

## MEYER PLC

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

NO. 32, BILLINGS WAY,  
OREGUN, LAGOS STATE  
<http://www.meyerpaints.com>

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## **MEYER PLC**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR 3RD QUARTER ENDED 30TH SEPTEMBER, 2020.**

# MEYER PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

	Note	GROUP		COMPANY	
		30/09/2020 N'000	30/09/2019 N'000	30/09/2020 N'000	30/09/2019 N'000
<b>Continuing operations</b>					
Revenue	5	566,511	858,318	566,511	858,318
Cost of sales	5.1	(360,414)	(562,514)	(360,414)	(562,514)
<b>Gross profit</b>		<b>206,097</b>	<b>295,804</b>	<b>206,097</b>	<b>295,804</b>
Other operating income	7	25,745	12,254	25,745	12,254
Selling & Distribution expenses	8	(15,349)	(28,155)	(15,349)	(28,155)
Administrative expenses	9	(349,831)	(364,306)	(349,831)	(364,306)
<b>Profit/ (loss) from operating activities</b>		<b>(133,338)</b>	<b>(84,404)</b>	<b>(133,338)</b>	<b>(84,404)</b>
Finance Income	10(i)	42,307	70,072	42,307	70,072
Finance costs	10(ii)	(7,201)	(16,515)	(7,201)	(16,515)
<b>Profit/(Loss) before tax</b>		<b>(98,233)</b>	<b>(30,847)</b>	<b>(98,233)</b>	<b>(30,847)</b>
Taxation (Provision)	12	(2,295)	(3,219)	(2,295)	(3,219)
<b>Profit /(Loss) for the period</b>		<b>(100,528)</b>	<b>(34,065)</b>	<b>(100,528)</b>	<b>(34,065)</b>
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Remeasurement of Defined benefit obligation		-	-	-	-
Deferred tax credit		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(100,528)</b>	<b>(34,065)</b>	<b>(100,528)</b>	<b>(34,065)</b>
<b>(Loss)/Profit for the period attributable to:</b>					
Owners of the Company		(100,528)	(34,065)	(100,528)	(34,065)
Non-controlling interests		-	-	-	-
		<b>(100,528)</b>	<b>(34,065)</b>	<b>(100,528)</b>	<b>(34,065)</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>					
Owners of the Company		(100,528)	(34,065)	(100,528)	(34,065)
Non-controlling interests		-	-	-	-
		<b>(100,528)</b>	<b>(34,065)</b>	<b>(100,528)</b>	<b>(34,065)</b>
<b>Earnings per share</b>					
Basic and diluted earnings per share	13	(20.20)	(6.84)	(20.20)	(6.84)

# MEYER PLC

## UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE (9) MONTHS ENDED 30TH SEPTEMBER, 2020

	Note	GROUP				COMPANY			
		Three (3) Months Ended 30/09/2020	Nine (9) Months Ended 30/09/2020	Three (3) Months Ended 30/09/2019	Nine (9) Months Ended 30/09/2019	Three (3) Months Ended 30/09/2020	Nine (9) Months Ended 30/09/2020	Three (3) Months Ended 30/09/2019	Nine (9) Months Ended 30/09/2019
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Continuing operations</b>									
Revenue	5	172,547	566,511	253,864	858,318	172,547	566,511	253,864	858,318
Cost of sales	5.1	(107,554)	(360,414)	(171,255)	(562,514)	(107,554)	(360,414)	(171,255)	(562,514)
<b>Gross profit</b>		<b>64,993</b>	<b>206,097</b>	<b>82,609</b>	<b>295,804</b>	<b>64,993</b>	<b>206,097</b>	<b>82,609</b>	<b>295,804</b>
Other operating income	7	13,765	25,745	6,835	12,254	13,765	25,745	6,835	12,254
Selling & Distribution expenses	8	(4,525)	(15,349)	(10,146)	(28,155)	(4,525)	(15,349)	(10,146)	(28,155)
Administrative	9	(123,569)	(349,831)	(116,560)	(364,306)	(123,569)	(349,831)	(116,560)	(364,306)
<b>Profit/ (loss) from operating activities</b>		<b>(49,336)</b>	<b>(133,338)</b>	<b>(37,262)</b>	<b>(84,404)</b>	<b>(49,336)</b>	<b>(133,338)</b>	<b>(37,262)</b>	<b>(84,404)</b>
Finance Income	10(i)	16,654	42,307	33,792	70,072	16,654	42,307	33,792	70,072
Finance costs	10(ii)	(6,466)	(7,201)	(62)	(16,515)	(6,466)	(7,201)	(62)	(16,515)
<b>Profit/(Loss) before tax</b>		<b>(39,149)</b>	<b>(98,233)</b>	<b>(3,532)</b>	<b>(30,847)</b>	<b>(39,149)</b>	<b>(98,233)</b>	<b>(3,532)</b>	<b>(30,847)</b>
Taxation (Provision)	12	(647)	(2,295)	-	(3,219)	(647)	(2,295)	-	(3,219)
<b>Profit /(Loss) for the period</b>		<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>
<b>Other comprehensive income, net of income tax</b>									
<b>Items that will not be reclassified subsequently to profit or loss:</b>									
Remeasurement of Defined benefit obligation		-	-	-	-	-	-	-	-
Deferred tax credit		-	-	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>
(Loss)/Profit for the period attributable to:									
Owners of the Company		(39,795)	(100,528)	(3,532)	(34,065)	(39,795)	(100,528)	(3,532)	(34,065)
Non-controlling interests		-	-	-	-	-	-	-	-
		<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>
Total comprehensive (loss)/income for the period attributable to:									
Owners of the Company		(39,795)	(100,528)	(3,532)	(34,065)	(39,795)	(100,528)	(3,532)	(34,065)
Non-controlling interests		-	-	-	-	-	-	-	-
		<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>	<b>(39,795)</b>	<b>(100,528)</b>	<b>(3,532)</b>	<b>(34,065)</b>
<b>Earnings per share</b>									
Basic and diluted earnings per share	13	<b>(8.00)</b>	<b>(20.20)</b>	<b>(0.71)</b>	<b>(6.84)</b>	<b>(8.00)</b>	<b>(20.20)</b>	<b>(0.71)</b>	<b>(6.84)</b>

