MORISON INDUSTRIES PLC
FINANCIAL STATEMENTS
31 DECEMBER 2021



Corporate Information

Directors

Mr. Richard O. Titiloye

Mr. Adesoji A. Oladejo

Engineer Charles A. Osezua (OON)

Mrs. Afolake Lawal Mr. Philip Olusegun Ayeni Mr. John Adekoje

(Chairman)

(Managing Director)

(Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director)

Registered Office

28/30 Morison Crescent Oregun Industrial Area

lkeja Lagos

Tax Identification Number

01277168-0001

Registrar and Transfer Office

Cardinal Stone(Registrars) Limited

335/337, Herbert Macaulay Way

Yaba Lagos

Auditors

BDO Professional Services

ADOL House 15 CIPM Avenue

Central Business District, Alausa

Ikeja Lagos

Solicitors

S.B. Joseph & Co. 140 Borno Way Ebute Metta Lagos.

Bankers

Ecobank Nigeria Limited Fidelity Bank Plc Stanbic IBTC Bank Plc Union Bank of Nigeria Ptc

Wema Bank Plc

In line with the provisions of Section 405 of the Companies and Allied Matters Act, 2020; we have reviewed the audited financial statements of the Company for the year ended 31 December 2021 and based on our knowledge confirm as follows:

- a) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;
- b) the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the Company as at and for the year ended 31 December 2021.
- the Company's internal controls have been designed to ensure that all material information relating to the Company is received and provided to the Auditors in the course of the audit.
- d) the Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as at 31 December 2021.
- e) that we have disclosed to the Auditors that there are no significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the Auditors any weaknesses in internal controls observed in the course of the Audit
- f) that we have disclosed to the Auditors that there is no fraud involving management or other employees which could have any significant role in the Company's internal control; and
- g) there are no significant changes in internal controls or in other factors which could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses

AYEGBO, Oluwafemi Olanrewaju Financial Controller OLADEJO, Akinola Adesoji Managing Director



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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF MORISON INDUSTRIES PLC REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Morison Industries Plc which comprise, the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011 and the Companies and Allied Matters Act, 2020.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters 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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Revenue is recognised and posted as sales when invoices are raised irrespective of whether the goods have been delivered and the waybill endorsed by the customers. There is a risk that sales may not exist and be misstated as transfer of control may not have passed to the third party in line with the company's accounting policies and the provisons of International Financial Reporting Standard(IFRS)15.

Our response

Our audit procedures in response to the risk included, amongst others:

- Confirmation of revenue cycle cut-off from goods dispatched for completeness at year end
- For a selected sample of signed delivery notes/waybills listing in the verified store records, we:
 - Obtained details of dispatches of inventory prior to and subsequent to the year end, and that they were appropriately treated.
 - Traced delivery notes/waybills signed by the customer or its representative as maintained to invoices recorded in sales ledger before and after year end.
 - Verified and confirmed that revenue and receivables were recorded in the appropriate period.



Other information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's statement and Directors' report, but 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 during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards Issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

- * Identify and assess the risks of material misstatement of the 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 the directors.



- * Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act, 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

Lagos, Nigeria 29 March 2022 Olusegun Agbana-Anibaba FRC/2013/ICAN/00000003667 For: BDO Professional Services Chartered Accountants



MORISON INDUSTRIES PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	N.000	N'000
Revenue	7	140,610	121,967
Cost of sales	8	(110,638)	(109,261)
Gross profit		29,972	12,706
Distribution expenses	9	(25,009)	(21,420)
Operating expenses	10	(135,401)	(132,459)
Other operating income	11	_52,524	39,803
Loss from operations		(77,914)	(101,370)
Finance income	12	17	
Finance expenses	12	_(15,548)	(5,557)
Net finance expenses		(15,548)	(5,557)
Loss before taxation	13	(93,462)	(106,927)
Tax expense	14	(469)	(388)
Loss for the year		_(93,931)	(107,315)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation surplus (Net of tax)	26	1,119,035	*
Items that will or may be reclassified to profit or loss:			:
Total other comprehensive income		1,119,035	
Total comprehensive income/(loss)		1,025,104	(107,315)
Loss per share(kobo)	27	(9)	(11)

The accompanying notes on pages 8 to 31 and other national disclosures on pages 32 and 33 form an integral part of these financial statements.

MORISON INDUSTRIES PLC STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021	2020
Assets		N.000	N'000
Non-current assets		4 504 405	200 704
Property, plant and equipment	16	1,506,695	290,781
Current assets			
Inventories	17	47,323	39,869
Trade and other receivables	18	55,217	54,837
Cash and cash equivalents	19	5,422	3,202
		107,962	97,908
Total assets		1,614,657	388,689
Liabilities			
Current liabilities		440 700	E0 202
Borrowings	20	119,798	58,393 227,908
Trade and other payables	21	242,561 857	388
Income tax payables	14(v)	363,216	286,689
Non-current liabilities		-	-
Employees' benefit obligations	22	515	515
Deferred tax liabilities	15	184,163	59,826
		184,678	60,341
Total liabilities		547,894	347,030
Net assets		1,066,763	41,659
Equity			
Share capital	23	494,580	494,580
Share premium	24	84,477	84,477
Revenue reserve	25	(631,329)	(537,398)
Revaluation reserve	26	1,119,035	
Total equity		1,066,763	41,659

The financial statements and accompanying notes on pages 4 to 33 were approved and authorised for issue by the Board of Directors on 22 March 2022 and signed on its behalf by:

TITILOYE, Richard Claniyi

Chairman

FRC/2013/ICAN/00000003887

OLADEJO, Akinola Adesoji Managing Director

FRC/2021/003/00000022832

AYEGBO, Oluwafemi Olanrewaju

Financial Controller

FRC/2021/001/00000022831

The accompanying notes on pages 8 to 31 and other national disclosures on pages 32 and 33 form an integral part of these financial statements.

