JULI PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

GBENGA ADEWOLE & CO
(CHARTERED ACCOUNTANTS)

CONTENT

Board of Directors and Officials

Directors:

Prince Julius Adelusi-Adeluyi, OFR, mni	Chairman
Sir Remi Omotosho, MFR	Director
Mrs. Julia Omoshalewa Adelusi-Adeluyi	Director
Mrs. Abiola Macaulay	Director
Mr. Sylvanus Eneche	Director
Mrs. Lohdir Asabe Atu	Director
Mrs. Olufunke Ogunranti	Director

Date of Incorporation: 14th September, 1972

Date listed on the Exchange: 7th November, 1986

Corporate Office:
Juli House
19, Kodesoh Street
Ikeja, Lagos State
E-mail: julipharmacy@yahoo.com
Website: www.juliplc.com.ng
Telephone: 08191539915

Company Secretary:
Olalekan Yusuf (SAN) & Co.
(Legal Practitioners & Notary Public)
85, Allen Avenue, Ikeja, Lagos State

Independent Auditor:
Gbenga Adewole & Co,
(Chartered Accountants)
Suite 7, LSPDC Phase 5,
Oba Ogunji Road, Ogba,
Lagos

Bankers:
Wema Bank Plc
Zenith Bank Plc
Union Bank

DIRECTORS' REPORT

The directors present their annual report on the affairs of Juli Plc (hereafter referred to as "the company") together with financial statements and auditors' report for the year ended 31st December 2021.

Principal Activity

The principal activity of the company continues to be sale of pharmaceutical and household consumer goods and production and marketing of table and sachet water (Juli Life Water).

Result at glance

	2021 ₦	2020 ₦
Revenue	372,102,525	247,450,000
Profit/(Loss) Before Taxation	(27,102,141)	(23,513,000)
Income Tax Expense	(930)	(619)
Profit After Tax	(27,102,141)	(23,513,000)
Share Capital	99,952,502	99,952,502
Total Assets	235,941,271	256,494,026
Net Assets	(342,517,663)	(44,544,090)
Net Assets per share (kobo)	(1.71)	(0.22)
Earnings per share (kobo)	(0.14)	(0.12)

Board of Directors and their shareholding

The following persons served as Directors during the year and their share distributions as at 31st December, 2021 are as follow:

		Number of Shares		% Holding
		Direct	Indirect	
Prince Julius Adelusi-Adeluyi, OFR, mni		57,227,746	17,044,254	37.14
Sir Remi Omotosho		1,000,000		0.5
Mrs. Juli Omoshalewa Adelusi-Adeluyi		-	-	0
Mrs Abiola Macaulay	representing Access Bank		6,490,000	3.25
Mr. Olanrewaju Ajayi	representing Wema Bank Plc		60,000,000	30
Mr. Sylvanus Eneche		-	-	0
Mrs. Lohdir Asabe Atu	representing Tim-Tali Investment Ltd		7,500,000	3.75

DIRECTORS' REPORT CONTINUES

Director's Tenure

In pursuance of Section 259 of the Companies and Allied Matters Act, 1990, one third of the directors retire by rotation at this Annual General meeting and been eligible, offer themselves for re-election.

Shareholders Information

a. Holders of more than 5% of Issued Share Capital

The following Shareholders held more than 5% of the issued share capital of the company as at 31st December, 2021

Shareholder	Number of Shares	% of Issued Share Capital
Wema Bank Plc	60,000,000	30.00
Prince Julius Adelusi-Adeluyi, OFR, mni	57,227,746	28.63
Midas Investment & Property Limited	17,044,254	8.53
	134,272,000	67

b. Shareholding Analysis

Range			No of Holders	% of Holders	Units Held	%
1	-	1,000	2067	45.25	1,161,572	0.58
1,001	-	5,000	1722	37.7	3,742,264	1.87
5,001	-	10,000	269	5.89	2,267,720	1.13
10,001	-	50,000	366	8.01	9,483,722	4.74
50,001	-	100,000	77	1.69	5,978,415	2.99
100,001	-	500,000	45	0.98	10,484,866	5.24
500,001	-	1,000,000	13	0.28	10,940,685	5.47
1,000,001	-	5,000,000	4	0.09	12,796,930	6.40
5,000,001	-	200,000,000	5	0.11	143,111,724	71.57
			4568	100	199,967,898	100.00

Non-Current Assets

Non-current Assets are generally stated at cost and are classified into Land, Motor Vehicle, Plant and Machinery, Furniture and Fittings, Office Equipment and Working Tools. Routine expenditure for repairs and maintenance are expensed as incurred. Information relating to changes in non-current assets is disclosed in Note 3.4 of the financial statements

Donations and Charitable Gifts

The company did not make any donation to political parties or charitable organisations during the year

Employment of Disabled Persons

The company has no disabled staff in its employment at the moment. However, applications from such individuals will be treated on the basis of individual merit if and when received, bearing in mind the respective aptitudes and abilities of the applicants concerned.

