other key management personnel in the normal course of business. The sales to and purchases from related parties are made at normal market price. Details of the significant transactions carried out during the year with the related parties are as follows:

Due to related parties:	N'000	N'000	N'000	N'000
Due to DNM Construction Limited	-	-	22,269	22,269
Due to Greenwich Trust Limited	27,816	173,649	27,816	173,649
	27,816	173,649	50,085	195,918
Due From related parties:	N'000	N'000	N'000	N'000
Cedar Express Limited	3,299	3,299	3,299	3,299
GTL Properties Limited	115	115	115	115
	3,414	3,414	3,414	3,414

(i) **Identity of related parties**

The related parties to the Company include:

DNM Construction Limited - A 96% owned subsidiary of the Company involved in the business and trade of builders, architects and contractors for construction of any kind and for demolition of any structure.

Greenwich Trust Limited- A major shareholder of the Company having 35.65% holdings of the issued share capital as at 31 Decemeber 2019 provides management support services to the Company.

Greenwich Asset Management Limited - A non-banking financial institution where the Company placed over N1 billion as at year end (2018: Nil).

Cedar Express Limited- A member of the Greenwich group provides logistics solutions and also shares office spaces with the Company.

Hoakland Ventures Nigeria Limited:Included in Trade Payable is a sum of N25.3million (2018 : N21.9million) due to Hoakland Ventures Nigeria Limited a major supplier of raw materials to the Company in which one of the directors of Meyer Plc has an interest.

(b) **Transactions with key management personnel**

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

There is no any key management personnel compensation in the category of post employment benefits, other long term benefits,terminal benefits, and share-based payment for the periods under review.

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

(i) **Remuneration of key management personnel**

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

**Directors**

	GROUP		COMPANY	
	2019	2018	2019	2018
The aggregate emoluments of the Directors were:	N'000	N'000	N'000	N'000
Fees	5,120	5,120	5,120	5,120
Other emoluments including pension contributions	23,400	23,400	23,400	23,400
	28,520	28,520	28,520	28,520
(ii) Chairman	2,745	2,745	2,745	2,745

Directors earned fees in the following ranges  
 N10,000,000 - Above

NUMBER		NUMBER	
1	1	1	1

(iii) **Employees**

	GROUP		COMPANY	
Management	8	7	8	7
Sales and Marketing	23	25	23	25
Production	15	24	15	24
Administration	45	41	45	41
	91	97	91	97

The aggregate payroll costs of these persons were as follows:

	GROUP		COMPANY	
	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	188,640	152,349	188,640	152,349
Pension and social benefits	7,579	11,842	7,579	11,842
Staff training	7,985	879	7,985	879
	<u>204,204</u>	<u>165,070</u>	<u>204,204</u>	<u>165,070</u>

The table below shows the number of employees of the Company (other than Directors) who earned over N100,000 during the year and which fell within the bands stated below:

	NUMBER		NUMBER	
	2019	2018	2019	2018
N500,001 - N2,000,000	85	91	85	91
N2,000,001 - N3,000,000	5	4	5	4
N3,000,001 - Above	1	2	1	2
	<u>91</u>	<u>97</u>	<u>91</u>	<u>97</u>

33 **Contingent liabilities**

There are several ongoing legal actions against the Company arising out of its normal business operations amounting to N206.6 million (2018: N206.6 million). The Directors believe that, based on currently available information and advice of counsels, none of the outcomes that may result from such proceedings will have material adverse effect on the financial position of the Company. Consequently, we have not adjusted for this amount in these financial statements.

34 **Guarantees and other financial commitments charges on assets**

There were no guarantees and other financial commitments at year end. (2018 commitments with First Bank of Nigeria Limited in respect of Joint ownership of vehicles financed by First Bank of Nigeria Limited).

35 **Capital expenditure**

Capital expenditure authorised by the Directors but not contracted was nil (2018: nil)