MORISON INDUSTRIES PLC STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital N'000	Share Premium N'000	Reserve N'000	Revaluation Reserve N'000	Total Equity N'000
Balance at 1 January 2020	494,580	84,477	(430,083)	7.4	148,974
Comprehensive income for the year:					
Loss for the year		**	(107,315)	199	(107,315)
Other comprehensive income	-	- 3			-
Total comprehensive loss for the year		*	(107,315)	12	(107,315)
Transactions with owners					
recorded directly in equity					
Dividends to equity holders				12	
Additions through rights issue				- 3	
Total transactions with equity owners			+		
Balance at 31 December 2020	494,580	84,477	(537,398)		41,659
	N.000	N.000	N'000	N'000	N.000
Balance at 1 January 2021	494,580	84,477	(537,398)		41,659
Comprehensive income for the year					
Loss for the year			(93,931)		(93,931)
Other comprehensive income				1,119,035	1,119,035
Total comprehensive income for the year			(93,931)	1,119,035	1,025,104
Transactions with owners, recorded					
directly in equity					
Dividends to equity holders					-
Additions through rights Issue		*			-
Total transactions with equity owners	(10)	*			
Balance at 31 December 2021	494,580	84,477	(631,329)	1,119,035	1,066,763

The accompanying notes on pages 8 to 31 and other national disclosures on pages 32 and 33 form an integral part of these financial statements.

MORISON INDUSTRIES PLC STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	N.000	N.000
Cash flows from operating activities			
Loss for the year		(93,931)	(107, 315)
Adjustments for non-cash items:			
Finance expenses	12	15,548	5,557
Income tax expense	14	469	388
Profit on disposal of property, plant and equipment	11	(2,275)	(994)
Depreciation of property, plant and equipment	16	31,347	31,972
		(48,842)	(70,392)
(Increase)/decrease in inventories	17	(7,454)	36,223
(Increase)/decrease in trade and other receivables	18	(380)	2,178
Increase/(decrease) in trade and other payables	21	14,653	(1,128)
Decrease in employees' benefits obligations	22		(200)
Cash absorbed in operations	-	(42,023)	(33,319)
Income taxes paid	14	27	(9,187)
Net cash outflow from operating activities	_	(42,023)	(42,506)
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(3,890)	(11,454)
Proceeds from sale of property, plant and equipment		2,276	3,438
Cost of disposal of property, plant and equipment	62	*	(195)
Net cash used in investing activities		(1,614)	(8,211)
Cash flows from financing activities			
Interest paid	20	(4,143)	(2,164)
Loan obtained	20	50,000	55,000
Finance expense	-		
Net cash inflow from financing activities		45,857	52,836
Net increase in cash and cash equivalents		2,220	2,119
Cash and cash equivalents at the beginning of the year	_	3,202	1,083
Cash and cash equivalents at the end of the year	19	5,422	3,202

The accompanying notes on pages 8 to 31 and other national disclosures on pages 32 and 33 form an integral part of these financial statements.

1. Corporate information and principal activities

The Company was incorporated in Nigeria as a private limited liability Company on 29 June 1955 and it commenced business on the same day. It converted to a public quoted Company in 1978. Morison Investment Limited, UK, and Nigerian citizens own 6.15% and 93.85% respectively of the issued share capital of the Company.

The Company is engaged in the production and marketing of pharmaceuticals, hygiene products which include Morigad range of disinfectants and the importation and distribution of medical, surgical and hospital equipment and consumables made by Braun & Company Limited, BSN Medical, Desoutter Medical Limited, Heraeus Medical GmbH and Smith & Nephew Limited.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies and Allied Matters Act, 2020.

The financial statements were approved and authorised for issue by the Board of Directors on 22 March 2022.

(b) Basis of measurement

The financial statements have been prepared under the historical cost concept.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. 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 areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. Changes in accounting policies

(a) New standards, interpretations and amendments adopted from 1 January 2021

New standards effective for adoption in the annual financial statements for the year ended 31 December 2021 but had no significant effect or impact on the Company are:

Standard/Interpretation		Date Issued by IASB	Date issued by IASB	Effective date periods beginning on or after
IFRS 16	COVID-19 Related Rent Concessions	28 May 2020	28 May 2020	1 June 2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform	27 August 2020	27 August 2020	1 January 2021

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

The following are the new standards and interpretations that have been issued, but are not mandatory for the financial year ended 31 December 2021. They have not been adopted in preparing the financial statements for the year ended 31 December 2021.

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

At the date of authorisation of the financial statements of Morison Industries Plc for the year ended 31 December 2021, the following standards and interpretations were in issue but not yet effective:

Standa	ard/interpretation	Date issued by IASB	Date issued by IASB	Effective date periods beginning on or
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	14 May 2020	14 May 2020	1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	14 May 2020	14 May 2020	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	14 May 2020	14 May 2020	1 January 2022
IFRS 3	Reference to the Conceptual Framework	14 May 2020	14 May 2020	1 January 2022
IAS 1	Classification of Liabilities as Current or Non-current	23 January 2020	23 January 2020	1 January 2023
IFRS 17	Insurance Contracts	June 2020	June 2020	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	12 February 2021	12 February 2021	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)	12 February 2021	12 February 2021	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12)	7 May 2021	7 May 2021	1 January 2023

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

4. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as well 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:

(a) Income and deferred taxation

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

(b) Impairment of property, plant and equipment

Morison Industries Plc 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 Company'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 flows generating assets.

(c) Legal proceedings

The Company reviews outstanding legal cases following developments in the legal proceedings and 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 Company's management as to how it will respond to the litigation, claim or assessment.

(d) Estimates of useful lives and residual values

The estimates of useful lives and residual values of property, plant and equipment impact the annual depreciation charge. The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

Summary of significant accounting policies

The Company's accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

In preparing the financial statements of the Company, 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 and any exchange differences arising are included in the profit or loss of the reporting year.

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate of the transaction (i.e not retranslated).

(b) Revenue

(i) Performance obligation and timing of 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 Company's activities and is stated net of value-added tax (VAT). The Company derived revenue principally from the sales of locally manufactured products, imported medical products and contract manufacture products. Revenue is recognised at a point in time when control of goods has transferred, being when the products are delivered to the customers (end users). Delivery occurs when the products have been shipped to the specific location and the control has been transferred and evidence of delivery received from the customers and the Company has objective evidence that all criteria for acceptance have been satisfied. No sales are reported if control of the goods has not been passed to the customers.

(ii) Determining the transaction price

Most of the Company's revenue is derived from price list and the amount of revenue to be earned from each consumer sales and contract manufacturer is determined by reference to those price lists. The Company has full discretion over the price to sell the products.

(iii) Allocating amounts to performance obligation

All prices have been allocated to each performance obligation identified in the contract on a relative standalone selling price basis. Each service is invoiced separately based on the capacity provided and the price agreed with the customer. Therefore, there is no judgement invloved in allocating contract price to performance obligations (all performance obligations are capable of being, and are, sold separately).

(c) Cost of Sales

Cost of sales includes the cost of manufacturing inventory, costs related to transportation, impairment and inventory write downs.