Employees' Involvement

The company continues to maintain effective communications with employees who subject to practical considerations, are consulted on and involved in decision that affect their current jobs or future prospects

Health, safety and welfare of employee at work

The company places high premium on the health, safety and welfare of its employees in their respective place of work. Medical facilities incurred by employees are reimbursed up to a specific limit.

Board Meetings

The Board met one time during the year to deliberate on the affairs of the company. Details in respect of attendance of members are shown below:

	Attendance
Prince Julius Adelusi-Adeluyi, OFR, mni - Chairman	2
Sir Remi Omotosho (Deceased)	0
Mrs. Julia Omoshalewa Adelusi-Adeluyi	2
Mr. Olanrewaju Ajayi	1
Mrs. Abiola Macaulay	1
Mr. Sylvanus Eneche	2
Mrs. Lohdir Asabe Atu	2
Mrs. Olufunke Ogunranti	2

Audit Committee

In accordance with Section 359 (3) of Companies and Allied Matters Act 1990, the company has an Audit Committee made up of four (4) members, two each representing the Board and Shareholders. The committee met 28th day of May, 2021 during the year and details in respect of attendance are as follows:

	Attendance
Mrs. Julia Omoshalewa Adelusi-Adeluyi – Chairman	2
Ven/M/S/E Anthony Omoniyi Omojola	2
Mr. Olatunde Olayemi	2
Mrs. Abiola Macaulay	2

Board Committee

Two committees in addition to the Statutory Audit Committee are in place

1. Finance and General-Purpose Committee
2. Establishment/Human Resource Committee

Members of the Finance and General-Purpose committee met one time during the year and details in respect of attendance are as follows:

	Attendance
Mr. Lanre Ajayi - Chairman	1
Mrs. Abiola Macaulay	1
Mrs. Olufunke Ogunranti	1

Members of the Establishment/Human resources Committee met one time during the year and details in respect of attendance are as follows:

	Attendance
Mrs. Julia Omoshalewa Adelusi-Adeluyi – Chairman	1
Mrs. Abiola Macaulay	1

Auditors

The Auditors, **Messrs. Gbenga Adewole & Co. (Chartered Accountants),** having indicated their willingness will continue in office as the company's Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed authorizing the Directors to determine their remuneration

BY THE ORDER OF THE BOARD

Dated this --- day of March, 2022

Olalekan Yusuf (SAN) & Co.

Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the Year ended 31st December, 2021

The Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria 2004 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, Cap C.20, laws of the Federation of Nigeria 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 Nigerian Accounting Standards and the requirements of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria 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. 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 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.

Chairman **Director**

29th March, 2022

REPORT OF THE AUDIT COMMITTEE TO MEMBERS OF JULI PLC

In accordance with the provisions of section 359 (6) of the companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria 2020, the members of the Statutory Audit Committee of Juli Plc hereby report as follows:

We have exercised our statutory functions under 359 (6) of the companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2020 and we acknowledge the cooperation of management and staff in the conduct of these responsibilities.

We confirm that:

1. The accounting and reporting of the company are consistent with legal requirements and agreed ethical practises.
2. The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
3. We have considered the independent auditors, post- audit report in respect of year ended 31st December, 2021 and management responses thereon and are satisfied thereto.

