



MEYER PLC

(Formerly DN MEYER PLC)

CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

31 DECEMBER 2021



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

Chairman of the Board Mr Kayode Falowo

Directors Mr Osa Osunde
 Erelu Angela Adebayo
 Tony Ukponi
 Mr. Oluwatoyin Okeowo
 Mrs Ochee Vivienne Bamgboye
 Mr. Rotimi Alashe (Appointed wef April 2021)

Registered office No 32 Billings way,
 Oregun Industrial Estate,
 Ikeja,
 Lagos

Company Secretary Marriot Solicitors
 15E, Muri Okunola Street
 Off Ajose Adeogun Street
 Victoria Island,
 Lagos

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

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

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

ACCOUNTS

The Directors are pleased to submit their report together with the Audited Financial Statements for the year ended 31 December 2021.

LEGAL STATUS

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

PRINCIPAL ACTIVITIES

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

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

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

DIVIDEND

The Directors have recommended no dividend for the year.

SHARE CAPITAL AND SHAREHOLDING

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

SUBSTANTIAL INTEREST IN SHARES

List of shareholding with 5% and above for year 2021

S/N	NAMES	2021 SHAREHOLDING	%
1	Greenwich Capital Limited	156,419,326	31.43
2	Bosworth Investments & Service Limited	153,961,094	30.93
3	Mr. Osa Osunde	27,000,250	5.42
4	Mr. Kayode Falowo	25,170,582	5.06

No individual shareholder other than as stated above held more than 5% of the issued share capital of the Company as at 31 December 2021.

Interests of Directors in Shares of the Company

The interests of Directors in the issued shares of the company as stated in the Register of Members as at 31 December 2021 for the purposes of section 301 of the Companies and Allied Matters Act, 2021 are as follows :

S/N	Name of Director	Direct	Indirect	Direct	Indirect
		shareholding	shareholding	shareholding	shareholding
		2021	2021	2020	2020
1	Kayode Falowo	25,170,582	Nil	25,170,582	Nil
2	Mr. Osa Osunde	27,000,250	Nil	27,000,250	Nil
3	Erelu Angela Adebayo	Nil	Nil	Nil	Nil
4	Mr. Tony Uponi	3,298,804	Nil	3298804	Nil
5	Mr. Oluwatoyin Okeowo	2,080,482	Nil	2,080,482	Nil
6	Mrs. Vivienne Ochee-Bamgboye	384,998	Nil	384,998	Nil
7	Mr. Rotimi Alashe	Nil	Nil	Nil	Nil

RESEARCH AND DEVELOPMENT

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

EMPLOYMENT AND EMPLOYEES

i) Employment of disabled persons

It is the policy of the Company that there is no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2021 there was no disabled person in the employment of the Company.

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

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

iii) Employee involvement and training

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

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

COMPLIANCE WITH REGULATORY REQUIREMENTS

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

EFFECTIVENESS OF INTERNAL CONTROL SYSTEM

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

POST BALANCE SHEET EVENTS

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

HUMAN CAPITAL MANAGEMENT

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

AUDITORS

In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020, the External Auditors, Messrs. BDO Professional Services (Chartered Accountants) have indicated their willingness to continue in office and a resolution will be proposed to authorise the Directors to determine their remuneration.

BY ORDER OF THE BOARD



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KALU O. KALU
(Marriot Solicitors)
Company Secretary
FRC/2020/002/00000021788

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Companies and Allied Matters Act 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act 2020.
- b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

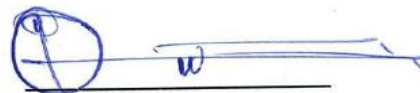
The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act 2020.

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

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



Kayode Falowo
Chairman
FRC/2014/CISN/00000007051



Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638

MEYER PLC AND ITS SUBSIDIARY COMPANY
CERTIFICATION PURSUANT TO SECTION 60(2) OF THE INVESTMENT AND SECURITIES ACT NO. 29 OF
LAWS OF THE FEDERAL REPUBLIC OF NIGERIA 2007
FOR THE YEAR ENDED 31 DECEMBER 2021

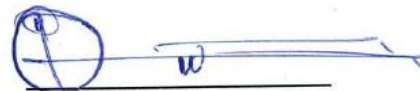
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We the undersigned hereby certify the following with regards to our Audited Financial Report for the year ended 31 december 2021 that:

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



Kayode Falowo
Chairman
FRC/2014/CISN/00000007051



Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638

**REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2021**

In accordance with the provisions of Section 404 of the Companies and Allied Matters Act 2020, we, the Members of the Audit Committee of Meyer Plc, having carried out our statutory functions under the Act, hereby report that:

- a) the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;
- b) the scope and planning of both the external and internal audit programmes for the year ended 31 December, 2021 are satisfactory and reinforce the company's internal control system;
- c) having reviewed the external auditors' findings and recommendations on management matters, we are satisfied with management's response thereon.
- d) the Company maintained an effective system of accounting and internal control during the year under review.

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

Signed,



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

Dated: 28/3/2022

Members of Audit Committee:

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

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

Opinion

We have audited the accompanying financial statements of Meyer Plc and its subsidiary Company ('together the Group') for the financial year ended 31 December 2021, which comprises the consolidated and separate statement of financial position, consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements which include the significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the Group's and Company's financial position as at 31 December 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 and its subsidiary in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition

Risk

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

Response

Completeness of revenue

- Reviewed the revenue ledgers and ascertained that invoices are serially numbered.
- Investigated reasons for missing invoices.
- Traced invoices recorded on the goods despatch register at the gate to invoices recorded in the ledger.

- Agreed treatment of sales tax
- Agreed posting to customers accounts
- Documented basis for sample size and selection

BDO Professional Services, a firm of Chartered Accountants registered in Nigeria, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners: Sanni A. Dosunmu, E. Olaseinde Olabisi, Olugbenga A. Akibayo, Kamar Salami, Tokunbo L. Oluyemi, Henry B. Omodigbo
Gideon Adewale, Olusegun Agbana-Anibaba BN: 170585

Confirmed revenue cycle cut-off from goods despatched

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

Considered adequacy of provision for credit notes

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

Valuation of inventory**Risk**

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

Response**Inventory Valuation****Inquired and verified valuation method**

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

Price Test - Raw Materials and Finished Goods

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

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

Attend physical inventory count

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

Net realisable value (NRV) Testing

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

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

Responsibilities of the Directors for the consolidated and separate Financial Statements

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

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

Other information

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

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

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

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

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

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

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

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

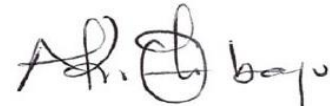
We communicated with the directors regarding, among other matters, the planned scope and timing of the audit, and significant audit findings and any significant deficiencies in internal control that we identified during our audit.

