

BRISCOE



ANNUAL REPORT
AND FINANCIAL STATEMENTS

2021

www.rtbiscoe.com



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RESULTS AT A GLANCE

For the year ended 31 December 2021



	2021 N'000	2020 N'000	Variance %
Turnover	11,898,697	6,478,009	84%
Operating Profit before Interest and tax	388,932	537,263	-28%
Net Finance costs	(2,656,551)	(1,616,539)	-64%
Loss before taxation	(2,267,619)	(1,079,276)	-110%
Taxation	(31,129)	(16,877)	-84%
Loss after taxation	(2,298,748)	(1,096,153)	-110%
Other comprehensive (loss)/income net of tax	(3,898)	300,875	-101%
Total comprehensive loss for the year after tax	(2,302,646)	(795,278)	-190%
Share Capital	588,177	588,177	0%
Total Equity	(12,581,321)	(10,278,675)	-22%

Per 50K share data:

Based on 1,176,352,056 (2020 : 1,176,352,056)

Ordinary shares of 50k each:

Basic Loss Per Share (Naira)	(1.95)	(0.93)
Diluted Loss Per Share (Naira)	(1.95)	(0.93)
Net Liabilities Per Shares (Naira)	(10.70)	(8.74)
Dividend declared	-	-
Dividend cover (times)	-	-
Stock Exchange quotation at year end (kobo)	20	20
Number of employees (Group)	206	199

Board of Directors:	<ul style="list-style-type: none">• Sir Sunday Nnamdi Nwosu, KSS, GCOA, FloD - Chairman• Mr. Bukola Oluseyi Onajide - Group Managing Director• Ms. Adeola Adenike Ade-Ojo• Mr. Akin Ajayi• Alhaji Ali Safiyanu Madugu, mni• Mrs. Folasade Oluwatoyin Ogunde• Mrs. Aderemi Oluwatosin Akinsete-Chidi [Alternate Director to Ms. A. A. Ade Ojo]• Dr. Olorunfemi Abidemi Eguaihide
Registered Office:	18, Fatai Atere Way Matori, Oshodi Lagos
Registration No.:	RC. 1482
Ag. Company Secretary:	Mr. Michael Ibukun Olabode
Independent Auditor:	PKF Professional Services PKF House 205A, Ikorodu Road, Obanikoro, Lagos
Registrars:	Meristem Registrars and Probate Services Limited 213, Herbert Macaulay Way, Adekunle, Yaba P. O. Box 51585, Falomo Ikoyi, Lagos
Company's Bankers:	Access Bank Nigeria PLC Ecobank Nigeria PLC Fidelity Bank PLC First Bank of Nigeria PLC First City Monument Bank PLC Guaranty Trust Bank PLC Keystone Bank Limited Polaris Bank PLC Stanbic - IBTC Bank PLC Sterling Bank PLC Union Bank of Nigeria PLC United Bank For Africa PLC Unity Bank PLC Wema Bank PLC Zenith Bank PLC

BACKGROUND

R.T. Briscoe (Nigeria) PLC (“the Company”) was incorporated in Nigeria on 9th March, 1957, as a private limited liability company and became a wholly owned subsidiary of the East Asiatic Company Ltd A/S (“EAC”) of Copenhagen-Denmark in 1961. Briscoe became a public company in 1973 and the shares were listed for quotation on the Nigerian Stock Exchange in 1974. In August 2002, EAC divested its shareholding in Briscoe to Nigerian investors.

Briscoe started its business activities in Nigeria with the importation of building materials and some English trucks under an agency arrangement brokered by its parent company. Since 1957, when Briscoe was incorporated, the company has witnessed tremendous growth and has diversified its area of operations to include the sales and service of motor vehicles and technical equipment.

Briscoe has since 1957 under the trade name “Briscoe Motors” been a dealer of Toyota vehicles in Nigeria. Between 1970 and August 1992, Briscoe served as the exclusive dealer for Volvo vehicles in Nigeria with sales and service outlets in various parts of the country until the Agreement was mutually terminated by both parties. Between 2005 and June, 2016, Briscoe was also an authorized dealer of Ford Motor Company products until the mutual termination of the dealership agreement by both parties. The marketing, sales and servicing of Ford vehicles was conducted under the trade name – BriscoeFord.