Members of the Audit committee are:

Mrs. Julia Omosalewa Adelusi- Adeluyi - Chairman
Ven/M/S/E Anthony Omoniyi
Mr. Olatunde Olayemi
Mrs. Abiola Macaulay

Mrs. Julia Omoshalewa Adelusi- Adeluyi
Chairman- Audit Committee
FRC/2020/003/00000021997

To the Members of Juli Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Juli Plc** ('the Company') which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards [IFRSs], the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act, 2011.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants [IESBA Code], and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies and Allied Matters Act, Cap C20 LFN 2004, the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Other Matters

The Directors are responsible for the other information. The other information comprises the Report of Directors', the Statement of Value-added and Five-Year Financial summary as required by the Companies and Allied Matters Act CAP C20 LFN 2004, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditors' report thereon.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also,

Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity's activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Key Audit Matters

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

Report on other Legal and Regulatory Requirements

Compliance with the Requirements of schedule 6 of the Companies and Allied Matters Act of Nigeria

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. In our opinion, proper books of account have been kept by the Company; in so far as it appears from our examination of those books;

iii. The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.

iv. In our opinion, the financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 LFN 2004 so as to present fairly the Statement of Profit or Loss and Other Comprehensive Income of the Company.

March, 2022
Lagos, Nigeria

Mr. Gbenga Adewole, FCA
FRC/2015/ICAN/0000011742

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2021

	Notes	2021 ₦'000	2020 ₦'000
Non-current Assets			
Property, Plant and Equipment	5	197,921	208,356
Investment	6	1,000	1,000
		198,921	209,356
Current Assets			
Inventories	7	33,032	18,404
Trade Recievables & Prepayments	8	-	22,090
Cash and Bank	9	6,668	6,644
Total Current Assets		39,700	47,138
Total Assets		**238,620**	**256,494**
Equity and Liabilities			
Ordinary Share Capital	10	99,953	99,953
Revaluation Reserve	11	236,529	236,529
Retained Earnings	12	(676,320)	(381,026)
Total Equity		(339,839)	(44,544)
Non-current Liabilities			
Term Loan	13	193,155	188,298
Current Liabilities			
Trade Payables and Accruals	14	357,547	88,220
Tax Payable	15	16,993	16,063
Due to Related Party	16	10,763	8,456
Total Current Liabilities		385,303	112,739
Total Liabilities		578,458	301,037
Total Equity and Liabilities		**238,620**	**256,494**

Prince Julius Adelusi-Adeluyi, OFR, mni
FRC/2013/NBA/00000004555
Chairman

Osho Olaniyi Thomas, FCA, MBA
FRC/2014/ICAN/000006471
Chief Finance Officer

Mrs. Julia Omoshalewa Adelusi-Adeluyi
FRC/2020/003/00000021997
Director

The notes 1 to 26 set out in pages 16 to 32 form an integral part of this account

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2021

	Notes	2021 ₦'000	2020 ₦'000
Revenue	17	372,103	247,450
Less: Cost of Sales:	18	(285,102)	(185,347)
Gross Profit		87,000	62,103
Other Income	19	2,225	2,170
Administration Expenses		(105,859)	(75,910)
Operating Profit		(16,633)	(11,637)
Finance Charge		(6,860)	(11,257)
Profit Before Income Tax	20	(23,493)	(22,894)
Provision for Tax	21	(930)	(619)
Profit for the year from continuing operation		(24,423)	(23,513)
Profit/(Loss)Before Taxation			
Statement of Other Comprehensive Income			
Prior Year Adjustment		(270,871)	(32,966)
Total Comprehensive Income for the year		(295,294)	(56,479)

The notes 1 to 26 set out in pages 16 to 32 form an integral part of this account

STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER, 2021

	Share Capital ₦'000	Revaluation Reserve ₦'000	Retained Earnings ₦'000	Total ₦'000
Balance as at 1st January, 2020	99,953	236,529	(324,548)	11,934
Changes In Equity:				
Prior Year Adjustment	-	-	(23,512)	(23,512)
Loss for the Year			(32,966)	(32,966)
Total Comprehensive Income for the Period	-			-
Balance as at 31st December, 2020	**99,953**	**236,529**	**(381,026)**	**(44,544)**
Balance as at 1st January, 2021	99,953	236,529	(381,026)	(44,544)
Changes In Equity:				
Prior Year Adjustment			(270,871)	(270,871)
Profit for the Year			(24,423)	(24,423)
Balance as at 31st December, 2021	**99,953**	**236,529**	**(676,320)**	**(339,839)**