(d) Finance income and finance expenses

Finance income comprises interest income on short term deposits with banks. Interest income on short term deposits is recognised and accrued on a timebasis, 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. Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

Finance expenses comprise interest on finance lease and borrowings

(e) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income and operating expenses respectively in the statement of profit or loss and other comprehensive income.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is then derecognised. The costs of the day-to-day servicing and maintenance of an item of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income during the period in which they are incurred.

iii) Depreciation

Depreciation is calculated on items of property, plant and equipment to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on items of property, plant and equipment until they are available for use.

The principal annual rates used for this purpose, which are consistent with those for the previous years are as follows:

Class of assets %
Leasehold improvement Over the period of the lease
Plant, machinery and equipment 10
Computer equipment 33 1/3
Motor vehicles:
Delivery Vans 33 1/3
Cars 25

The company allocates the amount initially recognised in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of amortisation and useful lives of the assets are reviewed annually and adjusted if appropriate.

(v) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gains 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 or loss component of the statement of comprehensive income within 'Other income or operating expenses' in the year that the asset is derecognised.

(f) Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each reporting date for impairment or 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 cost 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 statement of profit or loss and other comprehensive income, 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 statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

(g) Inventories

Inventories include locally manufactured products, healthcare products, raw materials and packaging. Inventories are valued at the lower of cost and net realisable value.

Cost is determined using the weighted average method of valuation. Cost comprises direct material and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. If carrying value exceeds net realisable amount, a write down is recognised. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

Adequate provision is made for slow moving, obsolete and defective inventories to ensure that the value at which inventories is carried at the reporting date is reflective of anticipated future sales patterns.

MORISON INDUSTRIES PLC FINANCIAL STATEMENTS, 31 DECEMBER 2021 NOTES TO THE FINANCIAL STATEMENTS

(h) Financial instruments

i) Financial assets

Financial assets include cash and cash equivalents, trade receivables, employee and other advances and eligible current and non-current assets. Financial assets are derecognized when substantial risks and rewards of ownership of the financial assets have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized when the Company has not retained control over the financial assets.

Recognition and measurement

Financial instruments are recognized initially at fair value. Subsequent to initial recognition, financial instruments are measured as described below:

Debt instruments

There are three measurement categories into which the company classifies its debt instruments:

Financial instruments measured at amortized cost:

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition);

- a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

- a) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Interest Income is recognized in the statement of income for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the statement of profit or loss and other comprehensive income.

Financial instruments measured at fair value through profit or loss (FVTPL):

instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of profit or loss and other comprehensive income. The gain or loss on disposal is recognized in the statement profit or loss and other comprehensive income.

Interest income is recognized in the statement of income for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the entity's right to receive dividend is established. Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables and other assets.

Cash and cash equivalents

The Company's cash and cash equivalents consist of cash in hand and at banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

ii) Financial liabilities

Financial liabilities include long and short-term loans and borrowings, trade payables, eligible current and non-current (labilities,

NOTES TO THE FINANCIAL STATEMENTS

Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the company's statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(i) Impairment

i) Financial Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate.

Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

impairment provisions for receivables from related parties and debt instruments measured at FVOCI are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those which credit risk has increased significantly, life time expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime credit losses along with interest income on a net basis are recognised.

ii) Non - Financial Assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit or loss and other comprehensive income. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(j) 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(k) 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 or loss and other comprehensive income.

(I) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings to be settled within 12 months period are classified as current liabilities while borrowings to be settled over 12 months are classified as non-current liabilities.

(m) Provisions

Provision is recognised when the company has a present obligation, whether legal or constructive, as a result of a past event for which it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amounts of the obligations in accordance with IAS 37.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted where the effect is material.

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 recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount is recognised as a finance cost.

(n) Finance leases

Finance leases are stated at the present value of minimum lease payments and the assets are capitalized and depreciated using the rate applicable to these classes of assets. Lease finance charge is amortized over the period of the lease

(o) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The Company recognises wages, salaries, bonuses and other allowances for current employees in the statement of profit or loss and other comprehensive income as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits, if the company 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.

(ii) Defined contribution plans

The company has both defined benefit and defined contribution plans.

The company operates a defined contribution pension scheme for members of staff which is independent of its finances and is managed by Pension Fund Administrators. The scheme is funded by contributions from employees and the company at 8% and 10% respectively each of employee's relevant emoluments, in accordance with the provisions of the Pension Reform Act 2014. In addition, full provision is made in the financial statements for liabilities at the financial position date in respect of employee's terminal gratuities based on current relevant emoluments. For defined benefit plans, the level of benefit provided is based on the length of service and earning of the person entitled. The gratuity scheme, (defined benefit plans) has been cancelled since 2015.

(p) Taxation

i) Current income tax

The income tax expense for the period comprises current and deferred tax expense. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting date in Nigeria where the Company operates and generates taxable income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes 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 Company is subject to the following types of current income tax:

- Company Income Tax This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act, Cap C21, LFN 2004 as amended to date
- Tertiary Education Tax Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act, LFN 2011 (Amended)

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- . taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting values and their corresponding tax written down values. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(g) Share capital, reserves and dividends

i) Share capital

Share capital represents the nominal value of shares that have been issued.

Reserves

Reserves include all current and prior periods' retained earnings.

iii) Dividends

Dividends on ordinary shares are recognised in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

(v) Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to equity owners of Morison Industries PIc by the weighted average number of ordinary shares outstanding during the period.

(r) Related party transactions

Related parties include the related companies, the directors 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 transactions with the Company, the transactions are disclosed separately 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.

6. Financial risk management

(a) Financial Risk Management Disclosure

Morison industries Pic continued in the period under review to enhance its corporate governance standards by improving on the level of risk management disclosure in the financial statements.

The overall responsibility for risk management lies with the Board of Directors. The Internal Audit Unit performs the independent assessment of the effectiveness of Internal controls and procedures and reports independently through the Internal Audit Manager to the Managing Director and Audit Committee Members. The Audit Committee members also review the internal audit programme and the internal control procedures.

The Board of Directors, having recognized that an appropriate level of timely disclosure is beneficial to all stakeholders, has given its full support to this process to boost the confidence of the users of the financial statements of the company with the aim of enhancing the level and quality of disclosure at all times even as a regulatory framework for its risk management disclosure is evolving.

The Company has a risk management framework which highlights key risk areas (Regulatory, Financing, Credit, Reputational, Compliance and Operational). This is to give a clear view of the major risks we believe are faced by Morison Industries Ptc and the role of the Board of Directors and Management in managing these risks.