Report on other legal and regulatory requirements

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

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

Lagos, Nigeria
28 March 2022



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



AND ITS SUBSIDIARY COMPANY

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	GROUP		COMPANY	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue	9	1,118,098	827,599	1,118,098	827,599
Cost of sales	10	(725,733)	(469,085)	(725,733)	(469,085)
Gross profit		392,365	358,514	392,365	358,514
Other operating income	11(a)	74,781	45,756	74,781	45,756
Selling and distribution expenses	12	(177,769)	(196,140)	(177,769)	(196,140)
Administrative expenses	13	(311,515)	(413,434)	(311,510)	(422,934)
Loss from operating activities		(22,138)	(205,304)	(22,133)	(214,804)
Profit from disposal of building	11(b)	-	1,781,828	-	1,781,828
Finance income	14	83,407	71,124	83,407	71,124
Finance costs	14	(1,003)	(9,268)	(1,003)	(9,268)
Net finance income		82,404	61,856	82,404	61,856
Profit before taxation	15	60,266	1,638,380	60,271	1,628,880
Taxation	16(a)	(26,598)	(520,374)	(26,598)	(520,374)
Profit for the year		33,668	1,118,006	33,673	1,108,506
Other comprehensive income:					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive profit for the year		33,668	1,118,006	33,673	1,108,506
Profit for the year attributable to:					
Owners of the parent		33,668	1,118,010	33,673	1,108,506
Non-controlling interest		(4)	(4)	-	-
Profit for the year		33,664	1,118,006	33,673	1,108,506
Total comprehensive Profit attributable to:					
Owners of the parent		33,668	1,118,010	33,673	1,108,506
Non-controlling interest		(4)	(4)	-	-
Total comprehensive Profit for the year		33,664	1,118,006	33,673	1,108,506
Basic earnings per share (kobo)	31	7	225	7	223
Diluted earnings per share (kobo)	31	7	225	7	223

The accompanying notes on pages 10 to 42 and other national disclosures on pages 43 to 45 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

MEYER PLC
AND ITS SUBSIDIARY COMPANY
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2021

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	Notes	GROUP		COMPANY	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Non-current assets					
Property, plant and equipment	17	276,677	264,662	276,675	264,662
Right of use assets	17(c)	61,135	121,895	61,135	121,895
Deferred tax assets	16(d)	5,956	5,502	5,956	5,502
Total Non-Current Assets		343,768	392,059	343,766	392,059
Current assets					
Inventory	20	89,854	95,150	89,854	95,150
Trade and other receivables	21	194,267	175,705	157,641	139,283
Cash and cash equivalents	22	1,395,436	2,388,772	1,395,252	2,388,588
		1,679,557	2,659,627	1,642,747	2,623,021
		1,679,557	2,659,627	1,642,747	2,623,021
Current liabilities					
Short term borrowings	23(i)	6,614	21,128	6,614	21,128
Trade and other payables	25	476,424	584,880	491,568	600,134
Taxation	16(b)	458,768	651,338	458,484	651,053
		941,806	1,257,346	956,666	1,272,315
Net current assets		737,751	1,402,281	686,081	1,350,706
Total assets less current liabilities		1,081,519	1,794,340	1,029,847	1,742,765
Non-current liabilities					
Deferred tax liability	16(d)	-	-	-	-
Decommissioning cost	26	9,600	9,600	9,600	9,600
Employment benefits	24	17,089	17,089	17,089	17,089
		26,689	26,689	26,689	26,689
Net assets		1,054,830	1,767,651	1,003,158	1,716,076
Equity					
Share capital	27	248,864	248,864	248,864	248,864
Share premium	28	53,173	53,173	53,173	53,173
Revenue reserve	29(i)	750,349	1,463,166	701,121	1,414,039
Non controlling interest	29(ii)	2,444	2,448	-	-
Total equity		1,054,830	1,767,651	1,003,158	1,716,076

The financial statements and notes to the financial statements were approved by the Board of directors on 23 March 2022 and signed on its behalf by:



Kayode Falowo
Chairman
FRC/2014/CISN/0000007051



Oluwatoyin Okeowo
Director
FRC/2013/IODN/0000002638



Rotimi Alashe
Chief Finance Officer
FRC/2013/ICAN/0000002335

The accompanying notes on pages 10 to 42 and other national disclosures on pages 43 to 45 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	GROUP		COMPANY	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash flows from operating activities					
Profit after taxation		33,668	1,118,006	33,673	1,108,506
Adjustments for:					
Depreciation of property, plant and equipment	17	15,731	11,458	15,732	11,458
Depreciation of Right of use assets	17 (c)	39,048	22,998	39,048	22,998
Finance income	14	(83,407)	(71,124)	(83,407)	(71,124)
Finance charges	14	1,003	9,268	1,003	9,268
Profit on disposal of property, plant and equipment	11(a)	(1,628)	(3,316)	(1,628)	(3,316)
Profit on disposal of Building	11(b)	-	(1,781,828)	-	(1,781,828)
Impairment of investment in subsidiary	19	-	-	-	9,600
Decommissioning cost	26	-	9,600	-	9,600
Income tax expense	16(a)	26,598	520,374	26,598	520,374
		<u>31,013</u>	<u>(164,564)</u>	<u>31,019</u>	<u>(164,464)</u>
Decrease in inventory	20	5,296	12,449	5,296	12,449
(Increase)/decrease in trade and other receivables	21	(18,562)	179,179	(18,358)	179,179
(Decrease)/increase in trade and other payables	25	(108,356)	(2,351,602)	(108,566)	(2,351,702)
Decrease in employee benefits	24(a)	-	(10,307)	-	(10,307)
Cash absorbed in operating activities		<u>(90,609)</u>	<u>(2,334,845)</u>	<u>(90,609)</u>	<u>(2,334,845)</u>
Tax paid	16(b)	(219,621)	(6,422)	(219,621)	(6,422)
Net cash outflow from operating activities		<u>(310,230)</u>	<u>(2,341,267)</u>	<u>(310,230)</u>	<u>(2,341,267)</u>
Cash flows from investing activities					
Additions to property, plant and equipment	17(a)	(13,409)	(4,648)	(13,408)	(4,648)
Additions to Right of use assets	17(c)	(3,000)	(144,893)	(3,000)	(144,893)
Finance income	14	83,407	71,124	83,407	71,124
Proceeds from disposal of property, plant and equipment		12,003	3,318,495	12,003	3,318,495
Net cash inflow from investing activities		<u>79,001</u>	<u>3,240,078</u>	<u>79,002</u>	<u>3,240,078</u>
Cash flows from financing activities					
Long term loan repaid	22(ii)	(14,514)	(11,810)	(14,514)	(11,810)
Additional loan - short term	22(ii)	-	31,125	-	31,125
Dividend paid		(746,591)	-	(746,591)	-
Finance charges	14	(1,003)	(9,268)	(1,003)	(9,268)
Net cash (outflow)/inflow from financing activities		<u>(762,108)</u>	<u>10,047</u>	<u>(762,108)</u>	<u>10,047</u>
Net (Decrease)/ increase in cash and cash equivalents		(993,337)	908,858	(993,336)	908,858
Cash and cash equivalents at the beginning of the year		2,388,772	1,479,914	2,388,588	1,479,730
Cash and cash equivalents at the end of the year		<u>1,395,436</u>	<u>2,388,772</u>	<u>1,395,252</u>	<u>2,388,588</u>
Cash and cash equivalents comprise:					
Cash at Bank and in hand	23	<u>1,395,436</u>	<u>2,388,772</u>	<u>1,395,252</u>	<u>2,388,588</u>

The accompanying notes on pages 10 to 42 and other national disclosures on pages 43 to 45 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

MEYER PLC AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

8

	Share capital N'000	Share premium N'000	Revenue reserve N'000	Non controlling interest N'000	Total equity N'000
Balance at 1 January 2021	248,864	53,173	1,463,166	2,448	1,767,651
<i>Comprehensive Income for the year</i>					
Profit for the year	-	-	33,668	(4)	33,664
<i>Other comprehensive income</i>	-	-	-	-	-
Total comprehensive income for the year	-	-	33,668	(4)	33,664
Contributions by and distributions to owners :					
Issued share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Dividend Paid			(746,591)		
	-	-	(746,591)	-	(746,591)
Balance at 31 December 2021	248,864	53,173	750,243	2,444	1,054,724
Balance at 1 January 2020	248,864	53,173	345,156	2,452	649,645
<i>Comprehensive Income for the year</i>					
Loss for the year	-	-	1,118,010	(4)	1,118,006
<i>Other comprehensive income</i>	-	-	-	-	-
Total comprehensive loss for the year	-	-	1,118,010	(4)	1,118,006
Contributions by and distributions to owners:					
Share issue expenses	-	-	-	-	-
Balance at 31 December 2020	248,864	53,173	1,463,166	2,448	1,767,651

