MEYER PLC

(Formerly DN MEYER PLC)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

DIRECTORS, ADVISORS AND REGISTERED OFFICE

Chairman of the Board	Mr Kayode Falowo
Directors	Mr Osa Osunde Erelu Angela Adebayo Tony Ukponi Mr. Oluwatoyin Okeowo Mrs Ochee Vivienne Bamgboye Mr. Rotimi Alashe
Registered office	No 32 Billings way, Oregun Industrial Estate, Ikeja, Lagos
Company Secretary	Marriot Solicitors 15E, Muri Okunola Street Off Ajose Adeogun Street Victoria Island, 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 Limited First City Monument Bank Limited Eco Bank Plc Providus Bank Limited Greenwich Merchant Bank Limited

ACCOUNTS

The Directors are pleased to submit their report together with the Audited Financial Statements for the year ended 31 December 2022.

LEGAL STATUS

The Company commenced operations in Nigeria in 1960 after it was incorporated as a private limited liability company. It 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 Limited	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 N248,864,781 (2021:N650,000,000) divided into N497,728,563 (2021: 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 with 5% and above for year 2022

S/N	NAMES	2022 SHAREHOLDING	%
1	Greenwich Capital Limited	156,419,326	31.43
2	Bosworth Investments & Service Limited	153,961,094	30.93
3	Mr. Osa Osunde	27,000,250	5.42
4	Mr. Kayode Falowo	25,170,582	5.06

No individual shareholder other than as stated above held more than 5% of the issued share capital of the Company as at 31 December 2022.

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 2022 for the purposes of section 301 of the Companies and Allied Matters Act, 2020 are as follows :

S/N	Name of Director	Direct shareholding 2022	Indirect shareholding 2022	Direct shareholding 2021	Indirect shareholding 2021
1	Kayode Falowo	25,170,582	Nil	25,170,582	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	3,298,804	Nil	3,298,804	Nil
5	Mr. Oluwatoyin Okeowo	2,080,482	Nil	2,080,482	Nil
6	Mrs. Vivienne Ochee-Bamgboye	384,998	Nil	384,998	Nil
7	Mr. Rotimi Alashe	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 Physically Challenged persons

It is the policy of the Company that there is no discrimination in considering applications for employment including those from Physically Challenged persons. All employees whether or not Physically Challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2022 there was no Physically Challenged 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 organisation. 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 401(2) of the Companies and Allied Matters Act, 2020, 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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KALU O.KALU
(Marriot Solicitors)
Company Secretary
FRC/2020/002/00000021788

The Companies and Allied Matters Act 2020 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 2020.

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 2020.

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.

Kayode Falowo
Chairman
FRC/2014/CISN/00000007051

Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638

CERTIFICATION PURSUANT TO SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT NO. 29 OF LAWS OF THE FEDERAL REPUBLIC OF NIGERIA 2007

FOR THE YEAR ENDED 31 DECEMBER 2022

We the undersigned hereby certify the following with regards to our Audited Financial Report for the year ended 31 December 2022 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 which 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 presented 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 deficiencies 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.

Kayode Falowo
Chairman
FRC/2014/CISN/00000007051

Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638

In accordance with the provisions of Section 404 of the Companies and Allied Matters Act 2020, 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 31 December, 2022 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,

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

Dated: 22 March 2023

Members of Audit Committee:

• Dr. Joseph O. Asaolu	Independent Shareholder/Chairman
• Mr. Gafar Erinfolami	Independent Shareholder/Member
• Mr. Shamusideen Abioye	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 2022, 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 2022 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, 2020.

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.
- Verified 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, costs were checked in 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, 2020 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 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 our audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

* Identified and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, designed and performed 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 controls.

* Obtained 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.

* Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Concluded 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.

* Evaluated 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 communicated 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 identified during our audit.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act,2020 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.

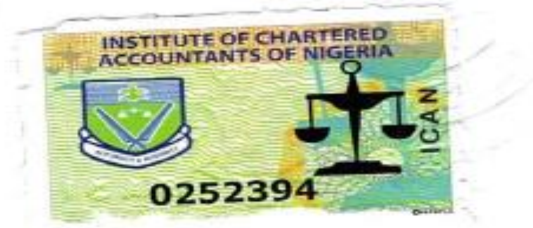
ii) in our opinion, proper books of account have been kept by the Company and its subsidiary.

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 2023

Akibayo

Olugbemiga A. Akibayo
FRC/2013/ICAN/00000001076
For: BDO Professional Services
Chartered Accountants



CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		GROUP		COMPANY	
		2022	**2021**	**2022**	**2021**
	Notes	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	9	1,435,032	1,118,098	1,435,032	1,118,098
Cost of sales	10	(1,016,189)	(725,733)	(1,016,189)	(725,733)
Gross profit		418,843	392,365	418,843	392,365
Other operating income	11	51,983	74,781	51,983	74,781
Selling and distribution expenses	12	(227,051)	(177,769)	(227,051)	(177,769)
Administrative expenses	13	(341,778)	(311,515)	(341,774)	(311,510)
Loss from operating activities		(98,003)	(22,138)	(97,999)	(22,133)
Finance income	14	82,754	83,407	82,754	83,407
Finance costs	14	(1,990)	(1,003)	(1,990)	(1,003)
Net finance income		80,764	82,404	80,764	82,404
(Loss)/profit before taxation	15	(17,239)	60,266	(17,235)	60,271
Taxation credit/(expense)	16(a)	410,852	(26,598)	410,852	(26,598)
Profit for the year		393,613	33,668	393,617	33,673
Other comprehensive income:					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive profit for the year		393,613	33,668	393,617	33,673
Profit for the year attributable to:					
Owners of the parent		393,613	33,668	393,617	33,673
Non-controlling interest		4	(4)	-	-
Profit for the year		393,617	33,664	393,617	33,673
Total comprehensive profit attributable to:					
Owners of the parent		393,613	33,668	393,617	33,673
Non-controlling interest		4	(4)	-	-
Total comprehensive profit for the year		393,617	33,664	393,617	33,673
Basic earnings per share (kobo)	29	79	7	79	7
Diluted earnings per share (kobo)	29	79	7	79	7

The accompanying notes on pages 10 to 40 and other national disclosures on pages 41 to 43 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