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31ST DECEMBER, 2021

	Note	2021 ₦'000	2020 ₦'000
Cash generated from Operating Activities		(23,493)	(22,893)
Cash flow from Investing Activities			
Depreciation	5	17,372	15,823
Prior- Year Adjustment		(270,871)	(32,966)
Cashflow before changes in working capital			
		(276,992)	(40,036)
Changes in Working Capital			
Decrease/(Increase) in Inventories		(14,628)	(9,627)
Decrease/(Increase) in Trade Receiveables & Prepayments		22,090	23
Increase/(Decrease) in due to Intercompany		2,307	4,500
Increase/(Decrease) in Trade Payables & Accruals		269,327	9,381
		2,103	(16,505)
Tax Paid		-	-
Net Cashflow from Operating Activities		2,103	(16,505)
Cash flow from Investing Activities			
Acquisition of Property, Plant and Equipment	5	(6,935)	(333)
Investment- Decrease		-	-
		(6,935)	**(333)**
Cash flow from Financing Activities			
Loan Capital		4,857	9,997
Net Cash from Financing Activities		4,857	9,997
Net Decrease in Cash and cash equivalents		25	(6,841)
Cash and cash equivalent as at 1st January		6,644	13,485
Cash and cash equivalent as at 31st December	9	6,669	6,644

NOTES TO THE FINANCIAL STATEMENTS

1.1 General Information

1.2 Reporting entity

JULI PLC is incorporated as a public limited company in Nigeria under the Company and Allied Matters Act and is domiciled in Nigeria. The company is located at Ikeja along Kodesoh Road, while it has a branch in Ado Ekiti all in Nigeria.

JULI PLC prepares its Financial Statements up to 31st December.

The financial statements were authorized for issue by the Board of Directors on 29th day of March, 2022

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of preparation

2.2 Statement of Compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the International Accounting Standard Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the relevant requirements of Companies and Allied Matters Act (CAMA) CAP, C20, LFN 2020 and Financial Reporting Council of Nigeria (FRC) Act.

2.3 Going Concern

The company has consistently been generating funds through sale of pharmaceutical and household consumer goods and production and marketing of table and sachet water (Juli Life Water).

The Management believes that there is no intention or threat from any source to curtail significantly its services in the foreseeable future. Thus, these financial statements are prepared on a going concern basis under the historical cost convention.

2.4 Functional Currency

These financial statements are presented in Nigerian Naira because that is the functional currency of the primary economic environment in which the company operates.

2.5 Management estimates and judgements

The preparation of financial statements, in conformity with generally accepted accounting principles under IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period

Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There were no significant changes in estimates from the last financial statement.

2.6. Accounting Standards issued not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January, 2018; however, the company has not applied the following amended standards in preparing theses financial statements

New or amended Standards	Summary of the requirements	Possible impact on Financial statements
IFRS 9 Financial Instruments	IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general edge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January, 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9.
IFRS 15 Revenue from Contracts with Customers	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 15.

3.1 Summary of Significant Accounting Policies

3.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. It represents amounts receivable in respect of goods and services supplied to third parties in the normal course of business, after deducting discounts, rebates and value added tax.

Sales of goods are recognised when title has passed and the significant risks and rewards of ownership have been transferred.

3.2.1 Other Income

Other income relates to income from disposal of assets, interests received on deposits, exchange gains and ancillary activities that are outside ordinary course of the company

3.3 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Balances at year end are translated at prevailing rate at the date of the Statement of Financial Position.

3.4 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. First-in First-out (FIFO) method is used in the determination of cost.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Borrowing costs is excluded.

Net realisable value is the estimate of the selling price in the ordinary course of business, less any applicable selling expenses.

3.5 Property, plant and equipment

3.5.1 Recognition and Measurement

Property, plant and equipment represent the most significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company’s financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value would result in reduced depreciation charge in the statement of comprehensive income. The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives. The Company's properties are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

For revalued assets, any revaluation increase arising on the revaluation of such land and building is recognized in the other comprehensive income and accumulated fund, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in other comprehensive income in which case the increase is credited to other comprehensive income to the extent of the decrease previously expensed. A decrease in the carrying amount arising from the revaluation of such land and building is recognized in other comprehensive income to the extent that it exceeds the balance if any, held in the property revaluation reserves relating to a previous revaluation of such asset.

3.5.2 Depreciation

Depreciation of property, plant and equipment commence when they are ready for their intended use. Depreciation is provided on all property, plant and equipment, other than leasehold land which is not depreciated, at rates calculated to write-off the cost or valuation, of each asset on a straight-line basis over its expected useful life, as follows:

Asset Category	**Useful life**
Land	-
Building	40 years
Motor Vehicle	4 years
Plant and Machinery	5 years
Furniture and Fittings	5 years
Office Equipment	5 years
Computer Software	5 years
Laboratory Equipment	5 years

3.5.3 De-recognition of Property, Plants and Equipment

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. 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 statement of profit or loss within 'Other income or operating expenses' in the year that the asset is de-recognized.