The accompanying notes on pages 10 to 42 and other national disclosures on pages 43 to 45 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

MEYER PLC AND ITS SUBSIDIARY COMPANY
 SEPERATE STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2021

9

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2021	248,864	53,173	1,414,039	1,716,076
<i>Comprehensive Income for the year</i>				
Profit for the year	-	-	33,673	33,673
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive income for the year	-	-	33,673	33,673
Contributions by and distributions to owners :				
Issued share capital	-	-	-	-
Share premium	-	-	-	-
Dividend paid	-	-	(746,591)	(746,591)
	-	-	(746,591)	(746,591)
Balance at 31 December 2021	248,864	53,173	701,121	1,003,158
	N'000	N'000	N'000	N'000
Balance at 1 January 2020	248,864	53,173	305,533	607,570
<i>Comprehensive Income for the year</i>				
Loss for the year	-	-	1,108,506	1,108,506
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive income for the year	-	-	1,108,506	1,108,506
Contributions by and distributions to owners:				
Share issue expenses	-	-	-	-
	-	-	-	-
Balance at 31 December 2020	248,864	53,173	1,414,039	1,716,076

The accompanying notes on pages 10 to 42 and other national disclosures on pages 43 to 45 form an integral part of these financial statements.

Auditors' report, pages 1 to 4

1 The Group

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

The Company - Corporate information and principal activities

Meyer Plc (previously called DN Meyer Plc) is a manufacturing Company incorporated in Nigeria on the 20 May 1960. The name was changed by a special resolution and the authority of the Corporate Affairs Commission on 1st of July 2016. The Company manufactures and markets paints. The shares of the Company are held as follows: 31.43% by Greenwich Capital Limited, 30.93% by Bosworth Investments & Services Limited, 5.42% by Osa Osunde, 5.06% by Kayode Falowo and 27.160% by Nigerian citizens.

Its registered office is at No 32, Billings way, Oregun Industrial Estate, Alausa Ikeja, Lagos.

2 Basis of preparation

(a) Statement of compliance

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

The financial statements were authorised for issue by the Board of Directors on 23 March 2022.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgement

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

3 New standards, interpretations and amendments

(a) New standards, interpretations and amendments adopted from 1 January 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	Effective date periods beginning on or after
IFRS 16	COVID-19 Related Rent Concessions	28 May 2020	1 June 2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform	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 the Company for the year ended 31 December 2021, the following standards and interpretations were in issue but not yet effective:

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

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

4) Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

i) Income and deferred taxation

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

ii) Impairment of property, plant and equipment

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

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

iii) Legal proceedings

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

5) Consolidation

(i) Subsidiary

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

De-facto control exists in situations where the Company has the practical ability to direct the activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

The size of The Company's voting rights relative to both the size and dispersion of other parties who hold voting rights; Substantive potential voting rights held by the Company and by other parties and other contractual arrangements.

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

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

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

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

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

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

(iv) Disposal of subsidiaries

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

6) Summary of significant accounting policies

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

(a) Going concern

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

(b) Foreign currency

Foreign currency transactions

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

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

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

(c) Revenue recognition

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

(i) **Sale of goods and rendering of services**

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

(ii) **Other income**

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

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

(d) **Expenditure**

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

The Group classifies its expenses as follows:

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

Finance income and finance costs

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

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

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

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

(e) **Borrowing costs**

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

(f) **Income tax expenses**

Income tax expense comprises current income tax, education tax and deferred tax. (See policy 'p' on income taxes)

(g) Earnings per share

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

(h) Property, plant and equipment

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

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

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

Depreciation

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

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

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

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

Derecognition

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

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

(i) Intangible Assets

Computer software

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

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

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

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

Computer software	5 years
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Derecognition of intangible assets

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

(j) Impairment of non-financial assets

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

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

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

k) Leases

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

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

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

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

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

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

(l) **Financial instruments**

a) Financial assets

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

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

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

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

ii) **Financial assets at amortised cost**

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

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

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

iii) **Trade receivables** □

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

iv) **Other receivables**

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

v) **Cash and cash equivalents**

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

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

vi) **Derecognition of financial assets**

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

vii) **Impairment of financial instruments**

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

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

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

b) Financial liabilities

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

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

i) Trade and other payables

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

ii) Borrowings

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

iii) De-recognition of financial liabilities

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

(m) Inventories

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

Cost is determined as follows:-

Raw materials

Raw materials which includes purchase cost and other costs incurred to bring the materials to their location and condition are valued at actual cost.

Work in progress

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

Finished goods

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

Spare parts and consumables

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

(n) Provisions

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

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

(o) Employee benefits

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

(i) Defined contribution pension scheme

In line with the provisions of the Nigerian Pension Reform Act, 2014, Meyer Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Group at the rate of 8% by employees and 10% by the Group of basic salary, transport and housing allowances invested outside the Group through Pension Fund Administrators (PFAs) of the employees choice.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by Meyer Plc to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Short-term benefits

Short term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed by Meyer Plc in the income statement as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income Taxes - Company income tax and deferred tax liabilities

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

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

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

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

(q) Share capital and Share premium

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

(r) Dividend on ordinary shares

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

(s) Retained earnings

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

(t) Contingent liability

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

(u) Related party transactions or insider dealings

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

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

(v) **Effective Interest Method**

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

(w) **Segment reporting**

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

7 Determination of fair value

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

i Property, plant and equipment

The fair value of items of plant and machinery, fixtures and fittings, motor vehicles and Land and buildings is based on depreciated replacement cost and comparison approaches. "Depreciated replacement cost" reflects the current cost of reconstructing the existing structure together with the improvements in today's market adequately depreciated to reflect its physical wear and tear, age, functional and economic obsolescence plus the site value in its existing use as at the date of inspection while "Comparison Approach" that is the analysis of recent sale transactions or similar properties in the neighbourhood. The figure thus arrived at represents the best price that the subsisting interest in the property will reasonably be expected to be sold if made available for sale by private treaty between a willing seller and buyer under competitive market conditions.

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

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

iii Fair value hierarchy

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

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

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

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

(b) Financial risk management

i General

Pursuant to a financial policy maintained by the Board of Directors, the Group uses several financial instruments in the ordinary course of business. The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts and trade and other payables.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk, consisting of: currency risk, interest rate risk and price risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from Group's receivables from customers. It is the Group's policy to assess the credit risk of new customers before entering into contracts.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management.

The Management determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. customers that are grouped as "high risk" are placed on a restricted customer list, and future credit services are made only with approval of the Management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

The maximum credit risk as per statement of financial position, without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	2021	2020
	N'000	N'000
Trade receivables (Note 21)	113,576	63,614
Cash and cash equivalents (Note 22)	1,395,252	2,388,588
	1,508,828	2,452,202

As at the reporting date there was no concentration of credit risk with certain customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

Cash is held with the following institutions

	N'000	N'000
Wema Bank Plc	123	-
Zenith Bank Plc	-	366
Union Bank of Nigeria Plc	99	-
Access Bank Plc	918	7,037
Eco Bank Plc	3	136
Guaranty Trust Bank Plc	45	1,327
Stanbic IBTC Bank Plc	16	302
First Bank of Nigeria Limited	47	480
Greenwich Asset Management Limited	569,983	788,818
Providus Bank Plc	823,974	1,589,206
	1,395,208	2,387,672

c) **Impairment of trade receivables**

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

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

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for both trade receivables and contract assets:

	1 - 30 days	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	181 - 360 days past due	Above 360 days	Total
31 December 2021							
Expected loss rate - Corporate	0.0%	0%	0%	0%	0%	0%	
Expected loss rate - Others	0.0%	0%	0%	10%	50%	100%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount - trade receivables	56,477	33,686	2,002	14,918	6,493	36,155	149,731
Gross carrying amount - contract assets	-	-	-	-	-	-	-
Loss allowance	-	-	-	-	-	36,155	36,155
31 December 2020							
Expected loss rate - Corporate	0.0%	0%	0%	0%	0%	0%	
Expected loss rate - Others	0.0%	0%	0%	0%	0%	100%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount - trade receivables	16,124	24,419	5,896	7,632	9,543	33,015	96,629
Gross carrying amount - contract assets	-	-	-	-	-	-	-
Loss allowance	-	-	-	-	-	33,015	33,015

Liquidity risk

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

As at 31 December 2021	Book value N'000	Contractual cashflow N'000	One year or less N'000	1-5 years N'000
Borrowings	6,614	-	6,614	-
Trade and other payables	491,568	-	491,568	-
	<u>498,182</u>	<u>-</u>	<u>498,182</u>	<u>-</u>

As at 31 December 2020	Book value N'000	Contractual cashflow N'000	One year or less N'000	1-5 years N'000
Borrowings	21,128	-	21,128	-
Trade and other payables	600,134	-	600,134	-
	<u>621,262</u>	<u>-</u>	<u>621,262</u>	<u>-</u>

Market risk

Market risk concerns the risk that Group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Foreign exchange risk

The functional currency of the Group is the Nigerian naira.

Interest rate risk

The Group has fixed interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate. The effective interest rates and the maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

As at 31 December 2021	Effective interest	one year or less	1-5 years	Total
Cash and cash equivalents	-	1,395,252	-	1,395,252
Borrowings	-	(6,614)	-	(6,614)
	<u>-</u>	<u>1,388,638</u>	<u>-</u>	<u>1,388,638</u>

Fair Value

Financial instruments accounted for under assets and liabilities are cash and cash equivalents, receivables, and current and non-current liabilities. The fair value of most of the financial instruments does not differ materially from the book value.

(ii) **Capital management**

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

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

	2021 N'000	2020 N'000
Trade and other payables	491,568	600,134
Borrowings	6,614	21,128
Less: cash and cash equivalents	(1,395,252)	(2,388,588)
Net debt	<u>(897,070)</u>	<u>(1,767,326)</u>
Total equity	<u>1,003,158</u>	<u>1,716,076</u>
Debt to adjusted capital ratio (%)	<u>-89%</u>	<u>-103%</u>

9 Revenue from contracts with customers

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

31 December 2021	GROUP			COMPANY		
	Paint	Application	Total	Paint	Application	Total
Customer category	N'000	N'000	N'000	N'000	N'000	N'000
Private	742,741	16,823	759,564	742,741	16,823	759,564
Wholesale	328,837	-	328,837	328,837	-	328,837
Retail	29,697	-	29,697	29,697	-	29,697
Sum Total	1,101,275	16,823	1,118,098	1,101,275	16,823	1,118,098
Product category	N'000	N'000	N'000	N'000	N'000	N'000
Decorative	839,947	16,823	856,770	839,947	16,823	856,770
Auto & Wood	3,866	-	3,866	3,866	-	3,866
Industrial and Marine	257,462	-	257,462	257,462	-	257,462
Sum Total	1,101,275	16,823	1,118,098	1,101,275	16,823	1,118,098
Region-Wise	N'000	N'000	N'000	N'000	N'000	N'000
East	90,264	16,823	107,087	90,264	16,823	107,087
West	733,519	-	733,519	733,519	-	733,519
North	277,492	-	277,492	277,492	-	277,492
Sum Total	1,101,275	16,823	1,118,098	1,101,275	16,823	1,118,098
31 December 2020	Application			Application		
Customer category	Paint	of paint	Total	Paint	of paint	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Private	310,162	23,863	334,025	310,162	23,863	334,025
Wholesale	470,565	-	470,565	470,565	-	470,565
Retail	23,009	-	23,009	23,009	-	23,009
Sum Total	803,736	23,863	827,599	803,736	23,863	827,599
Product category	N'000	N'000	N'000	N'000	N'000	N'000
Decorative	582,149	23,863	606,012	582,149	23,863	606,012
Auto & Wood	49,711	-	49,711	49,711	-	49,711
Industrial and Marine	171,876	-	171,876	171,876	-	171,876
Sum Total	803,736	23,863	827,599	803,736	23,863	827,599
Region-Wise	N'000	N'000	N'000	N'000	N'000	N'000
East	176,948	-	176,948	176,948	-	176,948
West	345,932	23,863	369,795	345,932	23,863	369,795
North	280,856	-	280,856	280,856	-	280,856
Sum Total	803,736	23,863	827,599	803,736	23,863	827,599
				GROUP	COMPANY	
10 Cost of sales			N'000	N'000	N'000	N'000
Paints			713,419	457,145	713,419	457,145
Application of paints			12,314	11,940	12,314	11,940
			725,733	469,085	725,733	469,085

Segment Reporting

Products and services from which reportable segments derive their revenues

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

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

Information reported to the entity's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal categories are sale of paints, adhesives/tiles and application of paints and investment property. The entity's reportable segments under IFRS 8 are therefore as follows:

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

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

	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Segment Revenue and results				
Paints	1,101,275	803,736	1,101,275	803,736
Painting services	16,823	23,863	16,823	23,863
	<u>1,118,098</u>	<u>827,599</u>	<u>1,118,098</u>	<u>827,599</u>
Segment results	N'000	N'000	N'000	N'000
Investment income	83,407	71,124	83,407	71,124
Other gains and losses	74,781	45,756	74,781	45,756
Finance costs	(1,003)	(30,866)	(1,003)	(9,268)
Profit before tax	<u>60,266</u>	<u>1,638,380</u>	<u>60,271</u>	<u>1,628,880</u>

Segment Accounting Policies

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 6. Segment results represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other gains and losses as well as finance costs.

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

Business and geographical segments

The company operates in all geographical areas in the Country.

Segment assets and liabilities

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

	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
11a Other operating income				
Profit on disposal of property, plant and equipment	1,628	3,316	1,628	3,316
Rental income	805	2,610	805	2,610
Sale of scraps	2,630	14,089	2,630	14,089
Bad debt recovered (Note 21(i))	-	2,197	-	2,197
Long over due credit balances	-	15,566	-	15,566
Sundry income	69,454	4,746	69,454	4,746
Canteen takings	264	447	264	447
Insurance Claim	-	1,138	-	1,138
Provision no longer required	-	1,647	-	1,647
	<u>74,781</u>	<u>45,756</u>	<u>74,781</u>	<u>45,756</u>
11b Profit on disposal of building	-	1,781,828	-	1,781,828

This represents gain on disposal of Head Office building during the year ended 31 December 2020.