MEYER PLC  
STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

	Note	GROUP		COMPANY	
		30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
<b>Non-current assets</b>					
Property, plant and equipment	14	291,813	271,472	291,813	271,472
Right of use of asset	14	61,631		61,631	
Investment in subsidiary	16	-	-	9,600	9,600
<b>Total non-current assets</b>		<b>353,444</b>	<b>271,472</b>	<b>363,044</b>	<b>281,072</b>
<b>Current assets</b>					
Inventories	17	85,043	107,599	85,043	107,599
Trade and other receivables	18	127,785	164,157	91,165	127,735
Other assets	15	1,748,272	1,724,078	1,748,272	1,724,078
Cash and cash equivalents	19	1,971,963	1,479,914	1,971,780	1,479,730
<b>Total current assets</b>		<b>3,933,063</b>	<b>3,475,748</b>	<b>3,896,260</b>	<b>3,439,142</b>
<b>Total assets</b>		<b>4,286,507</b>	<b>3,747,220</b>	<b>4,259,304</b>	<b>3,720,214</b>
<b>Current liabilities</b>					
Trade and other payables	22a	453,832	436,482	468,988	451,836
Deposit for Assets Held for Sale		3,098,464	2,500,000	3,098,464	2,500,000
Short term borrowings	20b	-	1,813	-	1,813
Current tax liabilities	12.2	13,380	11,256	13,097	10,971
<b>Total current liabilities</b>		<b>3,565,676</b>	<b>2,949,551</b>	<b>3,580,548</b>	<b>2,964,620</b>
<b>Net current assets</b>		<b>367,387</b>	<b>526,197</b>	<b>315,712</b>	<b>474,522</b>
<b>Total assets less current liabilities</b>		<b>720,831</b>	<b>797,669</b>	<b>678,755</b>	<b>755,594</b>
<b>Non-Current Liabilities</b>					
Deferred taxation	12.3	120,628	120,628	120,628	120,628
Borrowings	20c	25,574	-	25,575	-
Employment benefits	21	25,511	27,396	25,511	27,396
		<b>171,713</b>	<b>148,024</b>	<b>171,713</b>	<b>148,024</b>
<b>Net Assets</b>		<b>549,117</b>	<b>649,645</b>	<b>507,042</b>	<b>607,570</b>
<b>Equity</b>					
Share capital	23	248,864	248,864	248,864	248,864
Share premium account	24	53,173	53,173	53,173	53,173
Revenue reserve	25	244,628	345,156	205,006	305,533
<b>Total equity attributable to owners of the company</b>		<b>546,665</b>	<b>647,193</b>	<b>507,042</b>	<b>607,570</b>
Non-controlling interest	26i	2,452	2,452	-	-
<b>Total Equity</b>		<b>549,117</b>	<b>649,645</b>	<b>507,042</b>	<b>607,570</b>

ROTIMI ALASHE  
  
FRC/2013/ICAN/00000002335

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**MEYER PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020**  
**The Group**

	Share capital	Share premium	Retained Earnings	Non controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1st January 2019</b>	248,864	53,173	358,750	2,456	663,243
Acquisition of subsidiary	-	-	-	-	-
Profit/(Loss) for the period	-	-	(13,594)	(4)	(13,598)
Adjustment for Non-controlling interest	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-
<b>Total comprehensive Income</b>	248,864	53,173	345,156	2,452	649,645
Share premium	-	-	-	-	-
<b>Balance at 31st December 2019</b>	248,864	53,173	345,156	2,452	649,645
<b>Contribution by and Distribution to owners:</b>					
Issued Share Capital	-	-	-	-	-
Share premium	-	-	-	-	-
Loss for the period	-	-	(100,528)	-	(100,528)
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive Income</b>	-	-	(100,528)	-	(100,528)
<b>Balance at 30th September 2020</b>	248,864	53,173	244,628	2,452	549,117
<b>Balance at 31st December 2019</b>	248,864	53,173	345,156	2,452	649,645

**The Company**

	Share capital	Share premium	Retained Earnings	Non controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1st January 2019</b>	248,864	53,173	319,026	-	621,063
Share capital	-	-	-	-	-
Loss for the period	-	-	(13,493)	-	(13,493)
Other comprehensive loss for the period	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	305,533	-	(13,493)
<b>Contribution by and Distribution to owners:</b>					
Issued Share Capital	-	-	-	-	-
Share premium	-	-	-	-	-
<b>Balance at 31st December 2019</b>	248,864	53,173	305,533	-	607,570
Profit/(Loss) for the period	-	-	(100,528)	-	(100,528)
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive Income</b>	-	-	(100,528)	-	(100,528)
<b>Balance at 30th September 2020</b>	248,864	53,173	205,005	-	507,042
<b>Balance at 31st December 2019</b>	248,864	53,173	305,533	-	607,570

MEYER PLC  
CASHFLOW STATEMENT  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