3.6 Impairment of financial assets

At each balance sheet date, the Company reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is charged to the statement of comprehensive income immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previous recognized revaluation surplus for the same asset.

In respect of property, plant and equipment and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognized to the extent of the carrying amount of the asset that would have been determined (net of amortization and depreciation) had no impairment loss been recognized. The reversal is recognized in the statement of comprehensive income immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus to the extent that an impairment loss on the same revalued asset was previously recognized as an expense in the statement of comprehensive income, a reversal of that impairment loss is recognized as income in the statement of comprehensive income, a reversal of that impairment loss is recognized as income in the statement of comprehensive income. There was no revision to estimates during the year.

Financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due to according to the contractual terms and the collective impairment provision is estimated for any such group where credit risk characteristics of the group of financial assets has deteriorated. Factors such as any deterioration in country risk, technological obsolescence as well as identified structural weaknesses or deterioration in cash flows are taken into consideration and the amount of the provision is based on the historical loss pattern within each group.

3.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimate to settle present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.8 Advertising

Advertising expenditure, such as advertising costs, points of sale materials and sponsorship payments, are charged to the income statement when the company has the right of access to the goods or services acquired.

3.9 Exceptional items

Exceptional items are those that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are included within the income statement caption to which they relate and are separately disclosed either in the notes to the financial statements or on the face of the income statement.

3.10 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed 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 there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.11 Noncurrent assets held for sale

Noncurrent assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.

They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

3.12 Financial Instruments

a) Financial assets

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

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Company's financial assets comprise of 'receivables'.

At the reporting date, the Company assesses whether its financial assets have been impaired. Impairment losses are recognized in the statement of profit or loss and other comprehensive income where there is objective evidence of impairment.

i) Trade and other receivables

Trade and other receivables are stated at amortized cost based on the original invoice amount less an allowance for any irrecoverable amounts. Provision is made when there is objective evidence that the Company will not be able to collect certain debts. Bad debts are written off when identified.

The amount of impairment allowance 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 impairment are recognized under administrative costs. When a trade receivable is uncollectable, it is written off against impairment for trade receivables.

ii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand and short-term deposits with banks and similar institutions, which are readily convertible to known amounts of cash and are subject to insignificant risks of changes in their fair value.

iii) Derecognition of financial assets

The Company derecognizes 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.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

f the Company retains substantially all the risk and rewards of ownership of a transferred financial asset, the company continues to recognize the financial asset and also recognize a collaterised borrowing for the proceeds received.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair value of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gains or losses allocated to it that had been recognized in other comprehensive income is recognized in the statement of comprehensive income.

A cumulative gains or losses that had been recognized in other comprehensive income are allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair value of those parts.

b) Financial Liabilities

Financial liabilities are initially recognized 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's financial liabilities include trade and other payables.

Financial liabilities are presented as if the liability is due to be settled within 12months 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 12months after the reporting date are classified as non-current.

i) **Trade and other payables**

Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Other payables that are within the scope of IAS 39 are subsequently measured at amortized cost. Others are measured in respect to their applicable standards.

ii) **Related party transactions**

Related parties include the related companies, the trustees and any employee who is able to exert significant influence on the operating policies of the Company. 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 or indirectly, including any director (whether executive or otherwise) of that entity.

The Company 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 transaction with the Company, the transactions are disclosed as to the type of relationship that exists with the Company and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

iii) De-recognition of financial liabilities

The Company derecognizes 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 derecognized and the consideration paid and payable is recognized in statement of profit or loss and other comprehensive income.

c) Equity Instruments

i) Funds

The Company considers its capital to be its accumulated fund. The Executive Committees' financial objective is to generate a targeted operating position, to build and maintain the accumulated fund at a sustainable level, taking into account the various competitive risks. The Company's Financial Committee reviews the financial position of the Company at each committee meeting. The Company is not subject to any material externally imposed capital requirement.

ii) Reserves

Reserves include all current and prior period retained earnings and other reserves.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial instruments

The Company assesses its financial instruments at the end of each reporting period whether there is objective that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after 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.

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows such as changes in arrears or economic conditions that correlate with defaults.