(b) Regulatory Risk

There have been constant changes in government policies on banning and un-banning certain components or allowing importation of some finished goods that are available locally. These inconsistent policies could result in losses as they give unfair advantage to foreign manufacturers whose cost of production is very low. Morison industries Pic liaises constantly with the Manufacturers' Association of Nigeria which is doing a lot to ensure that Manufacturers are informed of impending changes and implications of new pronouncements.

(c) Financing Risk

The cost of funds is very high and is inimical to the growth of the manufacturing industry. The banks are also not willing to grant credit to manufacturing Companies because the sector is considered high risk. This is affecting the capacity utilization and working capital. We have limited our operations to what the internally generated funds could support and also plan to raise funds from capital market when the market stabilises. We also enjoy some credit terms with our foreign suppliers to support our operations.

(d) Credit Risk

Some customers default in paying for goods and services as and when due. The effect is that there is high risk of bad debt. We continuously monitor the activities of our distributors and review from time to time the facility granted them. We extend credit to only suitable and well-identified customers and withdraw such credits where there is any doubt as to their ethical standard and records as we also ensure that there are penalties for non-compliance with the Company's credit policies.

(e) Compliance Risk

Changes in rules and regulations and the introduction of new legislations have placed greater emphasis on the need to monitor compliance with legal and regulatory requirements. The risk of non-compliance with the legal and regulatory requirements ranges from potential financial loss occasion by regulatory sanctions as well as damage to the Company's reputation. Morison industries Plc ensures it meets minimum requirements to avoid penalties and monitors compliance with the assistance of our legal personnel.

(f) Reputational Risk

The industry is suffering heavily from the activities of fakers who imitate the original product. The consumers are discouraged from patronizing the original product because they bought fake products that did not give them value. The effect of the activities of the fakers is that the Company is unable to sell its products and thereby suffers heavy losses. We check the activities of the fakers through the use of holograms, constant improvement and change in packaging. We also endeavour to sell directly to end users.

(g) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. This includes legal risk but excludes reputational risk. The Company recognizes the significance of operational risk, which is inherent in all areas of our business. Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

The Company is committed to the management of operational risks by ensuring effective control of operations, providing early warning signals of deterioration in the Company's Internal Control System and raising awareness of operational risk from top to the bottom.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance department. The Board receives monthly reports from the Company's Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Company's Financial Controller also reviews the risk management policies and processes and reports their findings to the Board.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Market risk Foreign exchange risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(I) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

(ii) Financial instruments by category

Financial assets	Financ	cial assets
	2021	2020
	N'000	N.000
Cash and cash equivalents	5,422	3,202
Trade receivables	26,920	28,491
Total financial assets	32,342	31,693

Total financial liabilities

	Financial lia	bilities	
	at amortised cost		
	2021	2020	
	N'000	N.000	
Trade and other payables	242,561	227,908	

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from cash deposit with banks and on prepaid expenses

The Management has established a credit policy not to sell to any customer when deposit has not been made for goods. The Company's review includes external ratings, when available, and in some cases bank references.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021	2020
	N'000	N.000
Cash and cash equivalents	5,422	3,202
Trade receivables	26,920	28,491
	32,342	31,693

In order to mitigate the credit risk arising from deposits with banks, banks with good reputations are accepted by the Company for business transactions.

Cash at bank and short-term deposits

An amount of cash and short term investments is held with the following financial institutions:

Cash at bank	N'000	N.000
Ecobank Nigeria Limited	823	727
Fidelity Bank Plc	1,965	253
Stanbic IBTC Bank Plc	67	68
Union Bank of Nigeria Plc	258	257
Union Homes Savings and Loans	12	12
Wema Bank Plc	2,154	1,869
L. (COBACOMITECTORO (1905-)	5,279	3,186

(b) Market risk

Market risk concerns the risk that Company 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 Company imports its goods from India, China, Germany and Great Britain and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the British Pounds. Foreign exchange risk arises on recognized assets and liabilities, principally trade receivables, cash and cash equivalents and trade payables.

Foreign exchange risk arises when future recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. Management has set up a policy to manage foreign exchange risk and imposes strict limits on the maximum exposures that can be entered into. The Company does not hedge against foreign currency exposures. The tables below summarise the Company's exposure to foreign currency arising from financial instruments. The Company's financial assets and liabilities are included in the table categorised by currency at their carrying amounts.

	Assets		Liabit	ities
	2021	2020	2021	2020
	N'000	N'000	N'000	N.000
US dollars		314		(5,011)
British pounds		369		(9,958)
		683	-	(14,969)

Sensitivity analysis of foreign exchange risk

Analysed below is the Company's sensitivity to a 1% increase or decrease in the Naira against the US dollars and British pounds. The analysis shows the effect of the changes on the profit after tax.

	Assets		Liabilitie	25
	2021	2020	2021	2020
	N.000	N'000	N'000	N'000
Effect on the profit or loss		7		(150)

(c) Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 15 days.

The Board receives rolling 12-month cash flows projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The liquidity risk of the Company is managed by the Company's Financial Controller.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months	Between 3 and 12 months	Between 1 and 5 year	Between Over 5 years	Total
	N.000	N,000	N'000	N,000	N.000
As at 31 December 2021 Trade and other payables	- 4	242,561			242,561
As at 31 December 2020 Trade and other payables		227,908			227,908

(d) Capital management

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

The debt-to-adjusted-capital ratio at 31 December 2021 and at 31 December 2020 were as follows:

	2021	2020
	N'000	N'000
Borrowings	119,798	58,393
Less: cash and cash equivalents	(5,422)	(3,202)
Net debt	114,376	55,191
Total equity	1,066,763	41,659
Debt to adjusted capital ratio (%)	11%	132%