	GROUP		COMPANY	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	N'000	N'000	N'000	N'000
Cash flow from operating activities				
Profit/(Loss) for the period	(100,527)	(13,598)	(100,527)	(13,493)
<b>Adjusted for:</b>				
Depreciation of property, plant and equipment	19,398	14,184	19,398	14,184
Finance cost	7,201	18,043	7,201	18,043
Finance income	(42,307)	(120,348)	(42,307)	(120,348)
income tax expenses	2,124	6,422	2,124	6,422
Profit on disposal of property, plant and equipment	(3,149)	(2,689)	(3,149)	(2,689)
<b>Operating cash flows before movements in working capital</b>	<b>(117,260)</b>	<b>(97,986)</b>	<b>(117,260)</b>	<b>(97,881)</b>
(Increase)/decrease in inventories	22,556	23,445	22,556	23,445
Decrease/(increase) in trade and other receivables	36,373	(207,182)	36,572	(206,986)
(Increase)/decrease in other assets	(24,192)	-	(24,192)	-
Increase/(decrease) in trade and other payables	17,350	2,235,260	17,152	2,234,959
Increase/(decrease) in finance lease	25,574	-	25,575	-
Increase/(decrease) in employee benefit	(1,885)	-	(1,885)	-
	<b>(41,485)</b>	<b>1,953,537</b>	<b>(41,483)</b>	<b>1,953,537</b>
Income taxes paid	-	(3,635)	-	(3,635)
<b>Net cash generated by operating activities</b>	<b>(41,485)</b>	<b>1,949,902</b>	<b>(41,483)</b>	<b>1,949,902</b>
<b>Cashflow from investing activities</b>				
Purchase of property, plant and equipment	(101,372)	(254,439)	(101,372)	(254,439)
Proceeds from sale of Property, plant and equipment	601,613	2,689	601,613	2,689
Finance income	42,307	120,348	42,307	120,348
<b>Net cash generated by investing activities</b>	<b>542,548</b>	<b>(131,402)</b>	<b>542,548</b>	<b>(131,402)</b>
<b>Cashflow from financing activities</b>				
Repayment of short term borrowings	(1,813)	-	(1,813)	-
Long term loan repaid	-	(343,171)	-	(343,171)
Finance charges	(7,201)	(18,043)	(7,202)	(18,043)
<b>Net cash generated by financing activities</b>	<b>(9,014)</b>	<b>(361,214)</b>	<b>(9,015)</b>	<b>(361,214)</b>
Net cash and cash equivalents for the period	<b>492,049</b>	<b>1,457,287</b>	<b>492,050</b>	<b>1,457,286</b>
Cash and cash equivalents at beginning of the year	1,479,914	22,628	1,479,730	22,444
Cash and cash equivalents at end of the period	<b>1,971,963</b>	<b>1,479,914</b>	<b>1,971,780</b>	<b>1,479,730</b>

# MEYER PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

### 1. The Group

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

Meyer Plc (previously called DN Meyer Plc) is a manufacturing Company incorporated in Nigeria on the 20th of May 1960. The name was changed by a special resolution and the authority of the Corporate Affairs Commission on the 1st of July 2016. The Company manufactures and markets paints. The shares of the Company are held as to 30.77% by Greenwich Trust Nominees Limited, 25.92% by Bosworth, 5.26% by Osa Osunde and 37.89% by Nigerian citizens. Its registered office is at Plot 32, Billings Way, Oregun, Lagos State.

### 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 and Assurance Standards Board (IAASB) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

The financial statements were authorised for issue by the Board of Directors on 21st October 2020

#### b. **Basis of measurement**

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

at fair value

#### c. **Functional and presentation currency**

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

#### d. **Use of estimates and judgement**

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



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

- ii) **Impairment of property, plant and equipment**

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

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

- iii) **Legal proceedings**

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

### 4.1 Consolidation

- (i) **Subsidiary**

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

De-facto control exists in situations where the company has the practical ability to direct the activities of the investee without holding the majority of the voting rights. In

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

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

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

- (ii) **Changes in ownership interests in subsidiary without change of control**

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

- (iii) **Acquisition-related costs are expensed as incurred.**

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

- (iv) **Disposal of subsidiaries**

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

#### 4.2 Summary of significant accounting policies

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

##### a Going concern

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

##### b Foreign currency

###### Foreign currency transactions

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

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

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

##### c Revenue recognition

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

###### (i) Sale of goods

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

###### (ii) Other income

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

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

##### d Expenditure

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

The Group classifies its expenses as follows:

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

###### Finance income and finance costs

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

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

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

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

##### e Borrowing costs

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

##### f Income tax expenses

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

##### g Earnings per share

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

**h Property, plant and equipment**

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

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

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

**Depreciation**

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

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

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

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

**Derecognition**

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

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

**i Intangible Assets**

**Computer software**

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

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

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

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

Computer software	5 years
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**Derecognition of intangible assets**

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

**j Impairment of non-financial assets**

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

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

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

**k Financial Assets**

The Group classifies its financial assets into the following categories: Financial assets at fair value through profit or loss (or held-for-trading), Held-to-maturity, Available-for-sale financial assets and loans and receivables. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

**i) Financial assets at fair value through profit or loss (Held-for-trading)**

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

**ii) Held-to-maturity financial assets**

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

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

**iii) Available -for-sale investments**

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

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

**iv) Loans and receivables**

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

**I Impairment of financial assets**

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

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

#### **Significant financial difficulty of the issuer or obligor;**

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

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

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

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

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

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

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

#### **m Prepayments**

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

**n Inventories**

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

Cost is determined as follows:-

**Raw materials**

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

**Work in progress**

Cost of work in progress includes cost of raw materials, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using weighted average cost.

**Finished goods**

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

**Spare parts and consumables**

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

**o Trade and other receivables**

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

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

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

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

**p Cash and cash equivalents**

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

**q Borrowings**

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

**r Financial liabilities**

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

**Trade payables**

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

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

**De-recognition of financial liabilities**

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

**s Provisions**

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

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



**t Employee benefits**

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

**(i) Defined contribution 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 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.