Briscoe has its head office at Matori, Lagos and branch offices at Victoria Island, Lekki, Kano, Asaba, Port Harcourt and Abuja.

BUSINESS ACTIVITIES

Presently, Briscoe is engaged in the marketing, sales and servicing of Toyota motor vehicles under the trade name BriscoeMotors as one of the 7 authorised dealers of Toyota Nigeria Limited. It is also engaged in the real estate sector and deals in industrial equipment.

Business Units

The **BriscoeMotors** Division deals in the sales and servicing of Toyota motor vehicles. Briscoe Toyota Workshop are equipped with the state-of-the-art electronic and computerized equipment to ensure that the company offers the highest possible quality after-sales service. Our workshops are among the best in the country through regular facilities improvement activities. BriscoeToyota was the first Toyota dealer to receive the highly coveted Toyota award for Service, Marketing Excellence (TSL) from Toyota Motor Corporation (TMC) Japan.

The **Briscoe Industrial Equipment** Division of the Company handles the sales and services of industrial, mining, construction and warehouse equipment. The division markets and services Manitou, Logitrans, Socma and Combilift brands of Forklifts and other material handling equipment. The Elgi brand of industrial air compressors are currently being marketed through Briscoe-Elgi Equipment Nigeria Limited, a fully owned subsidiary of the company.

Briscoe Properties Limited, a fully owned subsidiary is involved in facilities management, property development, project management and estate management services. Briscoe Properties Limited has developed a number of residential properties in Nigeria and presently manages a large portfolio of commercial and residential properties in Ikoyi, Victoria Island, Apapa, Ikeja, Yaba, Abuja, Lekki etc. It also provides project management and property marketing services to its vast clientele.



SIR SUNDAY N. NWOSU, Kss, GCOA, FloD
Chairman

Sir Sunday Nnamdi Nwosu, Kss, GCOA, FloD is the Chairman of the Company. A well-known Apostle of good corporate governance, he is the Founder and erstwhile National Coordinator of the Independent Shareholders Association of Nigeria. He is a member of the SEC Capital Market Development Company. He has attended several courses in Finance and Corporate Governance both locally and internationally. Sir Nwosu is an astute investor in a sizeable number of quoted companies on the Nigerian Exchange and serves on the Board or Audit Committee of some of them. He is a Director of Nigerian Aviation Handling Company PLC, MRS Oil Nigeria PLC and Kajola Integrated Investment PLC. He is also a member of the statutory Audit Committees of Julius Berger PLC, First Trust Mortgage Bank PLC, FrieslandCampina WAMCO Nigeria PLC and Seplat Energy PLC. Sir Nwosu was appointed to the Board of R.T. Briscoe on March 27, 2014 and as acting Chairman on April 27, 2017. Prior to his appointment as the acting Chairman, he had served as Chairman of the Board's Finance & Risk Management Committee and as a member of the Governance and Business Strategy Committees of the Company. He became the substantive Chairman of the Company in August 2021 and was also conferred the Fellowship Award at the Institute of Directors in October 2021. He was born on February 11, 1953.



MR. BUKOLA OLUSEYI ONAJIDE
Group Managing Director/CEO

Mr. Oluseyi Onajide started his professional career as an intern with Deloitte Haskins & Sells, an international firm of Chartered Accountants, and qualified as a Chartered Accountant in 1989. Subsequently, He obtained a Masters Degree in Business Administration from the University of Lagos (1998) and now a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He has attended many management courses locally and internationally, including the prestigious Lagos Business School and famous INSEAD, France. Prior to his joining Briscoe in 1998, he had worked with SCOA Nigeria PLC (1990-1993 and 1994-1996) where he became the AGM Finance and subsequently as a Management Consultant to Alchem Industries Limited (1996-1997) and Management Development Associates (1998). He was employed by R.T. Briscoe on the 1st of July 1998, appointed Finance Director in December 2004, Executive Director in charge of the motor business in January 2006. In April 2008, he was appointed the Deputy Managing Director, Managing Director – Designate in July 2009 and became the Managing Director in January 2010. He was born on November 3, 1962.