		GROUP		COMPANY	
	Notes	2022	2021	2022	2021
Non-current assets		N'000	N'000	N'000	N'000
Property, plant and equipment	17	278,819	276,677	278,817	276,675
Right of use assets	17(c)	44,094	61,135	44,094	61,135
Deferred tax assets	16(d)	-	5,956	-	5,956
Total Non-Current Assets		322,913	343,768	322,911	343,766
Current assets					
Inventory	19	134,392	89,854	134,392	89,854
Trade and other receivables	20	155,055	194,267	124,329	157,641
Cash and cash equivalents	21	1,326,225	1,395,436	1,326,042	1,395,252
		1,615,672	1,679,557	1,584,763	1,642,747
Total Assets		1,938,585	2,023,325	1,907,674	1,986,513
Current liabilities					
Borrowings	22(ii)	9,137	6,614	9,137	6,614
Trade and other payables	24	428,645	476,424	449,397	491,568
Taxation	16(b)	10,245	458,768	10,245	458,484
		448,027	941,806	468,779	956,666
Net current assets		1,167,645	737,751	1,115,984	686,081
Total assets less current liabilities		1,490,558	1,081,519	1,438,894	1,029,847
Non-current liabilities					
Borrowings	22(ii)	10,951	-	10,951	-
Dismantlement and restoration	25	11,649	9,600	11,649	9,600
Employment benefits	23	14,989	17,089	14,989	17,089
Deferred tax liabilities	16(d)	4,530	-	4,530	-
		42,119	26,689	42,119	26,689
Net assets		1,448,439	1,054,830	1,396,775	1,003,158
Equity					
Share capital	26	248,864	248,864	248,864	248,864
Share premium	27	53,173	53,173	53,173	53,173
Revenue reserve	28(i)	1,143,962	750,349	1,094,738	701,121
Non controlling interest	28(ii)	2,440	2,444	-	-
Total equity		1,448,439	1,054,830	1,396,775	1,003,158

The financial statements and notes to the financial statements were approved by the Board of directors on 22 March 2023 and signed on its behalf by:

Kayode Falowo
Chairman
FRC/2014/CISN/00000007051

Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638

Muibi Musa Adekunle
Ag. Chief Finance Officer
FRC/2014/ICAN/00000006447

The accompanying notes on pages 10 to 40 and other national disclosures on pages 41 to 43 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

	Notes	GROUP 2022 N'000	GROUP 2021 N'000	COMPANY 2022 N'000	COMPANY 2021 N'000
Cash flows from operating activities					
Profit after taxation		393,613	33,668	393,617	33,673
Adjustment for:					
Depreciation of property, plant and equipment	17	10,849	15,731	10,849	15,732
Depreciation of Right of use assets	17 (c)	38,611	39,028	38,611	39,028
Provision for dismantlement and restoration	25	2,049	-	2,049	-
Finance income	14	(82,754)	(83,407)	(82,754)	(83,407)
Finance charges	14	1,990	1,003	1,990	1,003
Profit on disposal of property, plant and equipment	11(a)	(24,980)	(1,628)	(24,980)	(1,628)
Income tax (credit)/expense	16(a)	(410,852)	26,598	(410,852)	26,598
		(71,474)	30,993	(71,470)	30,999
(Increase)/decrease in inventory	19	(44,538)	5,296	(44,538)	5,296
Decrease/(increase) in trade and other receivables	20	39,212	(18,562)	33,313	(18,358)
Decrease in trade and other payables	24	(48,067)	(108,336)	(42,171)	(108,546)
Decrease in employee benefits	23(a)	(2,100)	-	(2,100)	-
Cash absorbed in operating activities		(126,967)	(90,609)	(126,966)	(90,609)
Tax paid	16(b)	(26,901)	(219,621)	(26,901)	(219,621)
Net cash outflow from operating activities		(153,868)	(310,230)	(153,867)	(310,230)
Cash flows from investing activities					
Additions to property, plant and equipment	17(a)	(14,036)	(13,409)	(14,036)	(13,408)
Additions to Right of use assets	17(c)	(21,570)	(3,000)	(21,570)	(3,000)
Finance income	14	82,754	83,407	82,754	83,407
Proceeds from disposal of property, plant and equipment		26,025	12,003	26,025	12,003
Net cash inflow from investing activities		73,173	79,001	73,173	79,002
Cash flows from financing activities					
Long term loan repaid	22(ii)	(4,801)	(14,514)	(4,801)	(14,514)
Borrowing	22(ii)	18,275	-	18,275	-
Dividend paid		-	(746,591)	-	(746,591)
Finance charges	14	(1,990)	(1,003)	(1,990)	(1,003)
Net cash inflow/(outflow)from financing activities		11,484	(762,108)	11,484	(762,108)
Net decrease in cash and cash equivalents		(69,211)	(993,337)	(69,210)	(993,336)
Cash and cash equivalents at the beginning of the year		1,395,436	2,388,772	1,395,252	2,388,588
Cash and cash equivalents at the end of the year		1,326,225	1,395,436	1,326,042	1,395,252
Cash and cash equivalents comprise:					
Cash at Bank and in hand	21	1,326,225	1,395,436	1,326,042	1,395,252

The accompanying notes on pages 10 to 40 and other national disclosures on pages 41 to 43 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

Group:	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 2022	248,864	53,173	750,349	2,444	1,054,830
Comprehensive income for the year					
Profit for the year	-	-	393,613	(4)	393,609
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	393,613	(4)	393,609
Contributions by and distributions to owners :					
Issued share capital	-	-	-	-	-
Share premium	-	-	-	-	-
	-	-	-	-	-
Balance at 31 December 2022	248,864	53,173	1,143,962	2,440	1,448,439
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2021	248,864	53,173	1,463,272	2,448	1,767,757
Comprehensive Income for the year					
Profit/(loss) for the year	-	-	33,668	(4)	33,664
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for the year	-	-	33,668	(4)	33,664
Contributions by and distributions to owners:					
Share issue expenses	-	-	-	-	-
Share premium	-	-	-	-	-
Dividend Paid	-	-	(746,591)	-	-
	-	-	(746,591)	-	(746,591)
Balance at 31 December 2021	248,864	53,173	750,349	2,444	1,054,830

The accompanying notes on pages 10 to 40 and other national disclosures on pages 41 to 43 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

Company:	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2022	248,864	53,173	701,121	1,003,158
Comprehensive income for the year				
Profit for the year	-	-	393,617	393,617
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	393,617	393,617
Contributions by and distributions to owners :				
Issued share capital	-	-	-	-
Share premium	-	-	-	-
Dividend paid	-	-	-	-
	-	-	-	-
Balance at 31 December 2022	248,864	53,173	1,094,738	1,396,775
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January 2021	248,864	53,173	1,414,039	1,716,076
Comprehensive Income for the year				
Profit for the year	-	-	33,673	33,673
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	33,673	33,673
Contributions by and distributions to owners:				
Share issue expenses	-	-	-	-
Share premium	-	-	-	-
Dividend paid	-	-	(746,591)	(746,591)
	-	-	(746,591)	(746,591)
Balance at 31 December 2021	248,864	53,173	701,121	1,003,158

The accompanying notes on pages 10 to 40 and other national disclosures on pages 41 to 43 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 follows: 31.43% by Greenwich Capital Limited, 30.93% by Bosworth Investments & Services Limited, 5.42% by Osa Osunde, 5.06% by Kayode Falowo and 27.160% by Nigerian citizens.

Its registered office is at No 32, Billlings way, 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, 2020.