As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

3.13 Employee benefits

(i) Pension

Defined Contribution scheme

In line with the provisions of the Pension Reform Act 2004 as amended to date, the Company instituted a defined contribution Pension Scheme for its management and non-management staff. Staff contributions to the schemes are funded through payroll deductions while the Company's contribution is charged to the Income Statement, the Company contributes 10% for management and non-management staff respectively while employees contribute 8% of their insurable earnings (basic, housing and transport).

(ii) Gratuity

Defined Benefit Scheme

Lump-sum benefits shall be payable upon retirement or resignation of employment of employees who had served the company for minimum of 5 years. These benefits are fully accrued over the service lives of management and non-management staff. The Company ensures adequate arrangements are in place to meet its obligation under the scheme.

4.1 Financial Risk Management

4.2 General

Pursuant to a financial policy maintained by the Management Committee, the Company uses several financial instruments in the ordinary course of business. The Company's financial instruments are cash and cash equivalents, trade and other receivables and trade and other payables.

The Company 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

4.3 Credit risk

Credit risk arises principally from cash and cash equivalents, deposits with banks and financial institutions, equity held as available-for-sale investments, trade receivables and other financial instruments. The Company regularly monitors and reviews its exposure with key banking and investment manager, and for deposits, only independently rated banks and financial institutions with a minimum rating of 'A' are used. The Company's trade receivables relate substantially to credit sales.

The credit risk is that one party to a financial instrument fails to discharge its obligation in respect of the instrument. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

The Company believes that the maximum exposure equates to the carrying value of trade and other receivables. Management reviews the trade receivables balance on regular basis.

4.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able meets its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions.

The Company receives the majority of its income as sales in the year. Cash not required for short-term operating purposes is invested to maximize return with an acceptable level of risk.

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.

4.5 Market risk

Market risk concerns the risk that the Company's income or if held, 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.

Market risk arises from the Company's use of interest bearing and tradable financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). Interest rate risk relates to the risk of loss due to fluctuations in both cash flows and the fair value of financial assets and liabilities due to changes in market interest rates. The Company invests surplus cash in the short-term and in doing so exposes itself to the fluctuation in interest rates that are inherent in such a market.

NOTES TO THE FINANCIAL STATEMENTS CONTINUES

5 **Property, Plant and Equipment**

	Freehold Land ₦'000	Building ₦'000	Motor Vehicle ₦'000	Furniture & Fittings ₦'000	Office Equipment ₦'000	Laboratory Equipment ₦'000	Computer Software ₦'000	Plant & Machinery ₦'000	Total ₦'000
Cost									
As at Ist January 2021	100,000	168,279	14,900	5,936	2,786	7,321	3,629	19,784	322,635
Additions	-	-	-	-	35	-	-	6,901	6,935
Disposal	-	-	-	-	-	-	-	-	-
As at 31st December.2021	100,000	168,279	14,900	5,936	2,821	7,321	3,629	26,685	329,570
Accumulated Depreciation									
As at Ist January 2021		78,679	11,175	3,811	1,654	4,312	2,903	11,744	114,278
Charges for the year		4,207	3,725	1,187	726	1,464	726	5,337	17,372
Transferred						-	-	-	-
As at 31st December.2021	-	82,886	14,900	4,998	2,380	5,776	3,629	17,081	131,650
Net Book Value									
As at 31st December.2021	100,000	85,393	-	938	441	1,545	0	9,604	197,921
As at 31st December.2020	100,000	89,600	3,725	2,124	1,132	3,009	726	8,040	223,844

NOTES TO THE FINANCIAL STATEMENTS CONTINUES

		2021 ₦'000	2020 ₦'000
6	**Investments (Market Value; N)**		
	These are fixed Deposits held with		
	WEMA Bank	1,000	1,000
7	**Inventories**		
	Pharmaceuticals, Household	27,828	14,183
	Consumer Goods	4,166	2,013
	Raw Material	1,039	2,209
		33,032	18,405
8	**Trade and other receivables**		
	Trade receivables	-	1,010
	Other receivables	-	499
	Cash Advance Ado Ekiti	-	14,209
	Cash Advance- Ikeja	-	6,371
		0	22,089
9	**Cash and Bank Balances**		
	Cash and Bank Balances	6,668	6,644
		6,668	6,644
10	**Share Capital**		
	Authorised:		
	200,000,000 ordinary shares at 50k each	100,000	100,000
	Issued and Fully Paid:		
	199,905,003 ordinary shares of 50k each	99,953	99,953
11	**Revaluation Reserve**		
	Balance Brought Forward	236,529	236,529
	Profit for the year		
		236,529	236,529