DR. OLORUNFEMI ABIDEMI EGUAIKHIDE



Dr. Olorunfemi Abidemi Eguaihide is the Executive Director responsible for business operations. He holds a Post-graduate Diploma in Business Administration and an MBA in Marketing Management from the Enugu State University of Science and Technology. He is an Alumnus of the prestigious Lagos Business School of the Pan Atlantic University having attended the Advanced Management Program (AMP) in 2016. He is a full member of the Chartered Institute of Personnel Management of Nigeria (MCIPM), Associate Member of the Nigerian Institute for Training and Development (AITD), Fellow of the Institute of Credit Administration (FICA) and a Fellow of the Institute of Corporate Administration of Nigeria. His core experience is in the areas of Operations Management, Sales and Marketing Management, Human Resources and Business Leadership.

Dr. Eguaihide previously worked with Genesis Group variously as DGM Human Resources and IT, General Manager HR & IT, General Manager Operations and Chief Operations Officer at The Bridge Healthcare Company in 2010. He joined the Company as Group Head, Human Capital Development in 2012 and was appointed to manage the Briscoe-Ford unit in 2014 as General Manager. He was subsequently appointed as Head of the Briscoe-Motors unit in 2017 and Group Chief Operating Officer in September 2018. He obtained his Doctorate degree in December 2021. Dr. Eguaihide was appointed a Director of the Company with effect from September 1, 2019. He was born on March 28, 1968.

MR. AKIN AJAYI



Mr. Akin Ajayi graduated from the University of Ife (now Obafemi Awolowo University), Ile-Ife in 1984 with a Bachelor of Science (B.Sc) degree in Economics. He is a Fellow of the Institute of Chartered Accountants of Nigeria and a seasoned banker with a wealth of over 20 years experience. He has also attended several short term courses at prestigious business schools which include the International Management Development Institute (IMD), Switzerland in 1993, Lagos Business School (LBS) in 1995, The Cranfield University, UK in 2001, The Gordon Institute of Business Science (GIBBS), University of Pretoria, South Africa in 2004 and Columbia University, USA in 2006. Mr. Ajayi worked as an Officer in the Controls/Audit department of First City Merchant Bank Limited from 1988 to 1990. He was the Managing Director of Equity Bank Ltd from 2003 to 2005 before its merger with Intercontinental Bank Plc in 2005 where he served as Executive Director from 2005 till his retirement from the Bank in 2008. He is currently the Chairman/Chief Executive Officer of Libra Energy Services Ltd and also serves on the boards of other private and public Companies including a Non-Government Organisation. Mr. Ajayi was appointed a director of the Company in July 2009. He is the Chairman of the Company's Audit Committee as well as the Board's Business Strategy Committee, and member of the Finance and Risk Management Committee. He was conferred the Fellowship Award at the Institute of Directors in October 2021. He was born on March 4, 1962.

MS. ADEOLA ADENIKE ADE-OJO



Adeola Adenike Ade-Ojo is an internationally renowned fashion designer and winner of several local and international awards. She is a graduate of the University of Miami where she graduated with a Bachelor of Business degree in 1987. She obtained a Masters of Science (M.Sc) degree in Finance from the University of Lagos in 1989. Ms. Ade-Ojo has served as Nigerian Representative in an international campaign by the United Nation World Food Program to raise money towards halving the number of hungry people in the world particularly children. She was appointed a non-executive Director in December, 2004. She is a member of the Board's Finance and Risk Management Committee as well as the Governance Committee. Ms. Ade-Ojo was born on August 21, 1966.

ALHAJI ALI SAFIYANU MADUGU, mni



Alhaji Safiyanu Madugu, mni an industrialist is the Managing Director/Chief Executive Officer of Dala Foods Nigeria Limited, a food processing company. He holds post graduate diplomas in Management as well as a Masters degree in Business Administration. He is a member of several professional bodies which include the "Institute of Directors Nigeria, Chartered Institute of Marketing, UK, Nigerian Institute of Management and the prestigious National Institute for Policy and Strategic Studies. He was appointed a Director of the Company in December 2013. He is a member of the Board's Governance and Business Strategy Committees. He is also a member of the Company's Statutory Audit Committee. Alhaji Madugu was born on November 10, 1966.