MORISON INDUSTRIES PLC FINANCIAL STATEMENTS, 31 DECEMBER 2021 NOTES TO THE FINANCIAL STATEMENTS

		50 Section 50 Section 5	2021			2020	
7.	Revenue and Profit	Revenue	Cost of sales	Gross profit	Revenue Co		Gross profit
	Analysis by activities:	N.000	N.000	N.000	N.000	N.000	N.000
	Pharmaceuticals	6,728	5,293	1,435	6,352	4,330	2,022
	Locally Manufactured	400 537	07 520	2 000	405.003	101 /0/	3 307
	Products-Consumers	100,537 33,345	97,528 7,817	3,009	105,003	101,606 3,325	3,397 7,287
	Others/Contracts	140,610	110,638	25,528 29,972	121,967	109,261	12,706
		140,610	110,030	29,972		109,201	- Italian Company
	27 2 2700	W.			2021		2020
	Primary Geographic Ma	rkets			N'000		N.000
	Nigeria Others				140,610		121,967
	oues 2			-	140,610		121,967
		W 81 1			N.000		N.000
	Timing of transfer of go	oods and servi	ces		0.020232		59255255
	Point in time Over time				140,610		121,967
	Over time				140,610		121,967
8.	Cost of sales						
	Cost of sales includes:				N.000		N.000
	Materials consumed				70,483		56,983
	Production salaries and	wages (Note 1	3(b))		21,351		16,846
	Repairs and maintenance	6			4,411		1,354
	Electricity			5240000	4,006		2,976
	Depreciation of property Provision for obsolete an				2,813		2,196 25,759
	Office expenses				1,818		2,498
	Oil and gas				4,208		649
	Technical & Analytical C				668		-
	Factory Annual Registrat	tion		-	110,638		109,261
្ន	No. of the last			-	N'000		N'000
9.	Distribution expenses Advertisement				6,269		2,505
	Discounts allowed and co	ommission			952		2,692
	Salaries, bonuses and co		e 13(b))		13,711		13,563
	Transportation	minission (Noc	C 15(5))		1,059		2,660
	Freight				2,944		0.60
	Other distribution exper-	ises		12	74		-
				_	25,009		21,420
10.	Operating expenses				N.000		N'000
	Audit fees				2,000		2,000
	Bank charges				319		330
	Computer expenses			467eW	695		1,088
	Depreciation on property	y, plant and ed	quipment (Note	16(c))	28,534		29,776 1,805
	Directors' emoluments Electricity				1,600		1,257
	Insurance, licence and fe	995			1,044		1,888
	Land use charges	1000			284		172
	Office expenses				14,548		13,902

	2021	2020
Operating expenses (cont'd)	N.000	N.000
Other receivables written off	1,433	
Postages and telephones	2,332	2,710
Professional fees	13,401	22,562
Provision for other receivables (Note 18(e))	1,331	2,811
Provision for trade receivables (Note 18(a))	13,999	6,529
Rent and rates	880	879
Repairs and renewals	1,125	963
Salaries and wages (Note 13(b))	36,594	24,798
Secretarial expenses	2,778	8,490
Security expenses	2,479	2,426
Training expenses	494	520
Travelling expenses	1,406	2,867
Donations	30	35
Environment Development Charge	290	188
Tax expenses	11	
Vehicle running expenses	5,929	4,686
	135,401	132,459
Other operating income	N.000	N'000
Write back of accruals no longer required (Note 11(a))	27,842,650	5,063
Write back of provision on trade receivables (Note 18(a))	•	397
Write back of provision no longer required on Inventory(Note 17(a))	3,319	
Write back of other credit balances no longer required	1,160	
Profit on disposal of property, plant and equipment	2,275	994
Rental income	45,770	33,349
	52,524	39,803
 a) As part of the sacrifice to a rebirth of the Company, the Directors r 	esolved to suspend sitti	ng allowances and
directors' fees for 2 years, starting from 2018 financial year. Consequiples in 2021 financial year; 2018 accrued fees were also written back to	ently no provision was r	made for directors

12.	Finance income/(expenses)	N'000	N'000
	Finance income		
	Finance expenses comprise: Interest on borrowings Net finance expenses		5,557 (5,557)
13.	Loss before taxation	N°000	N,000
	Loss before taxation is arrived at after charging: Audit fees Depreciation of property, plant and equipment Directors' emoluments and after crediting: Profit on disposal of property, plant and equipment	2,000 31,347 1,600 	2,000 31,972 1,805
(a)	Salaries	N*000 62,812	N'000 48,213
	Defined contribution pension costs (Note 21(d))	8,844 71,656	6,994 55,207

(b) Apportionment of salaries and wages to statement of profit or loss and other comprehensive income are as follows:

	N'000	N'000
William Company to the Company to th	21.351	16,846
Cost of sales (Note 8)	13,711	13,563
Distribution expenses (Note 9)	776	24,798
Operating expenses (Note 10)	36,594	
	71,656	55,207

2020

388

469

2021

(c)	Directors			N'000	N'000
	The aggreg	gate e	moluments of the Directors were:		
	Fees				
	Other emo	lumer	nts	1,600	1,805
			72	1,600	1,805
				N'000	N'000
(i)	Chairman's	emol	luments (excluding pension contributions) totalled	1,600	1,805
100000			the highest paid director (excluding pension contributions)	and the second s	
00000	amounted	to:			
	whose rem	nunera	shows the number of Directors(excluding the Chairman) ation(excluding pension contributions)in respect of services to		
	the compa	iny fal	l within the bands shown below:	Monte	Number
24906	440	12000	***************************************	Number	Number
(111)	11 1 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	to	N150,000	*3	
	N150,001		N300,000	-	
	N300,001	and	above		
(d)	Employee	_		Number	Number
	Staff numb	7-75570 50			
(i)		-	mber of persons employed (excluding Directors)		
			during the year were as follows:	1949	
	Manageme	ent		5	. 3
	Senior			18	24
	Junior			6	6
	-		the state of the second second and follows:	29	33
(11)	The aggre	gate p	ayroll costs of these persons were as follows:	N'000	N'000
	100		STATE OF THE PROPERTY OF THE P	71,656	55,207
	the state of the s		commission and allowances		
(111)			shows the number of employees of the Company (other than	Directors) who	earned over
	N100,000	during	the year and which fell within the bands stated below:		
				Number	Number
	Up	to	N150,000		
	150,0001	-	N300,000	- 5	2
	N300,001		N400,000	-	
	N400,001		N500,000	5	3
	N500,001	and	above	24	30
					33
	Income ta			MICCO	Maga
(1)		1100000 600	rofit or loss	N.000	N.000
	Company		e tax	***	200
	Minimum 1	tax		469	388

(ii) Income tax recognised in profit or loss

Education tax

Deferred tax (Note 15)

(a) The charge for taxation in these financial statements is based on minimum tax in accordance with the provisions of the Company Income Tax Act, CAP C21, LFN 2004 (as amended).