**u Income Taxes - Company income tax and deferred tax liabilities**

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

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

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

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

**v Share capital and Share premium**

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

**w Dividend on ordinary shares**

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

**x Retained earnings**

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

**y Contingent liability**

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

**z Related party transactions or 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.

**aa Off Statement of financial position events**

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

**ab Effective Interest Method**

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

**ac Segment reporting**

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

**4.3 Determination of fair value**

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

**i Property, plant and equipment**

The fair value of items of plant and machinery, fixtures and fittings, motor vehicles and Land and buildings is based on depreciated replacement cost and comparison approaches. "Depreciated replacement cost" reflects the current cost of reconstructing the existing structure together with the improvements in today's market adequately depreciated to reflect its physical wear and tear, age, functional and economic obsolescence plus the site value in its existing use as at the date of inspection while "Comparison Approach" that is the analysis of recent sale transactions or similar properties in the 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 Available for sale financial assets**

The fair value of investments in equity are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed is the net asset per share basis.

iii **Fair value hierarchy**

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

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

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

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

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

a **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

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:

	2020 N'000	2019 N'000
Trade receivables (Note 18)	47,440	84,408
Cash and cash equivalents (Note 20)	1,971,963	1,479,914
	<u>2,019,403</u>	<u>1,564,322</u>

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 banks and other financial institutions

	2020 N'000	2019 N'000
Access Bank Plc	20,469	457,585
Diamond Bank Plc	11	-
Eco Bank Plc	90	881
First City Monument Bank Limited	76	-
Guaranty Trust Bank Plc	401	980
Stanbic IBTC Bank	351	302
First Bank of Nigeria Limited	489	29
Zenith Bank Plc	559	-
Sterling Bank	8	-
Union Bank Plc	99	-
Skye Bank	21	-
Heritage Bank	4	-
United Bank for Africa	340	-
Wema	8	-
Providus Bank	1,169,799	-
GreenWich Asset Management Limited	779,240	1,020,137
	<u>1,971,963</u>	<u>1,479,914</u>

**b Liquidity risk**

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

As at 30th September 2020	=N=000	=N=000	=N=000	=N=000
	Book value	Contractual cashflow	One year or less	1-5 years
Borrowings	25,574	-	-	25,574
Trade and other payables	453,832	-	453,832	-
	<u>479,406</u>	<u>-</u>	<u>453,832</u>	<u>25,574</u>

**c 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 30th September 2020	Effective interest rate	one year or less N'000	1-5 years N'000	Total N'000
Cash and cash equivalents	-	1,971,779	-	1,971,779
Borrowings	-	25,511	25,511	25,511
	-	<b>1,997,290</b>	<b>25,511</b>	<b>1,997,290</b>

**d 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.

# MEYER PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

### 5 Revenue

	GROUP		COMPANY	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	N'000	N'000	N'000	N'000
Paints	551,986	820,090	551,986	820,090
Application of paints	14,525	38,227	14,525	38,227
	<b>566,511</b>	<b>858,318</b>	<b>566,511</b>	<b>858,318</b>

### 5.1 Cost of sales

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

	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	N'000	N'000	N'000	N'000
Paints	353,208	538,317	353,208	538,317
Application of paints	7,206	24,197	7,206	24,197
	<b>360,414</b>	<b>562,514</b>	<b>360,414</b>	<b>562,514</b>

## MEYER PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

#### 6 Segment Reporting

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

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

Certain headquarter activities are reported as 'Corporate'. These consist of corporate headquarters including the Corporate Executive Committee.

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 industries.

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

Certain headquarter activities are reported as 'Corporate'. These consist of corporate headquarters including the Corporate Executive Committee.

Information reported to the entity's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal categories are sale of paints, adhesives/tiles, application

Segment Revenue and results	GROUP		COMPANY	
	30/09/2020 N'000	30/09/2019 N'000	30/09/2020 N'000	30/09/2019 N'000
Paints	551,986	820,090	551,986	820,090
Application of paints	14,525	38,227	14,525	38,227
	<u>566,511</u>	<u>858,318</u>	<u>566,511</u>	<u>858,318</u>
Segment Results	30/09/2020	30/09/2019	30/09/2020	30/09/2019
Other Income	42,307	70,072	42,307	70,072
Finance costs	(7,201)	(16,515)	(7,201)	(16,515)
Profit/(Loss) before tax	(98,233)	(30,846)	(98,233)	(30,846)
Tax (Provision)	(2,295)	(3,219)	(2,295)	(3,219)
Profit / (Loss) for the period	<u>(100,528)</u>	<u>(34,065)</u>	<u>(100,528)</u>	<u>(34,065)</u>

#### Segment Accounting

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

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

#### Business and geographical segments

The company operates in all geographical areas in the country.

#### Segment assets and liabilities

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



# MEYER PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

### 7 Other operating Income

	GROUP		COMPANY	
	30/09/2020 N'000	30/09/2019 N'000	30/09/2020 N'000	30/09/2019 N'000
Profit on disposal of property, plant and equipment	3,149	2,226	3,149	2,226
Rental income	2,445	5,966	2,445	5,966
Sundry income	18,310	2,947	18,310	2,947
Sale of empty drums	1,841	1,115	1,841	1,115
	<b>25,745</b>	<b>12,254</b>	<b>25,745</b>	<b>12,254</b>

### 8 Selling and distribution expenses

	GROUP		COMPANY	
	30/09/2020 N'000	30/09/2019 N'000	30/09/2020 N'000	30/09/2019 N'000
Carriage outward	12,792	23,583	12,792	23,583
Sales Promotion/Commission	1,033	2,738	1,033	2,738
Dev, & Product Testing	1,525	1,834	1,525	1,834
	<b>15,349</b>	<b>28,155</b>	<b>15,349</b>	<b>28,155</b>