The financial statements were authorised for issue by the Board of Directors on 22 March 2023.

(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 **New standards, interpretations and amendments**

(a) **New standards, interpretations and amendments adopted from 1 January 2022**

New standards effective for adoption in the annual financial statements for the year ended 31 December 2022 but had no significant effect or impact on the Company are:

Standard/Interpretation		**Date Issued by IASB**	**Effective date periods beginning on**
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	14 May 2022	1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018–2020	14 May 2020	1 January 2022
IAS 16	Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	14 May 2020	1 January 2022
IFRS 3	Reference to the Conceptual Framework	14 May 2020	1 January 2022

(b) **New standards, amendments and interpretations issued but not yet effective**

The following are the new standards and interpretations that have been issued, but are not mandatory for the financial year ended 31 December 2022. They have not been adopted in preparing the financial statements for the year ended 31 December 2022.

In terms of International Financial Reporting Standards, the company is required to include in its financial statements disclosure about the future impact of standards and interpretations issued but not yet effective at reporting date.

At the date of authorisation of the financial statements of the Company for the year ended 31 December 2022, the following standards and interpretations were in issue but not yet effective:

Standard/Interpretation		Date issued by IASB	Effective date periods beginning on or after
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS	12 February 2021	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)	12 February 2021	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12)	7 May 2021	1 January 2023
IFRS 16	Lease liability in a Sale and Leaseback (Amendments to IFRS 16)	22 September 2022	1 January 2024
IAS 1	Non-current liabilities with covenants	31 October 2022	1 January 2024
IAS 1	Classification of liabilities as current or non-current	31 October 2022	1 January 2024

*All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the Entity).

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 subsidiary 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 financial asset at fair value through other comprehensive income (FVOCI) 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 and rendering of services**

The Company recognizes revenue from contracts with customers based on the five-step process described in IFRS 15. Revenue is recognized when the entity satisfies a performance obligation by transferring a promised goods or service to a customer. The goods or services are transferred when the customer acquires control over the asset, which may happen either over time or at a particular point in time. Under the five-step process an entity must complete the following steps before revenue can be recognised: Identify contracts with customers, identify performance obligations, determine the transaction price, allocate the transaction price to each of the separate performance obligations, and finally recognize the revenue as each performance obligation is satisfied.

(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 and 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 'p' 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.

Furniture and Fixtures	4 years
Motor Vehicles	4 years
Plant and Machinery	8 years
Office Equipment	4 years

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

Derecognition

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

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

(i) **Intangible Assets**

Computer software

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

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

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

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

Computer software	5 years

Derecognition of intangible assets

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

(j) **Impairment of non-financial assets**

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

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

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

k) **Leases**

The standard covers the recognition of leases and related disclosure information in the financial statements.

The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In the financial statement of lessees, IFRS 16 requires recognition in the balance sheet for each contract that meets its definition of a lease as right-of-use (RoU) asset and a lease liability, while lease payments are reflected as interest expense and a reduction of lease liabilities. The RoU assets are depreciated over the shorter of each contract’s term and the assets useful life.

Upon implementation of IFRS 16, the following main implementation and application policy choices were made by the group:

- Short term leases (12 months or less) and leases of low value assets are not reflected in the statement of profit or loss and other comprehensive income but are expensed or (if appropriate) capitalised as incurred, depending on the activity in which the leased asset is used
- Non-lease components within lease contracts will be accounted for separately for all underlying classes of assets and reflected in the relevant expense category or (if appropriate) capitalised as incurred, depending on the activity involved.

At the commencement of the lease period, the following shall be recognised:

- A lease liability equal to the net present value of the non-variable lease payments over the lease term, including any lease incentives and residual value guarantees expected to be paid under the contract.
- A RoU asset equal to the lease liability, with the addition of any lease pre-payments, initial direct costs and costs of dismantling or restoration.

(l) **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 uncondition 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(c).

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 2021 or 1 January 2021 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.

(m) **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.

(n) **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.

(o) **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.

(p) **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.

(q) **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.

(r) **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.

(s) **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.

(t) **Contingent liability**

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

(u) **Related party transactions or insider dealings**

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

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

(v) **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 determine 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:

	2022	2021
	N'000	N'000
Trade receivables (Note 20)	85,231	113,576
Cash and cash equivalents (Note 21)	1,326,042	1,395,252
	1,411,273	1,508,828

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
Wema Bank Plc	667	123
Zenith Bank Plc	2	-
Union Bank of Nigeria Plc	99	99
Access Bank Plc	85	918
Eco Bank Plc	32	3
Guaranty Trust Bank Limited	1,011	45
Stanbic IBTC Bank Plc	18	16
Sterling Bank Plc	8	-
First Bank of Nigeria Limited	3	47
Greenwich Asset Management Limited	101,537	569,983
Greenwich Merchant Bank Limited	1,221,801	-
Providus Bank Plc	2	823,974
United Bank for Africa Plc	96	58
First City Monument Bank Limited	502	1
Heritage Bank Plc	131	1
Polaris Bank Plc	48	(16)
	1,326,042	1,395,252

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 2022 or 1 January 2022 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 2022 and 31 December 2021 was determined as follows for both trade receivables and contract assets:

31 December 2022	**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	0.0%	0%	0%	10%	50%	100%	
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Gross carrying amount - trade receivables	56,084	3,640	16,908	6,791	4,974	36,155	124,552
Gross carrying amount - contract assets	-	-	-	-	-	-	-
Loss allowance	**-**	**-**	**-**	**679**	**2,487**	**36,155**	**39,321**

31 December 2021	**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	0.0%	0%	0%	10%	50%	100%	
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Gross carrying amount - trade receivables	56,477	33,686	2,002	14,918	6,493	36,155	149,731
Gross carrying amount - contract assets	-	-	-	-	-	-	-
Loss allowance	**-**	**-**	**-**	**-**	**-**	**36,155**	**36,155**