MRS. FOLASADE OLUWATOYIN OGUNDE

Mrs. Folasade Oluwatoyin Ogunde is a non-executive and independent Director of the Company. She holds a Bachelors degree in Economics from the University of Ife, Ile-Ife and a Masters degree in International Development from the University of Birmingham. She is a Fellow of the Institute of Chartered Accountants of Nigeria and a facility management professional (FMP). Mrs. Ogunde has attended several management programmes at home and abroad including the General Management Program of Ashridge Business School, UK, the Advanced Management Program of Cranfield University, UK, the Real Estate Management Program of Harvard Business School and a Board Effectiveness, Strategy & Corporate Governance Program facilitated by the International Institute for Management Development (IMD), Switzerland. In her working career spanning over 30 years, Mrs. Ogunde has served in several management and board positions including External Auditor, Consultant Internal Auditor, Management Accountant, Divisional Commercial Director, Group Treasurer and Finance Director. Following her retirement as Finance Director of UACN Property Development Company (UPDC) Plc. in 2016, her daytime job has been as Managing Partner of Innodel Consulting Limited, a financial and real estate management consulting firm. She also serves as a non-executive Director and Chair of the Audit & Risk Committees of two other corporate boards – the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), India and FSDH Asset Management Limited. She is the Chairperson of the Finance & Risks Management Committee and also a member of the Business Strategy Committee as well as the Governance Committee. Mrs. Ogunde was appointed a Director of R.T. Briscoe on April 10, 2017. She was born on November 16, 1962.



MRS. ADEREMI O. AKINSETE-CHIDI

Mrs. Aderemi Akinsete-Chidi is the alternate Director to Ms. Adeola Adenike Ade-Ojo. She is a professional Banker and Chartered Pension Administrator with over 25 years' experience in the Banking and Sales & Service industry. She has extensive experience in strategic planning, operations/customer service and relationship management. She graduated with a B.Sc. Accounting degree from the Oklahoma City University, Oklahoma City, USA in 1989 and did her post graduate studies at the Graduate School of Management of the University of Maryland in 1991. She is a member of the American Institute of Banking, Washington DC, USA and an Associate member of the Certified Pension Institute of Nigeria. She has attended several training courses locally and abroad. Mrs. Akinsete-Chidi started her banking career with the First American Bank, USA in 1989 and she has since then served in various management positions in some Nigerian Banks - Standard Chartered Bank PLC, the now defunct FSB International Bank PLC, its successor Fidelity Bank Plc, First Bank of Nigeria PLC and Ecobank Nigeria Ltd. She currently serves on the Boards of Levmore Nigeria Limited and Nub Petrochemical Ltd. She was appointed an Alternate Director in R.T. Briscoe with effect from April 10, 2017 and was also appointed the Chairperson of the Governance Committee on December 17, 2020. Mrs. Akinsete-Chidi was born on May 23, 1968.

NOTICE OF MEETING



NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING OF R.T. BRISCOE (NIGERIA) PLC (IN RECEIVERSHIP) will be held at 18, FATAI ATERE WAY, MATORI, LAGOS STATE on THURSDAY, October 20, 2022 at 11.00 A.M. for the transaction of the following business:

ORDINARY BUSINESS

1. To lay before the meeting, the financial statements for the year ended 31st December, 2021 and the Reports of the Directors, Auditors and Audit Committee thereon
2. To re-elect Directors
3. To authorize the Directors to fix the remuneration of the Auditors
4. To elect members of the Audit Committee
5. To disclose the compensation of the Managers of the company.

SPECIAL BUSINESS

6. To fix the remuneration of the Directors
7. Renewal of General mandate from shareholders for related party transactions

Lagos, Nigeria.
June 9, 2022

By Order of the Board

A handwritten signature in black ink, appearing to read 'Michael Olabode'.

Michael Olabode
[FRC/2022/PRO/NBA/002/2335]

Financial Statements

The Audited Financial Statements of the Company for the year ended 31st December 2021 and list of unclaimed dividends are available at our website at www.rtbriscoe.com as well as at the website of our Registrars at www.meristemregistrars.com. Hard copies would be provided on request.