36 **Comparative figures**

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

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	The Group				The Company			
	2018 N'000	%	2018 N'000	%	2019 N'000	%	2018 N'000	%
Revenue	1,106,116		970,134		1,106,116		970,134	
Investment income	120,348		-		120,348		-	
Other income	23,906		364,162		23,906		364,162	
	<u>1,250,370</u>		<u>1,334,296</u>		<u>1,250,370</u>		<u>1,334,296</u>	
Bought-in-materials and services:								
- Local	(1,021,115)		(911,692)		(1,021,010)		(911,582)	
<b>Value added</b>	<u><b>229,255</b></u>	<u><b>100</b></u>	<u><b>422,604</b></u>	<u><b>100</b></u>	<u><b>229,360</b></u>	<u><b>100</b></u>	<u><b>422,714</b></u>	<u><b>100</b></u>
<b>Value added as percentage of turnover</b>	<u><b>21%</b></u>		<u><b>44%</b></u>		<u><b>21%</b></u>		<u><b>44%</b></u>	
<b>Applied as follows:</b>								
<b>To pay employees:</b>								
Salaries, wages and other benefits	204,204	89	165,070	39	204,204	89	165,070	39
<b>To pay Government:</b>								
Taxation	6,422	3	(136,885)	(32)	6,422	3	(136,885)	(32)
<b>To pay providers of capital:</b>								
Finance charges	18,043	8	37,812	9	18,043	8	37,812	9
<b>To provide for maintenance of fixed assets:</b>								
- Depreciation	14,184	6	37,420	9	14,184	6	37,420	9
- Non controlling interest	(4)	-	(4)	-	-	-	-	-
- Profit or loss account	(13,594)	(6)	319,191	76	(13,493)	(6)	319,297	76
	<u><b>229,255</b></u>	<u><b>100</b></u>	<u><b>422,604</b></u>	<u><b>100</b></u>	<u><b>229,360</b></u>	<u><b>100</b></u>	<u><b>422,714</b></u>	<u><b>100</b></u>

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance and shareholders, and that retained for future creation of more wealth.

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**GROUP**

	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
<b>Statement of financial position</b>					
Non current assets	271,472	1,564,566	1,600,155	1,605,859	1,908,153
Net current assets/(liabilities)	526,197	(737,135)	(940,851)	(423,665)	(154,532)
Non current liabilities	(148,024)	(164,188)	(314,045)	(716,101)	(1,068,332)
<b>Net assets</b>	<b>649,645</b>	<b>663,243</b>	<b>345,259</b>	<b>466,093</b>	<b>685,289</b>
<b>Capital and reserves</b>					
Share capital	248,864	248,864	248,864	145,745	145,745
Share premium	53,173	53,173	54,376	10,485	10,485
Retained earnings	345,156	358,750	39,559	307,399	526,403
Total equity attributable to owners of the Company	<b>647,193</b>	<b>660,787</b>	<b>342,799</b>	<b>463,629</b>	<b>682,633</b>
Non-controlling interest	2,452	2,456	2,460	2,464	2,656
	<b>649,645</b>	<b>663,243</b>	<b>345,259</b>	<b>466,093</b>	<b>685,289</b>
<b>Statement of profit or loss and other comprehensive income</b>					
Turnover	1,106,116	970,134	1,097,061	1,091,000	1,187,236
(Loss)/profit before taxation	(7,176)	182,302	(264,809)	(215,832)	60,459
Taxation	(6,422)	136,885	(3,035)	(3,364)	(7,599)
(Loss)/profit after taxation	<b>(13,598)</b>	<b>319,187</b>	<b>(267,844)</b>	<b>(219,196)</b>	<b>52,860</b>
<b>Per share data (kobo):</b>					
(Loss)/earnings- Basic/diluted	<b>(0.03)</b>	<b>0.64</b>	<b>(0.54)</b>	<b>(0.75)</b>	<b>0.18</b>

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**COMPANY**

Statement of financial position	2019	2018	2017	2016	2015
Net assets	N'000	N'000	N'000	N'000	N'000
Non-current assets	281,072	1,574,166	1,609,755	1,615,459	1,908,153
Net current assets / (liabilities)	474,522	(788,915)	(992,741)	(475,660)	(154,532)
Non-current liabilities	(148,024)	(164,188)	(314,045)	(716,101)	(1,068,332)
<b>Total assets</b>	<b>607,570</b>	<b>621,063</b>	<b>302,969</b>	<b>423,698</b>	<b>685,289</b>
<b>Capital and reserves</b>					
Share capital	248,864	248,864	248,864	145,745	145,745
Share premium	53,173	53,173	54,376	10,485	10,485
Revenue Reserve	305,533	319,026	-271	267,468	529,059
<b>Shareholders' funds</b>	<b>607,570</b>	<b>621,063</b>	<b>302,969</b>	<b>423,698</b>	<b>685,289</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Revenue	1,106,116	970,134	1,097,061	1,091,000	1,187,236
(Loss)/profit before taxation	(7,071)	182,412	(264,704)	(211,038)	80,544
Taxation	(6,422)	136,885	(3,035)	(3,364)	(7,314)
(Loss)/profit after taxation	(13,493)	319,297	(267,739)	(214,402)	73,230
<b>Per share data (kobo):</b>					
(Loss)/earnings - Basic/diluted	<b>(0.03)</b>	<b>0.64</b>	<b>(0.54)</b>	<b>(0.75)</b>	<b>0.18</b>