9 **Revenue from contracts with customers**

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

	GROUP			COMPANY		
31 December 2022	**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	835,432	30,812	866,244	835,432	30,812	866,244
Wholesale	507,608	-	507,608	507,608	-	507,608
Retail	61,780	-	61,780	61,780	-	61,780
Sum Total	**1,404,820**	**30,812**	**1,435,632**	**1,404,820**	**30,812**	**1,435,632**
Product category	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Decorative	994,160	30,812	1,024,972	994,160	30,812	1,024,972
Auto & Wood	10,768	-	10,768	10,768	-	10,768
Industrial and Marine	399,292	-	399,292	399,292	-	399,292
Sum Total	**1,404,220**	**30,812**	**1,435,032**	**1,404,220**	**30,812**	**1,435,032**
Region-Wise	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
East	200,969	-	200,969	200,969	-	200,969
West	841,690	30,812	872,502	841,690	30,812	872,502
North	361,561	-	361,561	361,561	-	361,561
Sum Total	**1,404,220**	**30,812**	**1,435,032**	**1,404,220**	**30,812**	**1,435,032**
31 December 2021	**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	742,741	16,823	759,564	742,741	16,823	759,564
Wholesale	328,837	-	328,837	328,837	-	328,837
Retail	29,697	-	29,697	29,697	-	29,697
Sum Total	**1,101,275**	**16,823**	**1,118,098**	**1,101,275**	**16,823**	**1,118,098**
Product category	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Decorative	839,947	16,823	856,770	839,947	16,823	856,770
Auto & Wood	3,866	-	3,866	3,866	-	3,866
Industrial and Marine	257,462	-	257,462	257,462	-	257,462
Sum Total	**1,101,275**	**16,823**	**1,118,098**	**1,101,275**	**16,823**	**1,118,098**
Region-Wise	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
East	90,264	16,823	107,087	90,264	16,823	107,087
West	733,519	-	733,519	733,519	-	733,519
North	277,492	-	277,492	277,492	-	277,492
Sum Total	**1,101,275**	**16,823**	**1,118,098**	**1,101,275**	**16,823**	**1,118,098**

		GROUP		COMPANY	
		2022	**2021**	**2022**	**2021**
10	**Cost of sales**	**N'000**	**N'000**	**N'000**	**N'000**
	Paints	994,547	713,419	994,547	713,419
	Application of paints	21,642	12,314	21,642	12,314
		1,016,189	725,733	1,016,189	725,733

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	
	2022	**2021**	**2022**	**2021**
Segment Revenue and results	**N'000**	**N'000**	**N'000**	**N'000**
Paints	1,404,220	1,101,275	1,404,220	1,101,275
Painting services	30,812	16,823	30,812	16,823
	1,435,032	1,118,098	1,435,032	1,118,098
Segment results	**N'000**	**N'000**	**N'000**	**N'000**
Investment income	82,754	83,407	82,754	83,407
Other gains and losses	51,983	74,781	51,983	74,781
Finance costs	(1,990)	(1,003)	(1,990)	(1,003)
(Loss)/profit before tax	(17,239)	60,266	(17,235)	60,271

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.

	GROUP		COMPANY	
11 (a) **Other operating income**	**2022**	**2021**	**2022**	**2021**
Profit on disposal of property, plant and	**N'000**	**N'000**	**N'000**	**N'000**
equipment	24,980	1,628	24,980	1,628
Rental income	-	805	-	805
Sale of scraps	3,616	2,630	3,616	2,630
Long over due credit balances	17,553	22,762	17,553	22,762
Sundry income	4,762	46,692	4,762	46,692
Canteen takings	339	264	339	264
Advances recovered	733	-	733	-
	51,983	74,781	51,983	74,781

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 2022	Book value	Contractual cashflow	One year or less	1-5 years
	N'000	N'000	N'000	N'000
Borrowings	20,088	-	9,137	10,951
Trade and other payables	449,397	-	449,397	-
	469,485	-	458,534	10,951

As at 31 December 2021

	Book value	Contractual cashflow	One year or less	1-5 years
	N'000	N'000	N'000	N'000
Borrowings	6,614	-	6,614	-
Trade and other payables	491,568	-	491,568	-
	498,182	-	498,182	-

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 2022	Effective interest	one year or less	1-5 years	Total
Cash and cash equivalents	-	1,326,042	-	1,326,042
Borrowings	-	(9,137)	(10,951)	(20,088)
	-	1,316,905	(10,951)	1,305,954

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 2022 and at 31 December 2021 were as follows:

	2022	2021
	N'000	N'000
Trade and other payables	449,397	491,568
Borrowings	20,088	6,614
Less: cash and cash equivalents	(1,326,042)	(1,395,252)
Net debt	(856,557)	(897,070)
Total equity	1,396,775	1,003,158
Debt to adjusted capital ratio (%)	-61%	-89%

12 Selling and distribution expenses

	GROUP		COMPANY	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Carriage inward	41,625	21,003	41,625	21,003
Sales promotion/commission	3,797	3,680	3,797	3,680
Basic salary	100,920	87,156	100,920	87,156
Overtime	691	848	691	848
Fringe costs	50,286	41,691	50,286	41,691
Christmas bonus	6,453	5,011	6,453	5,011
NSITF	1,028	878	1,028	878
Pension scheme	12,144	8,962	12,144	8,962
Casual labour	10,107	8,540	10,107	8,540
	227,051	177,769	227,051	177,769

13 Administrative expenses

	N'000	N'000	N'000	N'000
Canteen expenses	16,814	16,291	16,814	16,291
Medical expenses	4,620	6,268	4,620	6,268
Maintenance - mechanical	201	1,828	201	1,828
Security guards expenses	4,154	4,072	4,154	4,072
Computer charges	2,669	1,488	2,669	1,488
Building rents and rates	4,029	3,225	4,029	3,225
Repairs and maintenance general	2,975	2,938	2,975	2,938
Depreciation -land and building	14	51	14	51
Depreciation - vehicles	5,590	10,647	5,590	10,647
Depreciation - office equipment	2,401	2,330	2,401	2,330
Depreciation - furniture and fittings	179	80	179	80
Depreciation - Right of use asset	38,611	39,028	38,611	39,028
Advert and publicity expenses	2,477	2,381	2,477	2,381
Fuel and lubricants	7,619	8,339	7,619	8,339
Vehicle running expenses	14,326	9,763	14,322	9,758
Travelling	5,837	7,709	5,837	7,709
Directors fees and board expenses	21,340	18,615	21,340	18,615
Insurance expenses	4,461	4,396	4,461	4,396
Legal and professional fees	14,358	21,560	14,358	21,560
Printing and Stationary	1,873	2,467	1,873	2,467
Telephone	2,902	2,849	2,902	2,849
AGM expenses	5,802	2,844	5,802	2,844
Courier/postage	55	40	55	40
Audit fees	5,525	5,125	5,525	5,125
Bank charges - local	1,889	1,328	1,889	1,328
Performance cost	39,119	32,995	39,119	32,995
Staff training	7,413	1,159	7,413	1,159
Clearing licence renewal	6,800	7,888	6,800	7,888
Industrial training fund	2,421	1,828	2,421	1,828
	226,474	219,532	226,470	219,527