Attendance at the AGM

Due to the COVID-19 pandemic and the attendant regulatory directives, the attendance by shareholders would only be by proxies. A proxy form is included with this notice. Proxy forms are available at our website and that of our Registrars. Members are required to appoint a proxy to represent them from the following proxies – 1. Sir Sunday Nnamdi Nwosu (Chairman) 2. Mr. Bukola Oluseyi Onajide (Group Managing Director) 3. Dr. Olorunfemi Abidemi Eguakhide (Executive Director) 4. Mr. Akin Ajayi (Non-Executive Director) 5. Alhaji Ali Safiyanu Madugu, mni (Independent Director) 6. Mr. Adeniyi A. Adebisi (Shareholders' Representative on the Audit Committee) 7. Mr. Kanayo Anthony Katchy (Shareholders' Representative on the Audit Committee) 8. Mr. Kenneth Nnabike Nwosu (Shareholders' Representative on the Audit Committee) 9. Mr. Matthew Akinlade (Minority Shareholder) 10. Dr. Anthony Omojola (Minority Shareholder) 11. Mrs. Efunbose Ayotunde Shopeju (Minority Shareholder) 12. Mrs. Adebisi Oluwayemisi Bakare (Minority Shareholder) 12. Mr. Jinadu Mustapha (Minority Shareholder) 13. Alhaja Kudaisi (Minority Shareholder) 14. Mr. Temi Durojaiye (Minority Shareholder) 15. Mr. Wahab Abisoye Ajani (Minority Shareholder) 16. Mr. Michael Obinna Omotayo Nwosu (Minority Shareholder).

Proxies

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. To be valid for the meeting, executed proxy forms should be deposited at either the registered office of the Company at 18, Fatai Atere way, Matori, Lagos or the office of the Registrars at 213, Herbert Macaulay Way, Adekunle, Lagos, not less than 48 hours before the time of holding the meeting. The Company has made arrangements at its own cost for stamp duties to be paid on the proxy forms.

Audit Committee

Any shareholder may nominate another shareholder through his/her proxy as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the date of the Annual General Meeting. This should be forwarded to briscoemail.com.

Closure of Register

The Register of members will be closed from Monday 19th to Friday, 23rd of September, 2022 both dates inclusive.

Right of Shareholders to ask Questions

Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting. Such questions must be submitted to the Company or the Registrars on or before the 29th of September, 2022 at briscoemail.com or meristemregistrars.com.



GENERAL

Fellow Shareholders, it is my pleasure to welcome you once again to the Annual General Meeting of our Company for the 2021 financial year. I want to thank you for your continued support in our collective effort to re-set our company to the path of profitability. I feel particularly privileged to be the Chairman of our Company at a very special and auspicious time as this. This year, our Company is celebrating 65 years of resilience. It has not been an easy journey. Many other companies have stopped existing, either voluntarily or otherwise. Despite having had its own share of turbulence and tempest, the resilient spirit of Briscoe has remained strong and vibrant. I wish R. T. Briscoe (Nigeria) PLC a happy 65th birthday!

BUSINESS ENVIRONMENT

The 2021 Nigerian economic year started with the confirmation that Nigeria had exited recession amid worries about inflation. In the first quarter of 2021, the Nigerian economy grew by 0.5%, representing a consecutive positive quarterly growth since the recession in 2020. The non-oil sector remained the driver of growth with an expansion of 0.8% while the oil sector contracted by 2.2%.

The upward trend in inflation rate from year 2020 was halted in the month of April 2021 when inflation rate declined marginally by 10 basis points in April to 18.1% from 18.2% in March. By June it had further declined to 17.75%.

In the parallel market, the Naira depreciated, reaching N500/US\$ due to forex scarcity and speculative activities, following the CBN's adoption of NAFEX rate in May 2021. Consequently, the gap between the NAFEX rate and the parallel market expanded in Q2, 2021.

It is heartwarming to inform you that despite the harsh economic business environment, the Group was able to achieve a revenue of N11.9 billion in 2021 as against a revenue of N6.5 billion in the 2020 financial year, which represents a growth of 84%. The Company also recorded a better performance in 2021 achieving a revenue of N11.1 billion as against N5.9 billion recorded in 2020, representing an 88% increase.

Nigeria Gross Domestic Product (GDP) grew by 3.98%(year-on-year) in real terms in the fourth quarter of 2021, showing a sustained positive growth since the recession witnessed in 2020 when output contracted under the Covid-19 pandemic, The fourth quarter growth in 2020 indicated a steady economic recovery accounting for the subsequent annual growth of 3.40% in 2021.

The Nigerian Exchange Group All Share Index closed the year 2021 with a 6.07% gain. The All Share Index opened the year 2021 at 40,270.7 and closed with 42,716.4 points at the close of trading on December 31st, 2021 representing a 6.07% gain.