**MEYER PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020**

	GROUP		COMPANY	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	N'000	N'000	N'000	N'000
<b>9 Administrative expenses</b>				
Basic	82,579	95,783	82,579	95,783
Overtime	340	124	340	124
Fringe costs	39,276	33,497	39,276	33,497
Christmas bonus	6,106	3,925	6,106	3,925
NSITF	868	1,921	868	1,921
Pension scheme	8,685	7,291	8,685	7,291
Casual labour	3,451	5,532	3,451	5,532
Staff Canteen Expenses	9,149	11,407	9,149	11,407
Medical expenses	5,144	2,149	5,144	2,149
Training - Local	798	6,871	798	6,871
Uniform and Laundry	(98)	2,729	(98)	2,729
Scholarship Scheme	550	500	550	500
Long Service Award	456	798	456	798
Maintenance Mechanical	1,142	757	1,142	757
Maintenance Eletrical	1,223	1,414	1,223	1,414
Security Expenses	5,479	6,330	5,479	6,330
Computer Rental Expenses	2,295	42	2,295	42
Building Rents and rates	7,666	7,789	7,666	7,789
Depreciation	18,381	10,790	18,381	10,790
Gen.Quality Assurance	1,212	1,914	1,212	1,914
Light and Water Office	1,839	3,734	1,839	3,734
Site and Cleaning	1,211	1,538	1,211	1,538
Factory Relocation Expense	14,117	-	14,117	-
Repair and Maintenance General	514	744	514	744
Advert & Publicity Expenses	2,031	55	2,031	55
Free Goods and Sample	460	-	460	-
Fuel and Lubricant	5,823	1,253	5,823	1,253
Vehicle expenses	6,449	5,266	6,449	5,266
Travelling Expenses	6,252	20,371	6,252	20,371
Forklift Expenses	351	282	351	282
Directors and Board Expenses	12,263	11,281	12,263	11,281
Insurance Expenses	4,247	7,016	4,247	7,016
Legal & Prefessional Expenses	10,039	8,207	10,039	8,207
Printing and Publication	4,360	961	4,360	961
Telephone Expenses	2,569	135	2,569	135
AGM Expenses	1,882	824	1,882	824
Courier & Postage	30	8	30	8
Audit Fees	3,810	3,150	3,810	3,150
Performance Cost	35,207	33,589	35,207	33,589
Staionaries	277	387	277	387
Periodical and publication	438	267	438	267
Subscription	1,119	3,489	1,119	3,489
Licence fees and Renewal	3,477	2,823	3,477	2,823
General Stores & Consumables	1,565	1,578	1,565	1,578
Entertainment	1,515	1,936	1,515	1,936
Stock taking expenses	1,114	1,067	1,114	1,067
Staff Redundancy	2,586	2,544	2,586	2,544
Staff Contingency	400	-	400	-
Management Fees	28,842	41,963	28,842	41,963
Staff Recruitment	343	8,143	343	8,143
Conference & Seminars	-	135	-	135
	<b>349,831</b>	<b>364,306</b>	<b>349,831</b>	<b>364,306</b>

**MEYER PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020**

10 Finance income and Cost

(i) Finance income:

Interest received on bank deposit

(ii) Finance Cost

Interest on bank overdraft and loans

Interest on finance lease

Total interest expenses

GROUP		COMPANY	
30/09/2020 N'000	30/09/2019 N'000	30/09/2020 N'000	30/09/2019 N'000
42,307	70,072	42,307	70,072
1,391	16,515	1,391	16,515
5,810	-	5,810	-
7,201	16,515	7,201	16,515

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

11 the followings:

**Depreciation and amortisation expense:**

Depreciation of property, plant and equipment

Amortisation of intangible assets (included in cost of sales)

**Employee benefits expense:**

Defined contribution plans

Termination benefits

Profit on disposal of property, plant and equipment

Auditors remuneration

Staff cost

Director's fees

Director's remuneration and allowance

Interest on loans and overdrafts

30/09/2020 N'000	30/09/2019 N'000	30/09/2020 N'000	30/09/2019 N'000
18,381	10,790	18,381	10,790
-	-	-	-
18,381	10,790	18,381	10,790
8,110	8,306	8,110	8,306
-	-	-	-
8,110	8,306	8,110	8,306
3,149	2,226	3,149	2,226
3,810	3,150	3,810	3,150
151,230	189,378	151,230	189,378
1,250	563	1,250	563
11,013	10,718	11,013	10,718
7,201	16,515	7,201	16,515

MEYER PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

	GROUP		COMPANY	
	30/09/2020 N'000	30/09/2019 N'000	30/09/2020 N'000	30/09/2019 N'000
<b>12 Tax expense</b>				
<b>12.1 Per profit and loss account</b>				
Income tax payable on the results for the period				
Current tax expense in respect of the current year:				
Income tax	2,124	2,267	2,124	2,267
Education tax	-	-	-	-
	<u>2,124</u>	<u>2,267</u>	<u>2,124</u>	<u>2,267</u>
In respect of prior years	-	-	-	-
	<u>2,124</u>	<u>2,267</u>	<u>2,124</u>	<u>2,267</u>
<b>Deferred tax</b>				
Current tax expense in respect of the current year:	-	-	-	-
Deferred tax expense for current year	-	-	-	-
Write-downs (reversals of previous write downs) of deferred tax assets	-	-	-	-
Total income tax expense recognised in current year for continuing operations	<u>2,124</u>	<u>2,267</u>	<u>2,124</u>	<u>2,267</u>

	GROUP		COMPANY	
	30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
<b>12.2 Per statement of financial position</b>				
At 1 January	11,256	8,469	10,971	4,733
Charged for the period	-	-	-	3,451
Payments during the year	-	-	-	-
Adjustments -withholding tax utilised	-	(3,635)	-	(3,635)
Provision for the year - minimum tax	2,124	6,422	2,124	6,422
	<u>13,380</u>	<u>11,256</u>	<u>13,095</u>	<u>10,971</u>

**12.3 Deferred taxation**

	GROUP		COMPANY	
	30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
Deferred tax liabilities	515,687	515,687	515,687	515,687
Deferred tax assets	(395,059)	(395,059)	(395,059)	(395,059)
	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>