12 Selling and distribution expenses	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Carriage inward	21,003	19,095	21,003	19,095
Sales promotion/commission	3,680	1,894	3,680	1,894
Basic salary	87,156	104,629	87,156	104,629
Overtime	848	738	848	738
Fringe costs	41,691	50,160	41,691	50,160
Christmas bonus	5,011	1,696	5,011	1,696
NSITF	878	1,308	878	1,308
Pension scheme	8,962	11,325	8,962	11,325
Casual labour	8,540	5,295	8,540	5,295
	<u>177,769</u>	<u>196,140</u>	<u>177,769</u>	<u>196,140</u>
13 Administrative expenses	N'000	N'000	N'000	N'000
Canteen expenses	16,291	13,131	16,291	13,131
Medical expenses	6,268	6,872	6,268	6,872
Maintenance - mechanical	1,828	4,013	1,828	4,013
Security guards expenses	4,072	8,358	4,072	8,358
Computer charges	1,488	4,229	1,488	4,229
Building rents and rates	3,225	57,819	3,225	57,819
Repairs and maintenance general	2,938	1,246	2,938	1,246
Depreciation -land and building	51	51	51	51
Depreciation - vehicles	10,647	7,479	10,647	7,479
Depreciation - office equipment	2,330	2,570	2,330	2,570
Depreciation - furniture and fittings	80	57	80	57
Depreciation - Right of use asset	39,028	22,998	39,028	22,998
Advert and publicity expenses	2,381	2,205	2,381	2,205
Fuel and lubricants	8,339	6,626	8,339	6,626
Vehicle running expenses	9,763	10,040	9,758	10,040
Travelling	7,709	10,483	7,709	10,483
Directors fees and board expenses	18,615	17,540	18,615	17,540
Insurance expenses	4,396	5,052	4,396	5,052
Legal and professional fees	21,560	10,183	21,560	10,183
Printing and photocopy	2,467	13,053	2,467	13,053
Telephone	2,849	5,062	2,849	5,062
AGM expenses	2,844	1,882	2,844	1,882
Courier/postage	40	30	40	30
Audit fees	5,125	4,600	5,125	4,500
Bank charges - local	1,328	1,734	1,328	1,734
Performance cost	32,995	43,434	32,995	43,434
Staff training	1,159	1,372	1,159	1,372
Provision for Impairment of Investment	-	-	-	9,600
Bad debt	-	114	-	114
Clearing licence renewal	7,888	9,480	7,888	9,480
Industrial training fund	1,828	5,886	1,828	5,886
	<u>219,532</u>	<u>277,599</u>	<u>219,527</u>	<u>287,099</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
	219,532	277,599	219,527	287,099
General stores and consumables	2,869	2,870	2,869	2,870
Entertainment	5,583	4,143	5,583	4,143
Factory relocation expenses	1,532	41,541	1,532	41,541
Management fees expenses	59,419	42,138	59,419	42,138
Loss on sale of non-conforming products	-	15,626	-	15,626
Provision for doubtful receivables (Note 22(i))	3,140	8,392	3,140	8,392
Light and Water Expenses	2,842	2,218	2,842	2,218
Site & office cleaning	2,087	1,991	2,087	1,991
Subscriptions	3,961	1,486	3,961	1,486
Other expenses	10,550	15,430	10,550	15,430
	311,515	413,434	311,510	422,934
14 Finance income and costs	N'000	N'000	N'000	N'000
(i) Finance income:				
Interest received on bank deposit	83,407	71,124	83,407	71,124
(ii) Finance costs:	N'000	N'000	N'000	N'000
Interest on bank overdraft and loans	-	-	-	-
Finance expense on lease	1,003	9,268	1,003	9,268
	1,003	9,268	1,003	9,268
15 Profit before taxation is arrived at after charging:				
	N'000	N'000	N'000	N'000
Depreciation of property, plant and equipment	15,732	11,458	15,732	11,458
Depreciation of Right of use assets	39,028	23,018	39,028	23,018
Profit on disposal of property, plant and equipment	2,689	-	1,628	-
Auditors remuneration	4,600	4,500	4,600	4,500
16 Tax expense	N'000	N'000	N'000	N'000
a) Per profit and loss account				
Income tax payable on results for the year:				
Minimum tax	-	-	-	-
Capital Gain Tax	-	155,281	-	155,281
Company Income tax	23,758	491,142	23,758	491,142
Police Trust Fund	3	81	3	81
NASENI levy	151	-	151	-
Education tax	3,140	-	3,140	-
Deferred tax written back	(454)	(126,130)	(454)	(126,130)
	26,598	520,374	26,598	520,374

b) Per statement of financial position

	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Balance at 1 January				
Minimum tax				
Income tax	647,886	7,634	647,602	7,349
Education tax	3,451	3,622	3,451	3,622
	<u>651,337</u>	<u>11,256</u>	<u>651,053</u>	<u>10,971</u>
Payments during the year:				
Income tax	(21,817)	-	(21,817)	-
Education tax	-	(171)	-	(171)
Withholding tax utilised	(42,416)	(6,251)	(42,416)	(6,251)
Capital Gain Tax	(155,388)	-	(155,388)	-
Provision for the year:				
Income tax	23,758	491,142	23,758	491,142
Minimum tax	-	-	-	-
Capital Gain tax	-	155,281	-	155,281
Education tax	3,140	-	3,140	-
NASENI levy	151	-	151	-
Nigeria Police Trust Fund levy	3	81	3	81
Balance at 31 December	<u>458,768</u>	<u>651,338</u>	<u>458,484</u>	<u>651,053</u>

c) *Income tax recognised in profit or loss*

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

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

Nigeria police trust fund levy is based on the provisions of the Nigeria Police Trust Fund (Establishment) Act 2019 which is 0.0005% of the net profit before tax for the year.

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

	N'000	N'000
Profit before tax	<u>60,271</u>	<u>1,628,880</u>
Tax at the statutory corporation tax rate of 30%	18,081	488,664
Effect of income that is exempt from taxation	(488)	(536,202)
Effect of expenses that are not deductible in determining taxable profit	20,090	17,412
Loss relieved	(2,926)	-
Effect of capital allowance	(13,180)	(8,381)
Capital Gain Tax	-	155,281
Education tax at 2% of assessable profit	3,140	-
Balancing charge	2,181	529,649
Police Trust Fund Levy	3	81
NASENI levy	151	-
Current year deferred tax	(454)	(126,130)
Tax expense recognised in profit or loss	<u>26,598</u>	<u>520,374</u>
Effective rate	<u>0.44</u>	<u>0.32</u>

d) Deferred taxation

	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Deferred tax liabilities	5,614	120,628	5,614	120,628
Deferred tax assets	(11,570)	(126,130)	(11,570)	(126,130)
	<u>(5,956)</u>	<u>(5,502)</u>	<u>(5,956)</u>	<u>(5,502)</u>
Deferred tax				
Movement in deferred tax				
At 1 January	(5,502)	120,628	(5,502)	120,628
Write back during the year	(454)	(126,130)	(454)	(126,130)
At 31 December	<u>(5,956)</u>	<u>(5,502)</u>	<u>(5,956)</u>	<u>(5,502)</u>

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

MEYER PLC AND ITS SUBSIDIARY COMPANY
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
 NOTES TO THE FINANCIAL STATEMENTS

17a Property, plant and equipment - Group

Cost:	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture & fittings N'000	Motor vehicles N'000	Capital Work In Progress N'000	Total N'000
At 1 January 2020	2,529	210,588	41,566	14,138	151,505	244,549	664,875
Additions	-	-	735	128	2,250	1,535	4,648
Disposals	-	(644)	(3,022)	(2,512)	(15,243)	-	(21,421)
At 31 December 2020	2,529	209,944	39,279	11,754	138,512	246,084	648,102
At 1 January 2021	2,529	209,944	39,279	11,754	138,512	246,084	648,102
Additions	-	13,409	-	-	-	-	13,409
Transfer (Note 17(c))	-	-	-	-	32,059	-	32,059
Disposals	-	-	(1,645)	-	(15,956)	-	(17,601)
Reclassifications	-	1,535	-	-	-	(1,535)	-
At 31 December 2021	2,529	224,888	37,634	11,754	154,615	244,549	675,969
Accumulated depreciation and impairment:							
At 1 January 2020	1,055	205,486	34,354	14,015	138,493	-	393,403
Charge for the year	51	1,302	2,570	57	7,478	-	11,458
Eliminated on disposals	-	(644)	(3,022)	(2,512)	(15,243)	-	(21,421)
At 31 December 2020	1,106	206,144	33,902	11,560	130,728	-	383,440
At 1 January 2021	1,106	206,144	33,902	11,560	130,728	-	383,440
Charge for the year	51	2,724	2,329	80	10,547	-	15,731
Eliminated on disposals	-	-	(1,645)	-	(5,581)	-	(7,226)
Transfer (Note 17(c))	-	-	-	-	7,347	-	7,347
At 31 December 2021	1,157	208,868	34,586	11,640	143,041	-	399,292
Carrying amounts as at							
31 December 2021	1,372	16,020	3,048	114	11,574	244,549	276,677
31 December 2020	1,423	3,800	5,377	194	7,784	246,084	264,662