(b) The Company is not liable to education tax because it has no assessable profit in accordance with the provisions of the Education Tax Act, CAP E4 LFN, 2004 which is 2.5% of the assessable profit for the year. (iii) The income tax expense for the year can be reconciled to the accounting profit as per the statement of profit or loss and other comprehensive income as follows:

	2021 N'000	2020 N'000
Loss before taxation	(93,462)	(106,927)
Tax at the statutory corporation tax rate of 30%	(28,039)	(32,078)
Effect of income that is exempt from taxation	(1,678)	(298)
Effect of expenses that are not deductible in determining	10.000-20	
taxable profit	14,012	20,173
Balancing charge	683	
Current year adjusted loss	15,022	12,203
Minimum tax	469	388
Income tax expense recognised in profit or loss for	A	
continuing operations	469	388
Effective rate	(1)%	

The tax rate used for 2021 and 2020 reconciliation above is the corporate tax rate of 30% and tertiary education tax rate of 2.5% payable by corporate entities in Nigeria on taxable profits under the tax laws in the country for the year ended 31 December 2021.

(iv) Income tax recognised in other comprehensive income

Deferred tax amounting to N124million was recognised in other comprehensive income during the year

	Deletted tax amounting to 11124million was recognised	in other comprehensive meonic during on	e yeur
(v)	Statement of financial position	N'000	N'000
58.5	Balance at the beginning of the year		
	Income tax	*	3,456
	Minimum tax	388	431
	Capital gain tax		5,300
	SOUTHWEST CHARGE	388	9,187
	Payments during the year:		
	Income tax		(3,456)
	Minimum tax	469	(431)
	Education tax		
	Capital gain tax	100	(5,300)
	Provision for the year:		
	Income tax	(*)	
	Minimum tax		388
	Education tax		
	Balance at the end of the year	857	388

15. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting year:

Deferred tax liabilities	Balance as at 1 January 2021 N'000	Recognised in net income N'000	Recognised in Other Comprehensive income N'000	Balance as at 31 December 2021 N'000
Excess of carrying amount over tax written down value	62,394			62,394
Revaluation surplus		82	124,337	124,337
0.000.000.000.000.000.000.000.000.000.	62,394		124,337	186,731
Deferred tax assets	9			22.300
Unrealised foreign exchange loss	2,568		. A 1	2,568
Unabsorbed capital allowance			1	-
Provision for obsolete inventories		. ÷	- 4	
Impairment for trade receivables	35	13.0	0, 97	
Unutilised tax losses			8 (4	
	2,568		V V*	2,568
Net deferred tax liabilities	59,826		124,337	184,163

The Company had a net deferred tax asset of N489,027,225 as at the reporting date which was not recognised in the financial statements because there is no probability that the Company would be able to utilise it in the foreseeable future. Details of deferred tax liabilities recognised in the financial statements are as follows:

Deferred the link link	remed tax tie	initities teco	gnised in the f	inancial state	ements are as foll	ows:
Deferred tax liabilities Balance at the beginning of the Provision during the year (Note 1 Provision during the year on revaled Balance at the end of the year	4)	us (Note 26)		2021 N'000 59,826 - 124,337 184,163		2020 N'000 59,826 - - 59,826
Property, plant and equipment		Plant,		700 Notes		
	land and buildings		Computer equipment	Motor Vehicles	Capital work in progress	Total
Cost	N.000	N'000	N'000	N'000	N'000	Mone

						The second secon
. Property, plant and equipment		Plant,				
U.S. 41 (15) 100 Min (15) 150	Leasehold		Computer	Motor	Capital work	
	land and		equipment	Vehicles		1 4 2 2 2 3
	buildings	equipment	equipment	venicles	in progress	Tota
Cost	N.000	N'000	N'000	N'000	NIGOO	
At 1 January 2020	383,320	50,529	2,227	90,740	N.000	N.000
Additions	3,699	5,160	4,447		6,853	
Disposals	-,	3,100		1,850	745	11,454
At 31 December 2020	387,019	55,689	2,227	(5,653) 86,937	7,598	(5,653) 539,470
At 1 January 2021	387,019	55 490	- Carlona			5/1-10/15/15
Additions	307,017	55,689	2,227	86,937	7,598	539,470
Disposals	-	3,238	425		227	3,890
Revaluation surplus (Note 26)	4 004 404	* 1		(20,853)		(20,853)
At 31 December 2021	1,086,481	E0 027				1,086,481
	1,473,500	58,927	2,652	66,084	7,825	1,608,988
Accumulated						
depreciation	N.000	N'000	N'000	N'000	N'000	111000
At 1 January 2020	122,713	30,561	2,227	64,245	N 000	N,000
Charge for the year	17,089	3,941	-	10,942		219,746
Disposais			45			31,972
At 31 December 2020	139,802	34,502	2,227	(3,404) 71,783		(3,404)
CONTRACTOR STREET, CONTRACTOR CON		5.1502	£,227	71,703	14	248,314
At 1 January 2021	139,802	34,502	2,227	71,783	100	249.244
Charge for the year	17,089	4,497	35	9,726		248,314
Disposals			277	(20,852)	2	31,347
Write back on revaluation				(20,032)	(4)	(20,852)
(Note 26)	(156,891)				121	(156 904)
At 31 December 2021		38,999	2,262	60,657		(156,891) 242,433
Impairment	N'000	10000		1.000-0.000	00000000000	2,2,433
At 1 January 2020	N 000	N.000	N,000	N.000	N.000	N,000
Impairment		375		-	-	375
		500	•	-		F.
At 31 December 2020		375				375
At 1 January 2021	(8)	375		20	20	375
Impairment	-				+1	3/3
At 31 December 2021	7	375				375
Carrying amounts at						
	1,473,500	N10 552	N200	AIF COM	110000000000	Indication of Commission of
Walker Carrier Carrier	1,473,300	N19,553	N390	N5,427	N7,825	N1,506,695
31 December 2020	N247,217	N20,812	F)	N15,154	N7,598	N790 704
		-		1113,134	117,370	N290,781

82,340

- (a) The Company's landed property situated at 28/30 Morison Crescent, Oregun was pledged as security for the borrowings disclosed in Note 20 as at 31 December 2021
- (b) No impairment loss was recognised during the year
- (c) Depreciation charged to profit or loss and other comprehensive income are apportioned as follows:

N.000	5 4 5 4 5 4 5 4 5 4 5 4 5 4 5 4 5 4 5 4
N 000	N'000
2,813	2,196
28,534	29,776
31,347	31,972
	2,813 28,534

(d) Land and buildings were professionally valued by Messrs Jide Taiwo & Co (Estate Surveyors and Valuers) as at 14 December 2021 on the basis of their open market values. The total revised value of the properties was N1,473,500,000 resulting in a surplus on revaluation of N1,243,372,000 which has been credited to the revaluation reserve in Note 26 to the financial statements. The Valuer, Jide Taiwo & Co, is registered with Financial Reporting Council of Nigeria with registration Number FRC/2012/0000000000254

17.	Inventories	N'000	N.000
0.00	Raw materials	38,264	26,744
	Finished goods	19,236	52,134
		57,500	78,878
	Provision for obsolete inventory (Note 17(a))	(10,177)	(39,009)
	110123011101 000011010 11111111111111111	47,323	39,869
(a)	Provision for obsolete inventory	N.000	N.000
fact.	Balance at the beginning of the year	39,009	13,250
	Additions during the year (Note 8)		25,759
	Provision no longer required (Note 11)	(3,319)	
	Write off during the year	(25,513)	
	Balance at the end of the year	10,177	39,009
		The state of the s	

(b) No inventory was pledged as security for borrowings.