**Deferred taxation**

	GROUP		COMPANY	
	30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
Movement at a glance				
Deferred tax (liabilities)/assets:				
At 1 January	120,628	120,628	120,628	120,628
Recognised in profit or loss	-	-	-	-
At 31 December	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>	<u>120,628</u>

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

**MEYER PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020**

**13 Earnings/(Loss) per share**

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

	GROUP		COMPANY	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	N	N	N	N
<b>Basic/diluted (loss)/earnings per share</b>	(20.20)	(6.84)	(20.20)	(6.84)
<b>Total basic/diluted (loss)/earnings per share</b>	<u>(20.20)</u>	<u>(6.84)</u>	<u>(20.20)</u>	<u>(6.84)</u>

**13.1 Basic/diluted earnings per share**

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

	GROUP		COMPANY	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	N'000	N'000	N'000	N'000
<b>Earnings from continuing operations</b>				
Profit / (Loss) for the period attributable to owners of the Company	(100,528)	(34,065)	(100,528)	(34,065)
<b>Number of shares</b>				
Number of ordinary shares for the purposes of basic earnings per share	<u>497,727,723</u>	<u>497,727,723</u>	<u>497,727,723</u>	<u>497,727,723</u>
<b>Profit/(Loss) per share (Kobo) - Basic</b>	<u>(20.20)</u>	<u>(6.84)</u>	<u>(20.20)</u>	<u>(6.84)</u>

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

**13.2 Impact of changes in accounting policies**

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

MEYER PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2020  
FIXED ASSET SCHEDULE -PPE  
PROPERTY, PLANT & EQUIPMENT

14 **The Group**

Cost	Buildings	Plant & machinery	Office equipment	Furniture & fittings	Motor vehicles	Capital Work -in-Progress	Right of Use of Asset	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2019	1,764,897	207,456	34,873	14,073	173,382	-	-	2,194,681
Additions	-	3,132	6,758	-	-	244,549	-	254,439
Transfers	(1,762,368)	-	-	-	-	-	-	(1,762,368)
Reclassification	-	-	(65)	65	-	-	-	-
Disposals	-	-	-	-	(21,877)	-	-	(21,877)
<b>At December 31st 2019</b>	<b>2,529</b>	<b>210,588</b>	<b>41,566</b>	<b>14,138</b>	<b>151,505</b>	<b>244,549</b>	<b>-</b>	<b>664,875</b>
At 1 January 2020	2,529	210,588	41,566	14,138	151,505	244,549	-	664,875
Additions	-	-	735	28	33,375	-	67,234	101,372
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	(644)	(1,261)	(2,236)	(15,243)	-	-	(19,384)
<b>At 30th September 2020</b>	<b>2,529</b>	<b>209,944</b>	<b>41,040</b>	<b>11,930</b>	<b>169,637</b>	<b>244,549</b>	<b>67,234</b>	<b>679,629</b>
<b>Accumulated depreciation and impairment</b>								
At 1 January 2019	226,159	204,266	32,541	13,934	153,215	-	-	630,115
Charge for the year	3,915	1,220	1,813	81	7,155	-	-	14,184
Transfers	-	-	-	-	-	-	-	-
Reclassification	(229,019)	-	-	-	-	-	-	(229,019)
Disposals	-	-	-	-	(21,877)	-	-	(21,877)
<b>At December 31st 2019</b>	<b>1,055</b>	<b>205,486</b>	<b>34,354</b>	<b>14,015</b>	<b>138,493</b>	<b>-</b>	<b>-</b>	<b>393,403</b>
At 1 January 2020	1,055	205,486	34,354	14,015	138,493	-	-	393,403
Charge for the period	38	1,017	1,947	40	10,754	-	5,603	19,399
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	13	-	-	-	-	13
Eliminated on disposals	-	(644)	(1,261)	(2,236)	(15,243)	-	-	(19,384)
<b>At 30th September 2020</b>	<b>1,093</b>	<b>205,859</b>	<b>35,053</b>	<b>11,819</b>	<b>134,004</b>	<b>-</b>	<b>5,603</b>	<b>393,431</b>
<b>Carrying amount</b>								
At 30th September 2020	1,436	4,085	5,987	110	35,645	244,549	61,631	353,444
At 31st December 2019	1,474	5,102	7,212	122	13,012	244,549	-	271,472

MEYER PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2020  
FIXED ASSET SCHEDULE -PPE  
PROPERTY, PLANT & EQUIPMENT

14	Company							
Cost	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture & fittings N'000	Motor vehicles N'000	Capitla Work - in-Progress N'000	Right of use N'000	Total N'000
At 1 January 2019	1,764,897	198,957	34,873	14,073	173,382	-	-	2,186,182
Additions	-	3,132	6,758	-	-	244,549	-	254,439
Transfers	(1,762,368)	-	-	-	-	-	-	(1,762,368)
Reclassification	-	-	(65)	65	-	-	-	-
Disposals	-	-	-	-	(21,877)	-	-	(21,877)
<b>At December 31st 2019</b>	<b>2,529</b>	<b>202,089</b>	<b>41,566</b>	<b>14,138</b>	<b>151,505</b>	<b>244,549</b>	-	<b>656,376</b>
At 1 January 2020	2,529	202,089	41,566	14,138	151,505	244,549	-	656,376
Additions	-	-	735	28	33,375	-	67,234	101,372
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	(644)	(1,261)	(2,236)	(15,243)	-	-	(19,384)
<b>At 30th September 2020</b>	<b>2,529</b>	<b>201,445</b>	<b>41,040</b>	<b>11,930</b>	<b>169,637</b>	<b>244,549</b>	<b>67,234</b>	<b>738,364</b>
<b>Accumulated depreciation and impairment</b>								
At 1 January 2019	226,159	195,767	32,541	13,934	153,215	-	-	621,616
Charge for the year	3,915	1,220	1,813	81	7,155	-	-	14,185
Transfers	-	-	-	-	-	-	-	-
Reclassification	(229,019)	-	-	-	-	-	-	(229,019)
Disposals	-	-	-	-	(21,877)	-	-	(21,877)
<b>At December 31st 2019</b>	<b>1,056</b>	<b>196,987</b>	<b>34,354</b>	<b>14,015</b>	<b>138,493</b>	-	-	<b>384,905</b>
At 1 January 2020	1,056	196,987	34,354	14,015	138,493	-	-	384,905
Charge for the period	38	1,017	1,947	40	10,754	-	5,603	19,399
Transfers	-	-	-	-	-	-	-	-
Reclassification	-	13	-	-	-	-	-	13
Eliminated on disposals	-	(644)	(1,261)	(2,236)	(15,243)	-	-	(19,384)
<b>At 30th September 2020</b>	<b>1,094</b>	<b>197,373</b>	<b>35,040</b>	<b>11,819</b>	<b>134,004</b>	-	<b>5,603</b>	<b>384,933</b>
<b>Carrying amount</b>								
At 30th September 2020	1,435	4,072	6,000	110	35,646	244,549	61,631	353,444
At 31st December 2019	1,473	5,102	7,212	122	13,012	244,549	-	271,472