b) Property, plant and equipment - Company

Cost	Leasehold Property N'000	Plant & machinery N'000	Office equipment N'000	Furniture and fittings N'000	Motor Vehicles N'000	Capital Work- in Progress N'000	Total N'000
At 1 January 2020	2,529	202,089	41,566	14,138	151,505	244,549	656,376
Additions	-	-	735	128	2,250	1,535	4,648
Disposal	-	(644)	(3,022)	(2,512)	(15,243)	-	(21,421)
At 31 December 2020	2,529	201,445	39,279	11,754	138,512	246,084	639,603
At 1 January 2021	2,529	201,445	39,279	11,754	138,512	246,084	639,603
Additions	-	13,408	-	-	-	-	13,408
Transfer (Note 17(c))	-	-	-	-	32,059	-	32,059
Reclassification	-	1,535	-	-	-	(1,535)	-
Disposal	-	-	(1,645)	-	(15,956)	-	(17,601)
At 31 December 2021	2,529	216,388	37,634	11,754	154,615	244,549	667,469
Accumulated depreciation and impairment							
At 1 January 2020	1,055	196,988	34,354	14,015	138,492	-	384,904
Charge for the year	51	1,302	2,570	57	7,478	-	11,458
Disposal	-	(644)	(3,022)	(2,512)	(15,243)	-	(21,421)
Transfer (Note 17(c))	-	-	-	-	-	-	-
At 31 December 2020	1,106	197,646	33,902	11,560	130,727	-	374,941
At 1 January 2021	1,106	197,646	33,902	11,560	130,727	-	374,941
Charge for the year	51	2,724	2,330	80	10,547	-	15,732
Transfer	-	-	-	-	7,347	-	7,347
Disposal	-	-	(1,645)	-	(5,581)	-	(7,226)
Transfer (Note 18)	-	-	-	-	-	-	-
At 31 December 2021	1,157	200,370	34,587	11,640	143,040	-	390,794
Carrying amount as at							
31 December 2021	1,372	16,018	3,047	114	11,575	244,549	276,675
31 December 2020	1,423	3,799	5,377	194	7,785	246,084	264,662

i Assets pledged as security

None of the Company's assets is pledged as collateral for loans (2020: Nil)

ii Contractual commitments

At 31 December 2021, the Company had no contractual commitments for the acquisition of property, plant and equipment (2020: Nil).

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17(c) Right of use assets -Group

	Motor Vehicles N'000	Leased Building N'000	Total N'000
Cost			
At 1 January 2021	32,059	112,834	144,893
Additions	-	3,000	3,000
At 31 December, 2021	<u>32,059</u>	<u>115,834</u>	<u>147,893</u>
Depreciation			
At 1 January 2021	7,347	15,671	23,018
Charge for the year	-	39,028	39,028
At 31 December, 2021	<u>7,347</u>	<u>54,699</u>	<u>62,046</u>
Carrying amount			
At 31 December 2021	<u>24,712</u>	<u>61,135</u>	<u>85,847</u>
At 31 December 2020	<u>24,712</u>	<u>97,163</u>	<u>121,875</u>

Right of use assets -Company

	Motor Vehicles N'000	Leased Building N'000	Total N'000
Cost			
At 1 January 2020	-	-	-
Additions	32,059	112,834	144,893
At 31 December, 2020	<u>32,059</u>	<u>112,834</u>	<u>144,893</u>
At 1 January 2021	32,059	112,834	144,893
Additions (Note 17)	-	3,000	3,000
Transfer	(32,059)	-	(32,059)
At 31 December, 2021	<u>-</u>	<u>115,834</u>	<u>115,834</u>
Depreciation			
At 1 January 2020	-	-	-
Charge for the year	7,347	15,651	22,998
At 31 December, 2020	<u>7,347</u>	<u>15,651</u>	<u>22,998</u>
At 1 January 2021	7,347	15,651	22,998
Charge for the year	-	39,048	39,048
Transfer (Note 17)	(7,347)	-	(7,347)
At 31 December, 2021	<u>-</u>	<u>54,699</u>	<u>54,699</u>
Carrying amount			
At 31 December 2021	<u>-</u>	<u>61,135</u>	<u>61,135</u>
At 31 December 2020	<u>24,712</u>	<u>97,183</u>	<u>121,895</u>

18 Intangible asset	Tetra 2000	Web Site	Payroll	Sage	Total
(i) Cost	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	398	478	315	2,966	4,157
Additions	-	-	-	-	-
At 31 December, 2021	398	478	315	2,966	4,157
Amortisation					
At 1 January 2021	398	478	315	2,966	4,157
Charge for the year	-	-	-	-	-
At 31 December , 2021	398	478	315	2,966	4,157
Carrying amount					
At 31 December 2021	-	-	-	-	-
At 31 December 2020	-	-	-	-	-

Significant intangible assets

The Company currently uses sage accounting package line 1000 in collating and preparing accounting information for decision making. The carrying amount of the sage accounting package is Nil (31 December, 2020:Nil)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

19 Investment in subsidiary	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Carrying amount at cost	-	9,600	-	9,600
Provision for Impairment	-	(9,600)	-	(9,600)
Balance 31 December	-	-	-	-

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

Name of the company	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Company	
			2021	2020
DNM Construction Limited	Construction and rehabilitation of buildings	Nigeria	96%	96%

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

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

	Cost	
	N'000	%
Mr. Kayode Falowo	100	1
Mr. Oluwatoyin Okeowo	100	1
Alhaji Ibrahim Suleman	100	1
Arc. Ayoola Onajide	100	1
	400	4

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

20 Inventory	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Raw Materials	48,281	47,206	48,281	47,206
Work-in-progress	7,227	9,124	7,227	9,124
Finished goods	34,120	38,769	34,120	38,769
Consumables	226	51	226	51
	89,854	95,150	89,854	95,150

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

(ii) Non conforming inventories (Finished Goods) valued at N18.836 million was disposed off during the year ended 31 December 2020 for the sum of N3.210 million resulting in a loss of N15.626 million as disclosed in note 13.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

21 Trade and other receivables	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Trade receivables	185,957	132,855	149,731	96,629
Allowance for doubtful debts (i)	(36,155)	(33,015)	(36,155)	(33,015)
Trade receivables - net	149,802	99,840	113,576	63,614
Amount due from related parties (Note 32)	-	894	-	894
WHT claimable	35,398	71,666	35,398	71,666
Prepayments (iv)	4,087	2,751	4,087	2,751
Sundry debtors	612	554	212	358
Other debit balances	27	-	27	-
Deferred charges	4,341	-	4,341	-
	194,267	175,705	157,641	139,283
Provision for doubtful balances (ii)	-	-	-	-
Total trade and other receivables	194,267	175,705	157,641	139,283

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

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

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	33,015	26,820	33,015	26,820
Addition during the year	3,140	8,392	3,140	8,392
Provision no longer required	-	(2,197)	-	(2,197)
Provision written off	-	-	-	-
Balance at the end of the year	36,155	33,015	36,155	33,015

(ii) *Movement in provision for doubtful balances*

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

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

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

	N'000	N'000
Past due < 90days	92,165	46,439
Past due 90-180 days	14,918	7,632
Past due 180-360 days	3,297	9,542
Past due 360 days and above	39,351	33,016
	149,731	96,629