		GROUP		COMPANY	
		2022	**2021**	**2022**	**2021**
		N'000	**N'000**	**N'000**	**N'000**
	Balance brought forward	226,474	219,532	226,470	219,527
	General stores and consumables	3,618	2,869	3,618	2,869
	Entertainment	2,513	5,583	2,513	5,583
	Factory relocation expenses	-	1,532	-	1,532
	Management fees expenses	77,566	59,419	77,566	59,419
	Provision for doubtful receivables (Note 23(i))	3,166	3,140	3,166	3,140
	Light and Water Expenses	2,404	2,842	2,404	2,842
	Site & office cleaning	2,866	2,087	2,866	2,087
	Subscriptions	5,515	3,961	5,515	3,961
	Provision for dismantlement and restoration (Note 25)	2,049	-	2,049	-
	Other expenses	15,607	10,550	15,607	10,550
		341,778	311,515	341,774	311,510
14	**Finance income and costs**	**N'000**	**N'000**	**N'000**	**N'000**
(i)	Finance income:				
	Interest received on bank deposit	82,754	83,407	82,754	83,407
(ii)	Finance costs:	**N'000**	**N'000**	**N'000**	**N'000**
	Finance expense on lease	1,990	1,003	1,990	1,003
		1,990	1,003	1,990	1,003
15	**(Loss)/profit before taxation is arrived at after charging:**				
		N'000	**N'000**	**N'000**	**N'000**
	Depreciation of property, plant and equipment	10,849	15,732	10,849	15,732
	Depreciation of Right of use assets	38,611	39,028	38,611	39,028
	Profit on disposal of property, plant and equipment	24,980	1,628	24,980	1,628
	Auditors remuneration	5,100	4,600	5,000	4,600
16	**Tax expense**	**N'000**	**N'000**	**N'000**	**N'000**
(a)	**Per profit and loss account**				
	Income tax payable on results for the year:				
	Company Income tax	-	23,758	-	23,758
	Minimum tax	7,724	-	7,724	-
	Capital gain tax	2,268	-	2,268	-
	Police Trust Fund	-	3	-	3
	NASENI levy	-	151	-	151
	Education tax	254	3,140	254	3,140
	Deferred tax expense (written back)	10,486	(454)	10,486	(454)
	Overprovision of Income tax in prior year	(431,584)	-	(431,584)	-
		(410,852)	26,598	(410,852)	26,598

16(b) **Per statement of financial position**

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
Balance at 1 January	**N'000**	**N'000**	**N'000**	**N'000**
Income tax	451,893	647,886	451,893	647,602
Education tax	6,591	3,451	6,591	3,451
	458,484	651,337	458,484	651,053
Payments during the year:				
Income tax	-	(21,817)	-	(21,817)
Education tax	(3,140)	-	(3,140)	-
Withholding tax utilised	(23,758)	(42,416)	(23,758)	(42,416)
Nigeria Police Trust Fund levy	(3)	-	(3)	-
Capital Gain Tax	-	(155,388)	-	(155,388)
Provision for the year:				
Income tax	-	23,758	-	23,758
Education tax	254	3,140	254	3,140
Minimum tax	7,724	-	7,724	-
Capital Gain Tax	2,268	-	2,268	-
NASENI levy	-	151	-	151
Nigeria Police Trust Fund levy	-	3	-	3
Overprovision of Income tax in prior year	(431,584)	-	(431,584)	-
Balance at 31 December	10,245	458,768	10,245	458,484

16(c) ***Income tax recognised in profit or loss***

Company income tax is calculated at 30% of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Company Income Tax Act, CAP C21 LFN, 2004.

The charge for education tax is based on the provision of the Education Tax Act which is 2.5% of the assessable profit for the year.

Nigeria police trust fund levy is based on the provisions of the Nigeria Police Trust Fund (Establishment) Act 2019 which is 0.0005% of the net profit before tax 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**
(Loss)/profit before tax	(17,235)	60,271
Tax at the statutory corporation tax rate of 30%	(5,171)	18,081
Effect of income that is exempt from taxation	(9,564)	(488)
Effect of expenses that are not deductible in determining taxable profit	16,740	20,090
Loss relieved	-	(2,926)
Effect of capital allowance	(2,617)	(13,180)
Education tax at 2.5% of assessable profit	254	3,140
Capital gains tax	2,268	-
Minimum tax Levy	7,724	-
Balancing charge	612	2,181
Police Trust Fund Levy	-	3
NASENI levy	-	151
Overprovision of income tax in prior year	(431,584)	-
Current year deferred tax	10,486	(454)
Tax (Credit)/expense recognised in profit or loss	(410,852)	26,598
Effective rate	23.84	0.44

16(d) **Deferred taxation**

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	N'000	**N'000**	**N'000**	**N'000**
Deferred tax liabilities	4,530	5,614	4,530	5,614
Deferred tax assets	-	(11,570)	-	(11,570)
	4,530	(5,956)	4,530	(5,956)
Deferred tax				
Movement in deferred tax				
At 1 January	(5,956)	(5,502)	(5,956)	(5,502)
Expense/(write back) during the year	10,486	(454)	10,486	(454)
At 31 December	4,530	(5,956)	4,530	(5,956)

The tax rate used for 2022 and 2021 reconciliation above is the corporate tax rate of 30% and 2.5% (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 2022.

17(a) **Property, plant and equipment - Group**

Cost:	**Buildings**	**Plant & machinery**	**Office equipment**	**Furniture & fittings**	**Motor vehicles**	**Capital Work In Progress**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January 2021	2,529	209,944	39,279	11,754	138,512	246,084	648,102
Additions	-	13,409	-	-		-	13,409
Transfer (Note 17(c))	-	-	-	-	32,059	-	32,059
Disposals	-	-	(1,645)	-	(15,956)	-	(17,601)
Reclassifications	-	1,535	-	-	-	(1,535)	-
At 31 December 2021	2,529	224,888	37,634	11,754	154,615	244,549	675,969
At 1 January 2022	2,529	224,888	37,634	11,754	154,615	244,549	675,969
Additions	-	-	3,408	2,441	446	7,741	14,036
Disposals	(2,016)	-	-	-	(4,170)	-	(6,186)
At 31 December 2022	513	224,888	41,042	14,195	150,891	252,290	683,819
Accumulated depreciation and impairment:							
At 1 January 2021	1,106	206,144	33,902	11,560	130,728	-	383,440
Charge for the year	51	2,724	2,329	80	10,547	-	15,731
Eliminated on disposals	-	-	(1,645)	-	(5,581)	-	(7,226)
Transfer (Note 17(c))	-	-	-	-	7,347	-	7,347
At 31 December 2021	1,157	208,868	34,586	11,640	143,041	-	399,292
At 1 January 2022	1,157	208,868	34,586	11,640	143,041	-	399,292
Charge for the year	14	2,665	2,401	179	5,590	-	10,849
Eliminated on disposals	(971)	-	-	-	(4,170)	-	(5,141)
At 31 December 2022	200	211,533	36,987	11,819	144,461	-	405,000
Carrying amounts as at:							
31 December 2022	313	13,355	4,055	2,376	6,430	252,290	278,819
31 December 2021	1,372	16,020	3,048	114	11,574	244,549	276,677