15 Other Assets	Group		Company	
	30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
ASSETS HELD FOR SALE	1,533,350	1,533,350	1,533,350	1,533,350
PREPAYMENT	214,922	190,728	214,922	190,728
	<u>1,748,272</u>	<u>1,724,078</u>	<u>1,748,272</u>	<u>1,724,078</u>

## MEYER PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2020  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

### 16 Investment in subsidiary

	GROUP		COMPANY	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	N'000	N'000	N'000	N'000
Carrying amount at cost	-	-	9,600	9,600

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

<u>Name of the company</u>	<u>Principal activity</u>	<u>Place of incorporation</u>	<u>Proportion of ownership interest and voting power held by the Group</u>	
			30/09/2020	31/12/2019
DNM Construction Limited	Construction and rehabilitation of building	Nigeria	96%	96%

The Group owns 96% of the DNM Construction Limited

The remaining 4% shares attributable to non-controlling interest is stated below:

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

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



## MEYER PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

17 Inventories	Group		Company	
	30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
Raw materials	40,240	19,286	40,240	19,286
Work-in-progress	-	17,731	-	17,731
Finished Goods - Paints & Adhesives	35,649	61,587	35,649	61,587
Consumables	9,155	8,995	9,155	8,995
	<u>85,043</u>	<u>107,599</u>	<u>85,043</u>	<u>107,599</u>
Provision for obsolete spares and slow moving stock	-	-	-	-
	<u><b>85,043</b></u>	<u><b>107,599</b></u>	<u><b>85,043</b></u>	<u><b>107,599</b></u>

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

18 Trade and other receivables	Group		Company	
	30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
Trade receivables	74,261	111,228	38,035	75,002
Allowance for doubtful debts	<u>(26,821)</u>	<u>(26,820)</u>	<u>(27,123)</u>	<u>(26,820)</u>
	47,440	84,408	10,912	48,182
<b>Other receivables</b>				
Insurance claim	939	2,120	939	2,120
WHT claimable	77,916	74,443	77,916	74,443
Returnable containers	-	-	-	-
Sundry debtors	1,489	711	1,397	515
Due from related party	-	3,414	-	3,414
Provision for doubtful debts		<u>(939)</u>		<u>(939)</u>
	<u><b>127,785</b></u>	<u><b>164,157</b></u>	<u><b>91,165</b></u>	<u><b>127,735</b></u>

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

## MEYER PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

### 19 Cash and cash equivalents

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

	Group		Company	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	N'000	N'000	N'000	N'000
Cash and bank balances	22,925	3,345	22,741	3,161
Short-term investments ( see note 20)	1,949,038	1,476,569	1,949,038	1,476,569
	<b>1,971,963</b>	<b>1,479,914</b>	<b>1,971,779</b>	<b>1,479,730</b>

#### 19a Short term investment

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

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	The Group		The Company	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	N'000	N'000	N'000	N'000
<b>20a Cash and cash equivalents</b>				
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:				
Cash and bank balances	22,925	3,345	22,741	3,161
Short term investments ( see note 20b)	1,949,038	1,476,569	1,949,038	1,476,569
	<b>1,971,963</b>	<b>1,479,914</b>	<b>1,971,779</b>	<b>1,479,730</b>

**20a Short term investment**

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

	Group		Company	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	N'000	N'000	N'000	N'000
<b>20b Short Borrowing</b>				
LPO Financing	-	1,813	1,813	1,813
Commercial Papers	-	-	-	-
Lease obligation	25,511	-	25,511	-
Term loan	-	-	-	-
<b>Total borrowings</b>	<b>25,511</b>	<b>1,813</b>	<b>27,323</b>	<b>1,813</b>
<b>Analysis of loan balances to current and non-current portion</b>				
LPO Financing	-	1,813	1,813	1,813
Reclassification to Borrowings	-	-	-	-
Term loan	-	-	-	-
<b>Non-current portion</b>	<b>-</b>	<b>1,813</b>	<b>1,813</b>	<b>1,813</b>

<b>20c Borrowings</b>	<b>25,511</b>	<b>1,813</b>	<b>27,323</b>	<b>1,813</b>
<b>Unsecured</b>				
Loans from FBN/Ecobank through BOI/CBN intervention fund	-	16,164	-	16,164
LPO Financing	1,813	-	1,813	-
<b>Secured</b>	<b>1,813</b>	<b>16,164</b>	<b>1,813</b>	<b>16,164</b>
Reclassification as short term-loan	-	1,813	( 1,813)	1,813
	<b>1,813</b>	<b>(14,351)</b>	<b>-</b>	<b>(14,351)</b>
<b>Movement at a glance</b>				
Opening balance	-	344,984	-	344,984
Obtained during the year:	-	-	-	-
Term (interest capitalised)	-	-	-	-
Loan waived	-	-	-	-
Lease obligation	25,574	-	-	-
Repayment of loan	-	(344,984)	27,323	(344,984)
Amount due within one year	-	-	-	-
Closing balance	<b>25,574</b>	<b>-</b>	<b>27,323</b>	<b>-</b>