(iv) **Prepayments**

	N'000	N'000	N'000	N'000
Prepaid rent	1,208	83	1,208	83
Prepaid expenses	2,795	2,668	2,795	2,668
Insurance in advance	84	-	84	-
Total prepayments	4,087	2,751	4,087	2,751

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
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22 Cash and cash equivalents	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash and bank balances	640	3,828	456	3,644
Short term investments	1,394,796	2,384,944	1,394,796	2,384,944
	<u>1,395,436</u>	<u>2,388,772</u>	<u>1,395,252</u>	<u>2,388,588</u>

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

(i) **Short term investments**

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

23 **Borrowings**

(i) Short term borrowings	N'000	N'000	N'000	N'000
GTL Registrars	1,813	1,813	1,813	1,813
Finance lease obligations	4,801	19,315	4,801	19,315
	<u>6,614</u>	<u>21,128</u>	<u>6,614</u>	<u>21,128</u>

(ii) **Finance lease obligations**

(a) The movement in the finance lease obligations is as follows:

	N'000	N'000	N'000	N'000
Balance at the beginning of year	19,315	-	19,315	-
Additions during the year	-	31,125	-	31,125
Repayments	(14,514)	(11,810)	(14,514)	(11,810)
Balance at the end of the year	<u>4,801</u>	<u>19,315</u>	<u>4,801</u>	<u>19,315</u>

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

Minimum lease payment	Total Within 1 year		Within 1 to
	N'000	N'000	2 years N'000
31 December 2021			
Lease payment	<u>4,801</u>		<u>4,801</u>
31 December 2020			
Lease payment		<u>19,315</u>	<u>-</u>

	N'000	N'000	N'000	N'000
(iii) The movement in loan is as follows:				
Balance at the beginning of the year	21,128	1,813	21,128	1,813
Additions during the year	-	31,125	-	31,125
Repayments	(14,514)	(11,810)	(14,514)	(11,810)
	<u>6,614</u>	<u>21,128</u>	<u>6,614</u>	<u>21,128</u>
Amount due within one year	(6,614)	(21,128)	(6,614)	(21,128)
Amount due after one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
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This current position relates to amount that will fall due in the next 12 months to Greenwich Assets Management Limited (GAML).

Lease facility from GAML, a related party, was for the purchase of 8 Motor Vehicles during the year at a lease rate of interest of 24% Per annum and spread over 18 months The discounted Present value of the liabilities was not adjusted in the financial statement as the repayment of liabilities will be due within a year period.

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
24(a) Employment benefits				
Balance as at 1 January	17,089	27,396	17,089	27,396
Payment for the year	-	(10,307)	-	(10,307)
Balance 31 December	17,089	17,089	17,089	17,089
25 Trade and other payables	N'000	N'000	N'000	N'000
Trade payables	213,959	157,394	208,124	151,559
Amount due to related parties (Note 32)	17,253	30,855	39,522	53,124
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	231,212	188,249	247,646	204,683
Other payables and accruals (Note 25(a))	245,212	396,631	243,922	395,451
Total trade and other payables	476,424	584,880	491,568	600,134
(a) Other payables and accruals	N'000	N'000	N'000	N'000
Lease liability	-	30,000	-	30,000
Value added tax	60,935	130,561	60,935	130,561
Withholding tax payable	36,566	52,530	36,524	52,488
Pay As You Earn (PAYE)	1,250	2,502	1,250	2,502
Accruals	62,496	29,011	62,496	28,811
Industrial Training Fund	2,476	14,334	2,476	14,334
National Housing Fund	65	65	65	65
Rent receivable in advance	-	805	-	805
Sundry creditors	15,258	73,971	14,010	73,033
Customer deposits	60,368	61,469	60,368	61,469
Pension scheme	5,798	1,383	5,798	1,383
	245,212	396,631	243,922	395,451

- (i) In accordance with Pension Reform Act, 2014 the employees of the Company are members of a pension scheme which is managed by pension fund administrators of their choice. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the defined contribution plan is to make the specified contributions.

	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
26) Decommissioning cost				
Balance as at 1 January	9,600	-	9,600	-
Provision for the year	-	9,600	-	9,600
Balance as at 31 December	9,600	9,600	9,600	9,600

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

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

	GROUP		COMPANY	
	2021	2020	2021	2020
27 Share Capital	N'000	N'000	N'000	N'000
Authorised Share capital	650,000	650,000	650,000	650,000
1,300,000,000 Ordinary share of 50k each				
Issued and fully paid:				
497,728,000 ordinary shares of 50k each	248,864	248,864	248,864	248,864
28 Share Premium	N'000	N'000	N'000	N'000
Balance at the beginning and end of the year	53,173	53,173	53,173	53,173
29(i) Revenue reserve	N'000	N'000	N'000	N'000
Balance at the beginning of the year	1,463,272	345,156	1,414,039	305,533
Transfer from statement of profit or loss	33,668	1,118,010	33,673	1,108,506
Dividend Paid during the year	(746,591)	-	(746,591)	-
Balance at the end of the year	750,349	1,463,166	701,121	1,414,039
(ii) Non controlling interest	N'000	N'000	N'000	N'000
Balance as at 1 January	2,448	2,452	-	-
Transfer from profit or loss	(4)	(4)	-	-
Balance at 31 December	2,444	2,448	-	-
30 Basic earnings per ordinary share				
Basic earnings per ordinary share of ₦0.50k each is calculated on the Group's earnings/(loss) after taxation based on the number of shares in issue at the end of the year.				
	N'000	N'000	N'000	N'000
Profit for the year attributable to shareholders	33,668	1,118,010	33,673	1,108,506
Basic earnings per share of ₦0.50k each	7	225	7	223
Diluted earnings per share (kobo)	7	225	7	223
31 Reconciliation of statement of cash flows				
For the purpose of the statement of cash flows, cash comprises cash at bank and in hand, net of overdraft facilities. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:				
	N'000	N'000	N'000	N'000
Cash and bank balances	1,395,436	2,388,772	1,395,252	2,388,588

32 Related Parties Disclosures

(a) Transactions with related parties

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

i) Related parties	Nature of transaction	Transaction value for the year			
		GROUP		COMPANY	
		N'000	N'000	N'000	N'000
Greenwich Trust Limited	Sales of paints	-	108	-	108
GTL Properties Limited	Sales and Application of Paints	-	6,579	-	6,579
Greenwich Asset Management Limited	Lease of vehicles	-	31,125	-	31,125
		-	37,704	-	37,704
		N'000	N'000	N'000	N'000
Due to related parties:					
DNM Construction Limited		-	-	22,269	22,269
Greenwich Trust Limited		17,253	30,855	17,253	30,855
		17,253	30,855	39,522	53,124
		N'000	N'000	N'000	N'000
Due From related parties:					
Cedar Express Limited		-	-	-	-
GTL Properties Limited		-	894	-	894
		-	894	-	894

(ii) Identity of related parties

The related parties to the Company include:

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

Greenwich Capital Limited- A major shareholder of the Company having 31.43% holdings of the issued share capital as at 31 December 2021 provides management support services to the Company.

Greenwich Asset Management Limited (GAML) - A non-banking financial institution where the Company placed deposit for Money market Investment which amounted to N788.8 billion as at year end (2020: N788.8 million). GAML granted the Company a lease facility for the sum of N31.12 million for 18 months to purchase 8 Motor Vehicles. The facility was secured on the money market Investment with GAML.

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

Hoakland Ventures Nigeria Limited: Included in trade payables is an amount of N201 million (2020 : N112 million) due to Hoakland Ventures Nigeria Limited a major supplier of raw materials to the Company in which one of the directors of Meyer Plc has an interest.