Balance at the end of the year

(c) The amount of inventory recognised in cost of sales during the year was N70,483,000 (2020:N56,983,000).

100	The amount of inventory recognises in cost of sales on my ere year		
18.	Trade and other receivables Trade receivables Provision for trade receivables (Note 18(a))	N°000 123,259 (96,339)	N°000 110,831 (82,340)
	Total financial assets other than cash and cash equivalents Other receivables and prepayments (Note 18(d))	26,920 28,297 55,217	28,491 26,346 54,837
(a)	Provision for trade receivables Balance at the beginning of the year Provision for the year (Note 10) Write back during the year (Note 11)	N'000 82,340 13,999	N'000 76,208 6,529 (397)

Trade receivables represent receivables from customers for goods sold and other trading services rendered to them. Trade receivables are stated at amortised cost as at the statement of financial position date.

96,339

(b)	The age analysis of trade receivables is as follows:	N.000	N.000
101	Past due < 90days	15,708	9,456
	Past due 90-180 days	6,198	652
	Past due 180-360 days	5,014	18,383
	Past due 360days and above	96,339	82,340
	Past due Soudays and above	123,259	110,831

(c) The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

MORISON INDUSTRIES PLC
FINANCIAL STATEMENTS, 31 DECEMBER 2021
NOTES TO THE FINANCIAL STATEMENTS

	NOTES TO THE FINANCIAL STATEMENTS		
	Market and the second s	2021	2020
		N'000	N.000
	Neither past due nor impaired	26,920	28,491
	Past due but not impaired	10000	
	Collectively impaired	96,339	82,340
		123,259	110,831
(d)	Other receivables and prepayments	N'000	N.000
W.	Staff receivables	65	25
	Withholding tax receipts	14,911	14,809
	Withholding tax receivables	18,419	15,934
	Advance to suppliers	3,686	542
	Receivable from Unosource Pharma Ltd	500	500
	Other receivables	1,595	1,751
		39,176	33,561
	Provision for other receivables (Note 18(e))	(17,423)	(16,092)
		21,753	17,469
	Prepayments (Note 18(f))	6,544	8,877
	Trapayments (trace 1507)	28,297	26,346
(e)	Provision for other receivables	N'000	N,000
5-7	Balance at the beginning of the year	16,092	13,281
	Provision during the year (Note 10)	1,331	2,811
	Balance at the end of the year	17,423	16,092
(f)	Prepayments	N'000	N'000
200	Insurance		508
	Advert and Promotions	6,544	8,369
	50,000,000,000,000,000,000,000	6,544	8,877
19.	Cash and cash equivalents	32	
	Cash and cash equivalents comprise:	N'000	N.000
	Cash at bank	5,279	3,186
	Cash in hand	143	16
		5,422	3,202
20.	Market Control of the		
	The book value and fair value of borrowings are as follows:	N.000	N'000
	Balance at the beginning of the year	58,393	•
	Additions during the year (20(a))	50,000	55,000
	Interest charge for the year	15,548	5,557
	Interest paid during the year	(4,143)	(2,164)
	108005890 4700000000000000000000000000000000000	119,798	58,393

- (a) During the year, the Company obtained Commercial papers from Palm Services Limited, Owel Linkso Group Limited and GTI Capital Limited amounting to N20,000,000, N10,000,000 and N20,000,000 respectively. The Commercial papers attract interest of fifteen per cent (15%) per annum and a one-off management fee of 2%. The facilities are secured on the fixed and floating assets of Morison Industries Plc
- (b) In prior year, the Company obtained facilities amounting to N55,000,000 from AMC Multipurpose Ventures Limited in two tranches of N20,000,000 and N35,000,000 on 22 May 2020 and 2 October 2020 respectively. The facilities were obtained for the following purposes:
 - to meet immediate working capital requirements of the Company;
 - to pay off taxes due to FIRS for the years 2006 to 2015 and;
 - for marketing strategies and re-branding expenses.

The facilities attract an interest of twenty two per cent (22%) per annum with a tenor of 90 days. The facilities were secured on the Company's landed property situated at 28/30 Morison Crescent, Oregun.

21.	Trade and other payables	2021 N'000	2020 N'000
	Trade payables	30,139	28,823
	Other payables (Note 21(a))	187,046	179,306
	Due to related company (Note 21(b))	9,800	9,800
	Total financial liabilities, excluding loans and borrowings, classified		8
	as financial liabilities measured at amortised cost	226,985	217,929
	Other payables-tax (Note 21(e))	15,576	9,979
	payer payers and process and payers	242,561	227,908
(a)	Other payables	N'000	N'000
	Unclaimed dividend	5,632	5,632
	Accruals (Note 21(c))	37,420	28,293
	Pension payable (Note 21(d))	92,758	84,271
	Rent received in advance	8,945	22,022
	Advance customer deposit	1,007	800
	Payables to other service providers	41,284	38,288
		187,046	179,306
(b)	Due to related company	N'000	N'000
(12)	Morison Investment Limited	9,800	9,800

Morison Investment Limited, United Kingdom stopped providing technical and trade mark support to Morison Industries Plc on 15 June 2012 due to the non-approval of the renewal of the technical services and royalty agreement by the National Office for Technology Acquisition and Promotion. No amount was charged for the year ended 31 December 2021 (2020: NII).

		2021	2020
0235	PRO0202		
(C)	Accruals	N.000	И,000
	Audit fees	2,650	2,700
	Chairman's allowance	6,000	4,500
	Directors' fees	862	862
	Interest expense	2,313	2,313
	Nigerian Stock Exchange	3,927	3,927
	Professional fees	4,082	2,709
	Lease charges	2,418	1,539
	Secretarial expenses	0.000	661
	Backduty assessments	3,778	4,478
	Sundry accruals	3,192	3,203
	Wages	8,198	1,401
		37,420	28,293
(d)	Pension payable	N.000	N.000
80.50	Balance at the beginning of the year	84,271	80,816
	Contributions for the year (Note 13(a))	8,844	6,994
	Remittance during the year	(357)	(3,539)
	Balance at the end of the year	92,758	84,271

The Company operates a defined contributory pension scheme for eligible employees. Both employer and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowances in line with the provisions of the Pension Reform Act, 2014 (as amended).