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 2021	2,529	201,445	39,279	11,754	138,512	246,084	639,603
Additions	-	13,408	-	-	-	-	13,408
Transfer (Note 17(c))	-	-	-	-	32,059	-	32,059
Reclassification	-	1,535	-	-	-	(1,535)	-
On disposal	-	-	(1,645)	-	(15,956)	-	(17,601)
At 31 December 2021	2,529	216,388	37,634	11,754	154,615	244,549	667,469
At 1 January 2022	2,529	216,388	37,634	11,754	154,615	244,549	667,469
Additions	-	-	3,408	2,441	446	7,741	14,036
On disposal	(2,016)	-	-	-	(4,170)	-	(6,186)
At 31 December 2022	513	216,388	41,042	14,195	150,891	252,290	675,319
Accumulated depreciation and impairment:							
At 1 January 2021	1,106	197,646	33,902	11,560	130,727	-	374,941
Charge for the year	51	2,724	2,330	80	10,547	-	15,732
Transfer	-	-	-	-	7,347	-	7,347
On disposal	-	-	(1,645)	-	(5,581)	-	(7,226)
At 31 December 2021	1,157	200,370	34,587	11,640	143,040	-	390,794
At 1 January 2022	1,157	200,370	34,587	11,640	143,040	-	390,794
Charge for the year	14	2,665	2,401	179	5,590	-	10,849
On disposal	(971)	-	-	-	(4,170)	-	(5,141)
At 31 December 2022	200	203,035	36,988	11,819	144,460	-	396,502
Carrying amount as at:							
31 December 2022	313	13,353	4,054	2,376	6,431	252,290	278,817
31 December 2021	1,372	16,018	3,047	114	11,575	244,549	276,675

i **Assets pledged as security**

None of the Company's assets is pledged as collateral for loans (2021: Nil)

ii **Contractual commitments**

At 31 December 2022, the Company had no contractual commitments for the acquisition of property, plant and equipment (2021: Nil).

17(c) Right of use assets -Group

	Motor Vehicles	Leased Building	Total
Cost:	**N'000**	**N'000**	**N'000**
At 1 January 2021	32,059	112,834	144,893
Additions	-	3,000	3,000
Transfer	(32,059)	-	(32,059)
At 31 December, 2021	-	115,834	115,834
At 1 January 2022	-	115,834	115,834
Additions	-	21,570	21,570
At 31 December, 2022	-	137,404	137,404
Depreciation:			
At 1 January 2021	7,347	15,671	23,018
Charge for the year	-	39,028	39,028
Transfer	(7,347)	-	(7,347)
At 31 December , 2021	-	54,699	54,699
At 1 January 2022	-	54,699	54,699
Charge for the year	-	38,611	38,611
At 31 December , 2022	-	93,310	93,310
Carrying amount :			
At 31 December 2022	-	44,094	44,094
At 31 December 2021	-	61,135	61,135

Right of use assets -Company

	Motor Vehicles	Leased Building	Total
Cost	**N'000**	**N'000**	**N'000**
At 1 January 2021	32,059	112,834	144,893
Additions	-	3,000	3,000
Transfer	(32,059)	-	(32,059)
At 31 December, 2021	-	**115,834**	**115,834**
At 1 January 2022	-	115,834	115,834
Additions (Note 17)	-	21,570	21,570
At 31 December, 2022	-	**137,404**	**137,404**
Depreciation			
At 1 January 2021	7,347	15,651	22,998
Charge for the year	-	39,048	39,048
Transfer (Note 17)	(7,347)	-	(7,347)
At 31 December , 2021	-	**54,699**	**54,699**
At 1 January 2022	-	54,699	54,699
Charge for the year	-	38,611	38,611
At 31 December , 2022	-	**93,310**	**93,310**
Carrying amount			
At 31 December 2022	-	**44,094**	**44,094**
At 31 December 2021	-	**61,135**	**61,135**

18 Investment in subsidiary	GROUP		COMPANY	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
Carrying amount at cost	9,600	9,600	9,600	9,600
Provision for Impairment	(9,600)	(9,600)	(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	Proportion of ownership interest and voting power held by the Company	
			2022	2021
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. Oluwatoyin Okeowo	100	1
Alhaji Ibrahim Suleman	100	1
Arc. Ayoola Onajide	100	1
	400	4

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

19 Inventory	GROUP		COMPANY	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
Raw Materials	77,224	48,281	77,224	48,281
Work-in-progress	7,947	7,227	7,947	7,227
Finished goods	48,858	34,120	48,858	34,120
Consumables	363	226	363	226
	134,392	89,854	134,392	89,854

(i) The carrying amount of the inventory is the lower of cost and net realisable value as at the reporting dates.

		GROUP		COMPANY	
20	**Trade and other receivables**	**2022**	**2021**	**2022**	**2021**
		₦'000	**₦'000**	**₦'000**	**₦'000**
	Trade receivables	154,878	185,957	124,552	149,731
	Allowance for doubtful debts (i)	(39,321)	(36,155)	(39,321)	(36,155)
	Trade receivables - net	115,557	149,802	85,231	113,576
	Amount due from related parties (Note 31)	4,304	-	4,304	-
	WHT claimable	27,522	35,398	27,522	35,398
	Prepayments (iv)	7,042	4,087	7,042	4,087
	Sundry debtors	630	612	230	212
	Other debit balances	-	27	-	27
	Deferred charges	-	4,341	-	4,341
		155,055	194,267	124,329	157,641
	Provision for doubtful balances	-	-	-	-
	Total trade and other receivables	155,055	194,267	124,329	157,641

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:*

	Group 2022	Group 2021	Company 2022	Company 2021
	₦'000	**₦'000**	**₦'000**	**₦'000**
Balance at the beginning of the year	36,155	33,015	36,155	33,015
Addition during the year	3,166	3,140	3,166	3,140
Provision no longer required	-	-	-	-
Balance at the end of the year	39,321	36,155	39,321	36,155

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:*	**₦'000**	**₦'000**
Past due < 90days	73,466	92,165
Past due 90-180 days	6,791	14,918
Past due 180-360 days	4,974	6,493
Past due 360 days and above	39,321	36,155
	124,552	149,731

(iv) **Prepayments**

	Group 2022	Group 2021	Company 2022	Company 2021
	₦'000	**₦'000**	**₦'000**	**₦'000**
Prepaid rent	2,304	1,208	2,304	1,208
Prepaid expenses	3,609	2,795	3,609	2,795
Prepaid insurance	1,129	84	1,129	84
Total prepayments	7,042	4,087	7,042	4,087

		GROUP		COMPANY	
21	**Cash and cash equivalents**	**2022**	**2021**	**2022**	**2021**
		N'000	**N'000**	**N'000**	**N'000**
	Cash and bank balances	3,087	640	2,904	456
	Short term investments	1,323,138	1,394,796	1,323,138	1,394,796
		1,326,225	1,395,436	1,326,042	1,395,252

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. These Investments are placed in short term deposits and are continuously rolled over throughout the period.