(b) Transactions with key management personnel

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

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

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

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

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

Directors

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
The aggregate emoluments of the Directors were:				
Fees	5,120	5,120	5,120	5,120
Other emoluments including pension contributions	23,400	23,400	23,400	23,400
	<u>28,520</u>	<u>28,520</u>	<u>28,520</u>	<u>28,520</u>

(ii) Chairman

	2,745	2,745	2,745	2,745
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Directors earned fees in the following ranges
 N10,000,000 - Above

	NUMBER		NUMBER	
	1	1	1	1
	1	1	1	1

(iii) **Employees**

	GROUP		COMPANY	
Management	-	8	-	7
Sales and Marketing	-	23	-	9
Production	-	43	-	34
Administration	-	17	-	13
	-	<u>91</u>	-	<u>63</u>

The aggregate payroll costs of these persons were as follows:

	GROUP		COMPANY	
	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	144,124	163,826	144,124	163,826
Pension and social benefits	8,962	11,325	8,962	11,325
Staff training	1,159	1,372	1,159	1,372
	<u>154,245</u>	<u>176,523</u>	<u>154,245</u>	<u>176,523</u>

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

	NUMBER		NUMBER	
	2021	2020	2021	2020
N500,001 - N2,000,000	48	48	48	48
N2,000,001 - N3,000,000	9	9	9	9
N3,000,001 - Above	6	6	6	6
	<u>63</u>	<u>63</u>	<u>63</u>	<u>63</u>

33 **Contingent liabilities**

There are several ongoing legal actions against the Company arising out of its normal business operations amounting to N211.284 million (2020: N206.6 million). The Directors believe that, based on currently available information and advice of counsels, none of the outcomes that may result from such proceedings will have material adverse effect on the financial position of the Company. Consequently, no provision has been made in these financial statements in respect of these liabilities.

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

There were no guarantees and other financial commitments at year end. (2020: Nil).

35 **Capital expenditure**

Capital expenditure authorised by the Directors but not contracted was nil (2020: nil)

36 **Comparative figures**

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

37 **Impact of Covid-19 on the company's operations**

The Company like many other entities world-wide expects that the economic disruptions caused by the Covid-19 pandemic would definitely have impact on the earning capacity of Nigerians business operations. During this period, access to foreign exchange for importation of raw materials became difficult as manufactures were unable to access foreign exchange. Another major challenge faced, was the partial closure or closure of key markets and lack of patronage at the make-shift markets opened by some state governments. Companies in this sector recorded reduction in revenue which affected the results for the year 2020, and this has greatly impacted on the total equity of most companies. However, the management of Meyer Plc managed to keep their factories open and operational despite the challenges while keeping staff safe and motivated by working together to put in place and adhere to the recommended COVID-19 preventive measures. In order to sustain the positive performance path and reposition the Company for better performance, the Company has implemented the following key strategic initiatives:

- a) Investment in additional production equipment to service small orders
- b) Restructuring the sales and marketing functions into divisions with vibrant Divisional Heads, wider coverage and improved customers experience
- c) Further enhancement of the Company's workforce through a lean staff structure to ensure operational and cost efficiency

The management therefore is confident that the Company will continue as a going concern with increasing turnover and profitability.

38 **Events after the reporting date**

There are no significant events after reporting period, which could have had a material effect on the state of affairs of the Company as at 31 December, 2021 that have not been adequately provided for or disclosed in the financial statements.

MEYER PLC
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
OTHER NATIONAL DISCLOSURE
CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED

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	The Group				The Company			
	2021 N'000	%	2020 N'000	%	2021 N'000	%	2020 N'000	%
Revenue	1,118,098		827,599		1,118,098		827,599	
Investment income	83,407		71,124		83,407		71,124	
Other income	74,781		45,756		74,781		45,756	
	<u>1,276,286</u>		<u>944,479</u>		<u>1,276,286</u>		<u>944,479</u>	
Bought-in-materials and services:								
- Local	(1,045,044)		891,150		(1,045,035)		881,650	
Value added	<u>231,242</u>	100	<u>1,835,629</u>	100	<u>231,251</u>	100	<u>1,826,129</u>	100
Value added as percentage of turnover	<u>21%</u>		<u>44%</u>		<u>21%</u>		<u>44%</u>	
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	154,245	67	176,523	10	154,245	66	176,523	10
To pay Government:								
Taxation	26,598	12	520,374	28	26,598	12	520,374	28
To pay providers of capital:								
Finance charges	1,003	-	9,268	1	1,003	0.43	9,268	1
To provide for maintenance of fixed assets:								
- Depreciation	15,732	7	11,458	1	15,732	7	11,458	1
- Non controlling interest	(4)	-	(4)	-	-	-	-	-
- Profit or loss account	33,668	26	1,118,010	61	33,673	15	1,108,506	60
	<u>231,242</u>	112	<u>1,835,629</u>	100	<u>231,251</u>	100	<u>1,826,129</u>	100

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

MEYER PLC
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
OTHER NATIONAL DISCLOSURE
FIVE-YEAR FINANCIAL SUMMARY

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GROUP

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Non current assets	343,768	392,059	271,472	1,564,566	1,600,155
Net current assets/(liabilities)	737,751	1,402,281	526,197	(737,135)	(940,851)
Non current liabilities	(26,689)	(26,689)	(148,024)	(164,188)	(314,045)
Net assets	1,054,830	1,767,651	649,645	663,243	345,259
Capital and reserves					
Share capital	248,864	248,864	248,864	248,864	248,864
Share premium	53,173	53,173	53,173	53,173	54,376
Retained earnings	750,349	1,463,166	345,156	358,750	39,559
Total equity attributable to owners of the Company	1,052,386	1,765,203	647,193	660,787	342,799
Non-controlling interest	2,444	2,448	2,452	2,456	2,460
	1,054,830	1,767,651	649,645	663,243	345,259
Statement of profit or loss and other comprehensive income					
Turnover	1,118,098	827,599	1,106,116	970,134	1,097,061
Profit/(loss) before taxation	60,266	1,638,380	(7,176)	182,302	(264,809)
Taxation	(26,598)	(520,374)	(6,422)	136,885	(3,035)
Profit/(loss) for the year	33,668	1,118,006	(13,598)	319,187	(267,844)
Per share data (kobo):					
Earnings/(loss)- Basic/diluted	7	225	(3)	64	(54)

MEYER PLC
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
OTHER NATIONAL DISCLOSURE
FIVE-YEAR FINANCIAL SUMMARY

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COMPANY

Statement of financial position	2021	2020	2019	2018	2017
Net assets	N'000	N'000	N'000	N'000	N'000
Non-current assets	343,766	392,059	1,574,166	1,609,755	1,615,459
Net current assets /(liabilities)	686,081	1,350,706	(788,915)	(992,741)	(475,660)
Non-current liabilities	(26,689)	(26,689)	(164,188)	(314,045)	(716,101)
Total assets	1,003,158	1,716,076	621,063	302,969	423,698
Capital and reserves					
Share capital	248,864	248,864	248,864	248,864	145,745
Share premium	53,173	53,173	53,173	54,376	10,485
Revenue Reserve	701,121	1,414,039	319,026	(271)	267,468
Shareholders' funds	1,003,158	1,716,076	621,063	302,969	423,698
	N'000	N'000	N'000	N'000	N'000
Revenue	1,118,098	827,599	970,134	1,097,061	1,091,000
Profit/(loss) before taxation	60,271	1,628,880	182,412	(264,704)	(211,038)
Taxation	(26,598)	(520,374)	136,885	(3,035)	(3,364)
Profit/(loss) for the year	33,673	1,108,506	319,297	(267,739)	(214,402)
Per share data (kobo):					
Earnings/(Loss) - Basic/diluted	7	225	64	(54)	(75)