Nigerian Stocks started 2021 on the back of an impressive 50.03% return as local investors staged a remarkable surge in demand for equities. However, stocks have struggled since 2021 as demand from local investors cooled amidst little to no interest from foreign investors, higher inflation, a shift in central bank monetary policies, and slow economic growth.

RESULTS

It is heartwarming to inform you that despite the harsh economic business environment, the Group was able to achieve a revenue of **N11.9 billion** in 2021 as against a revenue of **N6.5 billion** in the 2020 financial year, which represents a growth of **84%**. The Company also recorded a better performance in 2021 achieving a revenue of **N11.1 billion** as against **N5.9 billion** recorded in 2020, representing an **88%** increase.

Also, save for the write-back of some interest charges which impacted positively on the 2020 results, the operating profit of the Group and Company were also an improvement on the 2020 performance; with an achievement of **N338.9 million** and **N480.6 million** respectively. Sadly, with the burden of the legacy debts that the Company continues to bear, the end year result was understandably, a loss of **N2.2 billion**. Nonetheless, it must be significantly noted that there is a sum of **N2.32 billion** reported as deferred income during the year being the gain arising from debt waivers obtained by the Company from AMCON. Save for some procedural legal documentation required, this sum would have been reported in the income statement for the year which would have resulted in a profit being recorded for 2021. This sum will however positively impact on the 2022 bottom line once it crystallizes into income. Be that as it may, what is abundantly clear is that R.T. Briscoe is a profitable organization and without doubts, better days lie ahead for the Company and its shareholders.

THE CURRENT FINANCIAL POSITION OF THE COMPANY

I commend the Management of our Company for their dedication, determination and hard work in steering the ship of the Company. The effect of Management's efforts is the steady return of the company to operational profit despite the very challenging business environment. This trend has been sustained from 2018 till date. Despite the burden of the existing legacy debts, Management is optimistic that in the not-too-distant future, the Company would record a profit in its end year result.

I must not fail to mention the progress made so far, and the success we have achieved in navigating the company during this receivership. By sheer dexterity and tenacity of purpose, Management was able to negotiate a favourable bargain with the Asset Management Corporation of Nigeria (AMCON) which resulted in a significant debt reduction and the execution and filing of a Terms of Settlement between AMCON and the Company which may see the Company come out of receivership soon. Also, in conjunction with the Receiver, the Company intends to commence negotiations with the creditor banks, the objective of which is to secure a substantial concessionary debt reduction and a unified restructured repayment plan that will not only be realistic but easily achievable by the Company.

Additionally, our Financial Advisers, Messrs. Dunn Loren Merrifield (DLM) have continued in their drive to shore up the capital base of the Company. The Securities and Exchange Commission (SEC) has given its in-principle approval for the floating of a Special Money Market Fund to be known as "R.T. Briscoe Savings and Investment Fund". Further engagement is ongoing between DLM and SEC to finalize the modalities for the offer to go public.

I want to assure you that our Company is gradually sailing out of turbulence into stability and profitability. Our results for the first half of 2022 which has become public knowledge attests to the fact that our business remains operationally profitable. The Board and Management will continue to work tenaciously and strategically to ensure that we consolidate the present gains whilst carefully navigating the Company into future financial prosperity.

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CORPORATE GOVERNANCE

Your Board held a total of 5 meetings in 2021. Each Committee of the Board also held meetings during the year. To strengthen the Governance Committee, Mrs. Folasade Oluwatoyin Ogunde was appointed a member of the Governance Committee on January 14, 2021.

In accordance with Section 285 of the Companies and Allied Matters Act, 2020 Sir Sunday Nnamdi Nwosu and Mrs. Folashade Ogunde retire by rotation and being eligible, offer themselves for re-election.

Your Board has recommended two non-executive Directors, Mr. Akin Ajayi and Alhaji Ali Safiyanu Madugu as its two representatives on the Audit Committee for the current financial year.

Having served the Company meritoriously for many years in the capacity of Company Secretary, the firm of Messrs. Olukayode Adeoluwa & Co. tendered its resignation with effect from August 31, 2021. Consequently, Mr. Michael Olabode was appointed the Acting Company Secretary with effect from September 1, 2021.

FUTURE BUSINESS PROSPECTS

With the prospect of reaching an amicable understanding with AMCON and engaging the creditor-banks in debt waiver negotiations becoming a close reality, the way is paved for the Company to focus more on prospecting for business opportunities in order to reposition itself for sustainable profitability.