The land & Building of the company was revalued by Messrs Odudu & Co registered Estate Surveyor and Valuer in September 2009 resulting in a revaluation surplus of ₦199,275,985

NOTES TO THE FINANCIAL STATEMENTS CONTINUES

		2021 ₦'000	2020 ₦'000
12	**Profit & Loss Account**		
	Balance Brought Forward	(381,026)	(324,548)
	Profit & Loss Account	(24,423)	(23,512)
	Prior Year Adjustment	(270,871)	(32,966)
		(676,320)	(381,026)

The Prior Year Adjustment relates to the accumulated penalties payable to the Nigerian Stock Exchange for late submission of periodical financial reports

		2021 ₦'000	2020 ₦'000
13	**Term Loan**		
	WEMA Bank Plc (Restructured)	193,155	188,298
14	**Trade Payables and Accruals**		
	Trade Payables	30,439	27,515
	Alpha Pharmacy	9,001	4,401
		39,440	**31,916**
	Other Payables		
	Tax (PAYE) Payables	24	7,688
	Accrued Audit Fee	600	500
	Wages Control (Net Pay Control)	1,452	1,548
	Other Payables	294	4,557
	Pension Fund- Payable	471	(1,260)
	Directors Current Account	-	(2,598)
	Accrued Directors Renumeration	44,055	44,055
	VAT Account	117	(335)
	NSE Default Payment	270,871	-
	Rent Received in Advance	225	2,150
		318,107	**56,305**
		357,547	**88,221**
15	**Taxation**		
	Brought Forward	16,063	15,444
	Provision for the Year	930	619
		16,993	16,063
16	**Related Party Transaction**		
	Loan from MIDAS Investment Property Ltd	10,763	8,456

NOTES TO THE FINANCIAL STATEMENTS CONTINUES

		2021 ₦'000	2020 ₦'000
17	**Revenue**		
	Household Consumer Goods	25,559	18,719
	Pharmaceuticals and Laboratory	250,697	149,018
	Water Sales	95,846	79,713
		372,103	247,450
18	**Other Income**		
	Interest on Fixed Deposit	-	20
	Rental Income	2,225	2,150
		2,225	2,170
19	**Cost of Sales**		
	Household Consumer Goods	93,896	16,446
	Pharmaceuticals	117,540	120,090
	Water Sales	73,666	48,810
		285,102	185,346
20			
a	**Profit Before Taxation**		
	Profit before taxation is stated after charging:		
	Depreciation	17,372	15,823
	Directors' Emoluments:		
	Fees	-	-
	Employees' Costs	31,508	27,438
	Auditors' Fee	600	500
b			
	Employee Cost and Directors' Remuneration		
	Employee costs during the year comprise:		
	Salaries and Wages	31,277	27,167
	Other Employee Benefits	231	271
	Employer's Pension Contribution	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTINUES

		2021 Number	2020 Number
c	Average number of full time persons employed during the year:		
	Pharmacy	2	2
	Supermarket	2	2
	Water Factory	5	5
d	Average number of management and non-management		
	Management	5	5
	Non-management	16	16

		2021 ₦'000	2020 ₦'000
21	**Profit Before Taxation**		
a	***Per Income Statement***		
	Income tax based on taxable Profit	930	619
	Education tax	-	-
	Current year charge	930	619
	Deferred tax	-	-
	Income tax charge/(credit)	930	619
b	***Per Statement of Financial Position***		
	As at 1st January 2021	16,062	15,443
	Current year charge	930	619
	Payment	-	-
	Balance as at 31st December, 2021	16,992	16,062

The charge for income tax is based on the provision of the Income Tax Act CAP C21 LFN 2004 as amended and Education Tax Act, CAP E4 LFN 2004.

22 Related Party Transactions

The company transacts business with Midas Investment Properties Limited. The amount due to related parties are disclosed in Note 12

23 Guarantees and othe financial obligations

The company does not have any guarantee

24 Litigations and Claims

The company has no litigations or outstanding claims against it

25 Post Financial Position Events

There are no significant post balance sheet events which could have material effect on the state of affairs of the company as at 31st December, 2021

26 Reclassification of Comparative figures

Certain prior year balances have been reclassified to enhance comparability with current year balances