**21 Employment benefits**

	Group		Company	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	N'000	N'000	N'000	N'000
Balance as at 1 January	27,396	27,396	27,396	27,396
Addition/(Payment) for the period	(1,886)	-	(1,885)	-
Balance as at	<b>25,511</b>	<b>27,396</b>	<b>25,511</b>	<b>27,396</b>

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	GROUP		COMPANY	
	30/09/2020 N'000	31/12/2019 N'000	30/09/2020 N'000	31/12/2019 N'000
<b>22a Trade and other payables</b>				
Trade payable	145,250	100,572	139,415	94,737
Amount due to related parties	-	27,816	22,269	50,085
<b>Other payables:</b>				
Value added tax	86,152	83,089	86,152	83,089
Withholding tax payable	46,219	45,570	46,177	45,528
PAYE	2,123	2,682	2,123	2,682
Accruals	69,085	37,283	68,144	35,093
National housing fund	65	65	65	65
Rent receivable	1,682	3,415	1,610	3,415
Sundry creditors	83,954	89,659	83,854	90,811
Customer deposit	-	37,884	-	37,884
Technical Management fees	10,852	-	10,852	-
Industrial Training Fund	8,447	8,447	8,447	8,447
	<b>453,832</b>	<b>436,482</b>	<b>468,988</b>	<b>451,836</b>
<b>22b Deposit for AFS</b>	<b>3,098,464</b>	<b>2,500,000</b>	<b>3,098,464</b>	<b>2,500,000</b>
<b>23 Share capital</b>				
	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>
<b>Authorised:</b>				
1,300,000,000 ordinary shares of 50k each	650,000	650,000	650,000	650,000
<b>Issued and fully paid:</b>				
497,728,000 ordinary shares of 50k each	248,864	248,864	248,864	248,864
The Company has one class of ordinary shares which carry no right to fixed income.				
<b>24 Share premium</b>				
	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>
At 1 January	53,173	53,173	53,173	53,173
Balance as at	<b>53,173</b>	<b>53,173</b>	<b>53,173</b>	<b>53,173</b>
<b>25 Retained earnings</b>				
	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>
At 1 January	345,156	358,750	305,533	319,026
Profit/(Loss) attributable to owners of the company	(100,528)	(13,594)	(100,528)	(13,493)
Balance as at	<b>244,628</b>	<b>345,156</b>	<b>205,005</b>	<b>305,533</b>
<b>26 (i) Non-controlling interest</b>				
	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>	<b>30/09/2020 N'000</b>	<b>31/12/2019 N'000</b>
At 1 January	2,452	2,456	-	-
Adjustment during the period	-	-	-	-
Transfer from profit or loss	-	(4)	-	-
Balance as at	<b>2,452</b>	<b>2,452</b>	<b>-</b>	<b>-</b>

27 DIRECTORS AND EMPLOYEES

27.1 DIRECTORS

	Group		Company	
	30/09/2020	31/12/2019	30/09/2020	31/12/2019
	N'000	N'000	N'000	N'000
<b>Emoluments:</b>				
Fees	1,250	5,120	1,250	5,120
Other remuneration and allowances including pension contribution	11,013	23,400	11,013	23,400
	<u>12,263</u>	<u>28,520</u>	<u>12,263</u>	<u>28,520</u>

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

Range (N)	Number	Number	Number	Number
1,000,001 - 2,000,000	-	-	-	-
3,000,001 and above	1	1	2	1
	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>

27.2 EMPLOYEES

The average number of employees employed during the year:

	Number	Number	Number	Number
	77	91	77	91
	<u>77</u>	<u>91</u>	<u>77</u>	<u>91</u>

The aggregate payroll costs:

	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	142,310	188,640	142,310	188,640
Pension and social benefits	8,920	7,579	8,920	7,579
Staff training	798	879	798	879
	<u>152,027</u>	<u>197,098</u>	<u>152,027</u>	<u>197,098</u>

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

Range (N)	Number	Number	Number	Number
Up to 500,000	-	-	-	-
500,001 - 2,000,000	62	85	62	85
2,000,001 - 3,000,000	7	5	7	5
3,000,001 and above	8	1	8	1
	<u>77</u>	<u>91</u>	<u>77</u>	<u>91</u>

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**28 Securities Trading Policy**

The Company has adopted and implemented its Securities Trading Policy, a copy of which is contained on the company's website [www.meyerpaints.com](http://www.meyerpaints.com) and annual reports. The policy provides that the Directors, employees and related persons who may have or receive price sensitive information are prohibited from dealing in the securities of the company where such actions would be deemed as insider trading, in accordance with the existing laws. During the period under review, the Company recorded dealings in its shares by some insiders.

**29 Disclosure of Directors' interest 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 30th, September 2020 are presented hereunder:

S/N	Name of Director	Direct Shareholding 2020	Indirect Shareholding 2020	Direct Shareholding 2019	Indirect Shareholding 2019
1	Kayode Falowo (Chairman)	25,730,982	Nil	12,408,759	Nil
2	Mr. Osa Osunde	27,000,250	Nil	27,000,250	Nil
3	Erelu Angela Adebayo	Nil	Nil	Nil	Nil
4	Mr. Tony Uponi	3,298,804	Nil	Nil	Nil
5	Mr. Olutoyin Okeowo	2,080,482	Nil	2,080,482	Nil
6	Mrs. Vivienne Ochee-Bamgboye	384,998	Nil	384,998	Nil

**30 Approval of financial statements**

The unaudited condensed interim consolidated and separate financial statements were approved by the Board on 21st October 2020