With the improved operational results of the Company which has led to higher turnover in the past couple of years, it is expected that revenue will continue to increase into the future.

The company has continued its cost optimization drive across the enterprise to align the cost with the business activity level. This has provided liquidity assurance and buffers to exploit opportunities regardless of the daunting business environment.

As we approach the peak of the 2023 electioneering activities, we expect the demand for essential goods to continue to thrive as consumers shift focus to these items. This will indirectly lead to increase in demand by these companies for productive asset, creating demand for Briscoe products especially compressed air and material handling products and services, which are critical for the production and distribution of these essential item. The company will continue to explore products and services that will capture emerging opportunities in these sectors.

In addition, significant progress is expected to be made across the strategic initiatives such as establishment of new brands for affordable vehicles, material handling equipment and real estate development. Currently, we are at the verge of concretizing Dealership Agreements with three major Original Equipment Manufacturers (OEM) of Material Handling Equipment and another major player in the automobile manufacturing industry.

In conclusion, let me assure you that better days are still ahead for our great Company. Your Board remains relentless in its determined effort to reposition the Company for profitability. We shall continue to optimize every viable business opportunity that come our way and even go out of our way to discover others.

Once again, I wish you all and our great Company **happy 65 years anniversary**, and a very pleasant Annual General Meeting.



Sir Sunday Nnamdi Nwosu, KSS, GCOA, FIoD
Chairman

DIRECTORS' REPORT

For the year ended 31 December 2021



The Directors present their annual report on the affairs of R.T. Briscoe (Nigeria) Plc ("the Company") and its subsidiaries ("the Group"), together with the financial statements and independent Auditor's report for the year ended 31 December 2021.

Legal form

The Company was incorporated in Nigeria as a private limited liability company on 9 March 1957 and was converted to a public limited liability company in 1973. The shares of the Company were listed on the Nigerian Stock Exchange on 15 March 1974.

Principal Activity and Business Review

The principal activities of the Company are sales and service of Toyota motor vehicles, technical equipment, including forklifts, industrial compressors, mining and drilling equipment and generating sets.

The following is a summary of the principal activities of the subsidiaries of the Company:

Name	Principal activity	Direct & Indirect Shareholding %
Briscoe Properties Limited	Facility management, property development and sale and leasing of property.	100
Briscoe Technical Products and Services Limited	Trading of industrial equipment	100
Suites Resorts Limited	Shell Company	100
Briscoe Leasing Limited	Not Operational	100
Briscoe Material Handling	Not Operational	100
Briscoe-Ford Nigeria Limited	Not Operational	100
Briscoe Garages Limited	Not Operational	100

The financial results of these subsidiaries have been consolidated in these financial statements. The name of CAWS Technical Nigeria Limited was changed to Briscoe-Elgi Equipment Nigeria Limited with effect from 12 February, 2021. On May, 2022, it was thereafter changed to Briscoe Technical Products and Services Limited.

Operating Results

The following is a summary of the Group and Company's operating results and accumulated loss:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Revenue	11,898,697	6,478,009	11,116,678	5,905,687
Results from operating activities	388,932	537,263	480,608	702,650
Net finance costs	(2,656,551)	(1,616,539)	(2,640,232)	(1,597,537)
Loss before income tax	(2,267,619)	(1,079,276)	(2,159,624)	(894,887)
Loss for the year after tax	(2,298,748)	(1,096,153)	(2,187,928)	(910,222)
Total comprehensive loss for the year	(2,302,646)	(795,278)	(2,191,826)	(609,347)
Accumulated loss, end of year	(16,753,724)	(14,451,078)	(16,881,692)	(14,689,866)

Directors and their interests

During the year under review, the Group was managed by a Board of seven Directors consisting of five non-Executive Directors which included the Chairman, and two Executive Directors comprising the Group Managing Director and Executive Director.