22	**Borrowings**	**N'000**	**N'000**	**N'000**	**N'000**
	GTL Registrars	1,813	1,813	1,813	1,813
	Finance lease obligations (Note 22(i)(a))	18,275	4,801	18,275	4,801
		20,088	6,614	20,088	6,614
(i)	<u>**Finance lease obligations**</u>	**N'000**	**N'000**	**N'000**	**N'000**
(a)	The movement in the finance lease obligations is as follows:				
	Balance at the beginning of year	4,801	19,315	4,801	19,315
	Additions during the year	18,275	-	18,275	-
	Repayments	(4,801)	(14,514)	(4,801)	(14,514)
	Balance at the end of the year	18,275	4,801	18,275	4,801

(b) Finance lease liabilities represent the asset financing facility obtained during the year for the purchase of a Motor vehicle. Future minimum finance lease payments at the end of each reporting period under review were as follows:

Minimum lease payment	**Total**	**Within 1 year**	**Within 1 to 2 years**
31 December 2022	**N'000**	**N'000**	**N'000**
Lease payment	18,275	9,138	9,137
31 December 2021			
Lease payment	4,801	-	-

(ii)	The movement in loan is as follows:	**N'000**	**N'000**	**N'000**	**N'000**
	Balance at the beginning of the year	6,614	21,128	6,614	21,128
	Additions during the year	18,275	-	18,275	-
	Repayments	(4,801)	(14,514)	(4,801)	(14,514)
		20,088	6,614	20,088	6,614
	Amount due within one year	(9,137)	(6,614)	(9,137)	(6,614)
	Amount due after one year	10,951	-	10,951	-

(GAML).

Lease facility from GAML, a related party, was for the purchase of a Motor Vehicle during the year at a lease rate of interest of 18% Per annum and spread over 24 months. The discounted Present value of the liabilities was not adjusted in the year financial statement as the repayment of liabilities will commence in January 2023.

		GROUP		COMPANY	
		2022	**2021**	**2022**	**2021**
23	**Employment benefits**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance as at 1 January	17,089	27,396	17,089	27,396
	Payment for the year	(2,100)	(10,307)	(2,100)	(10,307)
	Balance 31 December	14,989	17,089	14,989	17,089

24	**Trade and other payables**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Trade payables	153,881	213,959	148,046	208,124
	Amount due to related parties (Note 31(i))	839	17,253	29,008	39,522
	Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	154,720	231,212	177,054	247,646
	Other payables and accruals (Note 24(a))	273,925	245,212	272,343	243,922
	Total trade and other payables	428,645	476,424	449,397	491,568

(a)	***Other payables and accruals***	**N'000**	**N'000**	**N'000**	**N'000**
	Value Added Tax (VAT)	54,459	60,935	54,459	60,935
	Withholding tax payable	38,805	36,566	38,762	36,524
	Pay As You Earn (PAYE)	880	1,250	880	1,250
	Accruals	26,995	62,496	26,995	62,496
	Industrial Training Fund	2,732	2,476	2,732	2,476
	National Housing Fund	65	65	65	65
	Sundry creditors	3,892	15,258	2,353	14,010
	Customer deposits	40,482	60,368	40,482	60,368
	Pension scheme	3,489	5,798	3,489	5,798
	Unclaimed dividend	102,126	-	102,126	-
		273,925	245,212	272,343	243,922

(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.

		2022	**2021**	**2022**	**2021**
25	**Dismantlement and restoration**	**N'000**	**N'000**	**N'000**	**N'000**
	Balance as at 1 January	9,600	9,600	9,600	9,600
	Provision for the year	2,049	-	2,049	-
	Balance as at 31 December	11,649	9,600	11,649	9,600

This represents the initial estimate of the cost of dismantling and removing items and restoring the site(Leased building) in respect of Right of use assets as disclosed in Note 17 (c).

The Group makes full provision for the future cost of decommissioning and dismantling the leased warehouse based on estimated cost of decommissioning the plant, equipment and facilities. It relates to the removal of assets as well as their associated restoration costs. This obligation is recorded in the period in which the liability meets the definition of a ‘‘probable future sacrifice of economic benefits arising from a present obligation,’’ and in which it can be reasonably measured. The provision represents the estimated value of future expenditure to be incurred when the plant facilities will be dismantled or relocated to a new location. The estimate is reviewed regularly to take into account any material changes to the assumptions.

		GROUP		COMPANY	
26	**Share Capital**	**2022**	**2021**	**2022**	**2021**
	Authorised Share capital	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	497,728,563 (2021:1,300,000,000) Ordinary share of 50k each	248,864	650,000	248,864	650,000

In 27 July 2022 . At the meeting of the Board of Directors, a resolution was approved for the Company's unissued ordinary shares of 802,272,438 Ordinary shares of 50k each amounting to N401,136,219 should be cancelled. The transaction was filled with the Corporate Affairs Commission (CAC) during the reporting period.

	Issued and fully paid:				
	497,727,563 ordinary shares of 50k each	248,864	248,864	248,864	248,864
27	**Share Premium**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Balance at the beginning and end of the year	53,173	53,173	53,173	53,173
28(i)	**Revenue reserve**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Balance at the beginning of the year	750,349	1,463,272	701,121	1,414,039
	Transfer (from)/to statement of profit or loss	393,613	33,668	393,617	33,673
	Dividend Paid during the year	-	(746,591)	-	(746,591)
	Balance at the end of the year	1,143,962	750,349	1,094,738	701,121
(ii)	**Non controlling interest**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Balance as at 1 January	2,444	2,448	-	-
	Transfer from profit or loss	(4)	(4)	-	-
	Balance at 31 December	2,440	2,444	-	-

29 **Basic earnings per ordinary share**

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

	₦'000	₦'000	₦'000	₦'000
Profit for the year attributable to shareholders	393,613	33,668	393,617	33,673
Basic earnings per share of ₦0.50k each	79	7	79	7
Diluted earnings per share (kobo)	79	7	79	7

30 **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:

	₦'000	₦'000	₦'000	₦'000
Cash and bank balances	1,326,225	1,395,436	1,326,042	1,395,252

31 **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:

i) Related parties	Nature of transaction	Transaction value for the year			
		GROUP		COMPANY	
		2022	2021	2022	2021
		₦'000	₦'000	₦'000	₦'000
Greenwich Trust Limited	Sales of paints	-	108	-	108
GTL Properties Limited	Sales and Application of Paints	12,101	11,918	12,101	11,918
Greenwich Asset Management Limited	Lease of vehicles	18,250	31,125	18,250	31,125
		30,351	43,043	30,351	43,043
Due to related parties:		₦'000	₦'000	₦'000	₦'000
DNM Construction Limited		-	-	28,169	22,269
Greenwich Trust Limited		-	17,253	-	17,253
Greenwich Registrar & Data Sol Limited		839	-	839	-
		839	17,253	29,008	39,522
Due from related parties:		₦'000	₦'000	₦'000	₦'000
Greenwich Trust Limited		4,304	-	4,304	-
GTL Properties Limited		-	894	-	894
		4,304	894	4,304	894

(ii) **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 Capital Limited- A major shareholder of the Company having 31.43% holdings of the issued share capital as at 31 December 2022 provides management support services to the Company.