(e)	Other payables	N'000	N.000
1.00	Value Added Tax	7,760	5,352
	Withholding Tax	2,309	1,660
	PAYE	5,507	2,967
		15,576	9,979

		2021	2020
22.	Employees' benefits obligations	N.000	N.000
	Balance at the beginning of the year	515	715
	Payments during the year	• •	(200)
	Balance at the end of the year	515	515

The gratuity scheme has been cancelled hence no provision has been made in the books since 2015.

23. Share capital

(a) Authorised share capital

(a)	Authorised share capital				
		31 Decemb	per 2021	31 Decemb	er 2020
	Ordinary shares of N0.50 each	Number	Value	Number	Value
		'000	N.000	'000	N'000
	Balance at the beginning and the end of the year	1,000,000	500,000	1,000,000	500,000
(b)	Issued and fully paid:				
	Ordinary shares of N0.50 each	31 Decemb Number N'000	value Value N'000	31 Decemb Number N'000	
	Balance at the beginning and the end of the year	989,160	494,580	989,160	494,580
240	Share assembles		2021 N'000		2020 N'000
24.	Share premium Balance at the beginning and the end of the year	-	84,477	n a	84,477
25.	Revenue reserve		N'000		N'000
	Balance at the beginning of the year		(537, 398)		(430,083)
	Loss for the year		(93,931)		(107,315)
	Balance at the end of the year	_	(631,329)		(537,398)
26.	Revaluation reserve		N'000		N'000
	Balance at the beginning of the year	8=		8 1	-
	Revaluation surplus (Note 16)-Cost		1,086,481		
	Revaluation surplus (Note 16)-Accumulated depreciation	8-	156,891	8 1	
	10-20-20-00-00-00-00-00-00-00-00-00-00-00		1,243,372		
	Less: Tax on revaluation surplus Note (15)	-	(124,337)	c	*
	Balance at the end of the year	_	1,119,035	9	

27. Loss per ordinary share

Loss per ordinary share is calculated by dividing net results attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	'N000	'N000
Loss for the year attributable to ordinary shareholders	(93,931)	(107,315)
Weighted average number of ordinary shares		
in issue (thousands)	989,160	989,160
Loss per share (kobo)	(9)	(11)

28. Related party transactions

During the year, the Company did not carry out any transactions with Morison Investment Limited. The amount of outstanding balance at the year end are as disclosed in Note 21(b) to the financial statements.

MORISON INDUSTRIES PLC FINANCIAL STATEMENTS, 31 DECEMBER 2021 NOTES TO THE FINANCIAL STATEMENTS

Transactions with key management personnel

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

Key management of the Company includes executive and non-executive directors and members of the Executive Committee.

(b) The compensation paid or payable to key management for employee services is shown below:

Short-term employee benefits Defined benefits scheme cost Contribution to compulsory Pension Fund Scheme	2021 N'000 6,583 	2020 N'000 - -
--	----------------------------	-------------------------

Substantial Interest in shares

No individual shareholder other than Morison Investment Limited U.K. (6.15%), Mr. Richard O.Titiloye (5.19%), Leasing Partners Limited (12.81%), Brewshades Nigeria Limited (12.20%) and Topmost Asset management Ltd (10.24%) held more than 5% of the issued share capital of the Company as at 31 December 2021.

31. Financial Commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of the financial statements under review.

32. Contingent liabilities

There were no contingent liabilities at the statement of financial position date (2020:Nil).

33. Events after the reporting date

The Directors are not aware of any events which occured since 31 December 2021 which may have material effect on the financial statements at the date or which may need to be mentioned in the financial statements in order not to make them misleading as to the results of operations or financial position at 31 December 2021. In compliance with the requirements of the Financial Reporting Council of Nigeria(FRC) and the Institute of Chartered Accountants of Nigeria(ICAN) in respect of COVID-19, the Directors have assessed its impact on the financial statements as a whole and are of the opinion that it has no material effect.

34. Comparative figures

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

	2021		2020	
	N'000	%	N.000	%
Revenue	140,610		121,967	
Other operating Income	52,524		_39,803	
	193,134		161,770	
Less: Bought-in-materials and services:				6
Local Foreign	(168,045)		(187,075)	
Value added/(consumed)	25,089	100	(25,305)	(100)
Value added/(consumed) as a percentage of revenue	18%		(21)%	
Distributed as follows:				
To pay employees' salaries, wages and fringe benefits				
Wages, salaries and benefits	71,656	285	55,207	142
To pay providers of funds				
- interest expenses	15,548	62	(5,557)	50
To provide for maintenance of property, plant and equipment				
Depreciation of property, plant and equipment To pay taxes to Government	31,347	125	31,972	110
Taxation	469	2	200	35
Results for the year	407	2	388	1
Loss for the year	(93,931)	(374)	(107,315)	(353)
	25,089	100	(25,305)	(100)
				1110-1110-1

	2021	2020	2019	2018	2017
Statement of profit or loss					
	N.000	N.000	N'000	N.000	N'000
Revenue	140,610	121,967	86,112	138,190	151,369
Loss before taxation	(93,462)	(106,927)	(104,289)	(188,634)	(181,178)
Taxation	(469)	(388)	(431)	(1,448)	
Loss after taxation	<u>(93,931)</u>	(107,315)	(104,720)	<u>(181,178</u>)	(78,585)
Statement of financial pos	ition				
	N'000	N'000	N'000	N.000	N.000
Non-current assets	1,506,695	290,781	313,548	344,346	338,487
Current assets	107,962	97,908	134,190	195,527	204,859
Total assets	1,614,657	388,689	447,738	539,873	543,346
Current liabilities	363,216	286,689	238,223	225,247	518,541
Non-current liabilities	184,678	60,341	60,541	60,932	62,507
Total liabilities	547,894	347,030	298,764	286,179	581,048
Net assets/(liabilities)	1,066,763	41,659	148,974	253,694	(37,702)
Equity					
Share capital	494,580	494,580	494,580	494,580	76,090
Share premium	84,477	84,477	84,477	84,477	21,489
Revenue reserve	487,706	(537,398)	(430,083)	(325,363)	(135,281)
Total equity	1,066,763	41,659	148,974	253,694	(37,702)