Greenwich Asset Management Limited (GAML) - A non-banking financial institution and also a member of the Greenwich group where the Company placed deposit for Money market Investment which amounted to N101 million as at year end (2021: N788.8 million). GAML granted the Company a lease facility during the year for the sum of N18.25 million for 24 months to purchase a Motor Vehicle. The facility was secured on the money market Investment with GAML.

Greenwich Merchant Bank Limited- A Banking financial institution and also a member of the Greenwich group where the Company placed deposit for Money market Investment which amounted to N1.219 billion million as at year end (2021: Nil).

(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	
	2022	**2021**	**2022**	**2021**
The aggregate emoluments of the Directors were:	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Fees	1,000	1,250	1,000	1,250
Other emoluments including pension contributions	17,450	23,400	17,450	23,400
	18,450	24,650	18,450	24,650
(ii) Chairman	2,890	-	2,890	-
Directors earned fees in the following ranges	**NUMBER**		**NUMBER**	
N10,000,000 - Above	1	1	1	1

(iii) Employees	GROUP		COMPANY	
Management	7	8	7	8
Sales and Marketing	25	23	25	23
Production	39	43	39	43
Administration	38	17	38	17
	109	91	109	91

The aggregate payroll costs of these persons were as follows:

	GROUP		COMPANY	
	₦'000	**₦'000**	**₦'000**	**₦'000**
Wages, salaries, allowances and other benefits	169,485	144,124	169,485	144,124
Pension and social benefits	12,144	8,962	12,144	8,962
Staff training	7,413	1,159	7,413	1,159
	189,042	154,245	189,042	154,245

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	
	2022	**2021**	**2022**	**2021**
₦500,001 - N2,000,000	78	72	78	72
₦2,000,001 - N3,000,000	20	13	20	13
₦3,000,001 - Above	11	6	11	6
	109	91	109	91

32 **Contingent liabilities**

There are several ongoing legal actions against the Company arising out of its normal business operations amounting to N211.284 million (2021: N211.284 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 effect on the financial position of the Company. Consequently, no provision has been made in these financial statements in respect of any contingent liabilities.

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

There were no guarantees and other financial commitments at year end. (2021: Nil)).

34 **Capital expenditure**

Capital expenditure authorised by the Directors but not contracted was nil (2021: nil)

35 **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.

36 **Events after the reporting date**

There are no significant events after reporting period, which could have had a material effect on the state of affairs of the Company as at 31 December, 2022 that have not been adequately provided for or disclosed in the financial statements.

	The Group				The Company			
	2022 N'000	%	2021 N'000	%	2022 N'000	%	2021 N'000	%
Revenue	1,435,032		1,118,098		1,435,032		1,118,098	
Investment income	82,754		83,407		82,754		83,407	
Other income	51,983		74,781		51,983		74,781	
	1,569,769		1,276,286		1,569,769		1,276,286	
Bought-in-materials and services:								
- Local	(1,344,463)		(1,006,016)		(1,344,463)		(1,006,007)	
Value added	**225,306**	**100**	**270,270**	**100**	**225,306**	**100**	**270,279**	**100**
Value added as percentage of turnover	**21%**		**44%**		**21%**		**44%**	
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	189,042	83	154,245	57	189,042	83	154,245	56
To pay Government:								
Taxation	(410,852)	(182)	26,598	10	(410,852)	(182)	26,598	10
To pay providers of capital:								
Finance charges	1,990	1	1,003	0	1,990	1	1,003	1
Retained for Companies future:								
- Depreciation (PPE & RoU)	49,460	22	54,760	20	49,460	22	54,760	20
- Dismantlement and restoration	2,049	1	-	-	2,049	1	-	-
- Non controlling interest	4	-	(4)	-		-	-	-
- Profit or loss account	393,613	175	33,668	12	393,617	175	33,673	12
	225,306	**100**	**270,270**	**100**	**225,306**	**100**	**270,279**	**100**

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.

GROUP

	2022	2021	2020	2019	2018
Statement of financial position	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non current assets	322,913	343,768	392,059	271,472	1,564,566
Net current assets/(liabilities)	1,167,645	737,751	1,402,281	526,197	(737,135)
Non current liabilities	(42,119)	(26,689)	(26,689)	(148,024)	(164,188)
Net assets	**1,448,439**	**1,054,830**	**1,767,651**	**649,645**	**663,243**
Capital and reserves					
Share capital	248,864	248,864	248,864	248,864	248,864
Share premium	53,173	53,173	53,173	53,173	53,173
Retained earnings	1,143,962	750,349	1,463,166	345,156	358,750
Total equity attributable to owners of the Company	1,445,999	1,052,386	1,765,203	647,193	660,787
Non-controlling interest	2,440	2,444	2,448	2,452	2,456
	1,448,439	**1,054,830**	**1,767,651**	**649,645**	**663,243**

Statement of profit or loss and other comprehensive income

	2022	2021	2020	2019	2018
Turnover	1,435,032	1,118,098	827,599	1,106,116	970,134
(Loss)/profit before taxation	(17,239)	60,266	1,638,380	(7,176)	182,302
Taxation credit/(expense)	410,852	(26,598)	(520,374)	(6,422)	136,885
Profit/(loss) for the year	**393,613**	**33,668**	**1,118,006**	**(13,598)**	**319,187**
Per share data (kobo):					
Earnings/(loss)- Basic/diluted	**79**	**7**	**225**	**(3)**	**64**

FIVE-YEAR FINANCIAL SUMMARY

COMPANY

Statement of financial position	**2022**	**2021**	**2020**	**2019**	**2018**
Net assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets	322,911	343,766	392,059	1,574,166	1,609,755
Net current assets /(liabilities)	1,115,984	686,081	1,350,706	(788,915)	(992,741)
Non-current liabilities	(42,119)	(26,689)	(26,689)	(164,188)	(314,045)
Total assets	1,396,775	1,003,158	1,716,076	621,063	302,969
Capital and reserves					
Share capital	248,864	248,864	248,864	248,864	248,864
Share premium	53,173	53,173	53,173	53,173	54,376
Revenue Reserve	1,094,738	701,121	1,414,039	319,026	(271)
Shareholders' funds	1,396,775	1,003,158	1,716,076	621,063	302,969
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	1,435,032	1,118,098	827,599	970,134	1,097,061
(Loss)/profit before taxation	(17,235)	60,271	1,628,880	182,412	(264,704)
Taxation credit/(expense)	410,852	(26,598)	(520,374)	136,885	(3,035)
Profit/(loss) for the year	393,617	33,673	1,108,506	319,297	(267,739)
Per share data (kobo):					
Earnings/(loss)- Basic/diluted	**79**	**7**	**225**	**64**	**(54)**