DIRECTORS' REPORT

For the year ended 31 December 2021



The Directors who served during the year and their interest in the shares of the Company as recorded in the Register of Members and/or as notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act and as disclosed in accordance with Section 303 of that Companies and Allied Matters Act is as follows:

Direct Interest:	Ordinary Shares of 50k each as at 31 December		Approval Date of Accounts 9-Jun-22
	2021	2020	
Sir Sunday Nnamdi Nwosu (Chairman)	10,873	10,873	21,927
Mr. Bukola Oluseyi Onajide (Managing Director)	648,000	648,000	648,000
Dr. Olorunfemi Abidemi Eguaihide (Executive Director)	-	-	-
Ms. Adeola Adenike Ade Ojo	-	-	-
Mr. Akin Ajayi	50,000	50,000	50,000
Alhaji Ali Safiyanu Madugu, mni	-	-	-
Mrs. Folasade Oluwatoyin Ogunde	-	-	-
Indirect Interest:			
Ms. Adeola Adenike Ade Ojo (through Classic Motors)	97,200,000	97,200,000	97,200,000

Alternate Director

Mrs. Aderemi Oluwatosin Akinsete-Chidi served as alternate to Ms. Adeola Adenike Ade Ojo during the year ended 31 December 2021.

Directors' interest in contracts

In accordance with section 303 of the Companies and Allied Matters Act, 2020 none of the Directors has notified the Company of any declarable interests in contracts with the Company.

Re-election of directors

In accordance with Section 285 of the Companies and Allied Matters Act, 2020, Sir Sunday Nnamdi Nwosu and Mrs. Folasade Ogunde retire by rotation and being eligible offer themselves for re-election.

Independent Non-Executive Directors

Two Independent Non-Executive Directors namely Sir Sunday Nnamdi Nwosu and Alhaji Ali Safiyanu Madugu, mni served on the Board of the company during the year ended 31 December 2021. The independence of these Directors were ascertained in accordance with the provisions of the Nigerian Code of Corporate Governance 2018 which requires the Board to annually ascertain and confirm the continued independence of each Independent Non- Executive Director of the company.

An Independent Non-Executive Director is required by the Code to represent a strong independent voice on the Board, be independent in character and judgment and accordingly be free from such relationships or circumstances with the Company, its management, or substantial shareholders as may, or appear to, impair his or her ability to make independent judgment.

Diversity on the Board

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The composition of the Board is based on a number of considerations which include but are not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

DIRECTORS' REPORT

For the year ended 31 December 2021



Frequency of Meetings

The table below shows the frequency of meetings of the Board of Directors, Board Committees, and members' attendance at these meetings, during the year ended 31 December 2021.

	Board of Directors	Audit Committee	Business Strategy Committee	Finance & Risks Management Committee	Governance Committee
Number of Meetings held	5	2	2	1	1
Sir Sunday Nnamdi Nwosu	5	N/A	N/A	N/A	N/A
Mr. Bukola Oluseyi Onajide	5	N/A	2	1	N/A
Dr. Olorunfemi Eguaihide	5	N/A	2	1	N/A
Ms. Adeola Adenike Ade Ojo	5	N/A	N/A	1	1
Mr. Akin Ajayi	5	2	2	1	N/A
Alhaji Ali Safiyanu Madugu, mni	5	1	1	N/A	1
Mrs. Folasade Ogunde	5	N/A	2	1	1

N/A - Not applicable as the director is not a member of the committee.

The table below shows the dates that the meetings of the Board of Directors, Board Committees and the statutory Audit Committee of the company were held during the year ended 31 December 2021:

Dates of Meetings					
	Board of Directors	Audit Committee	Business Strategy Committee	Finance & Risks Management Committee	Governance Committee
	14.01.2021	07.06.2021	11.03.2021	30.11.2021	25.11.2021
	07.06.2021	27.10.2021	15.11.2021	-	-
	26.08.2021	-	-	-	-
	01.11.2021	-	-	-	-
	09.12.2021	-	-	-	-

The Board held a post-Annual General Board Meeting on August 26, 2021.

Beneficial ownership

According to the Register of Members as at 31 December 2021, the following shareholders held more than 5% of the issued share capital of the Company.

	Number of Ordinary Shares of 50k each			
	2021	2021 %	2020	2020 %
Mikeade Investment Limited	339,931,724	28.90	339,931,724	28.90
Classic Motors Limited	97,200,000	8.26	97,200,000	8.26
Nigerian public	739,220,332	62.84	739,220,332	62.84
	1,176,352,056	100.00	1,176,352,056	100.00

DIRECTORS' REPORT

For the year ended 31 December 2021



The analysis of distribution of shares of the Company as at 31 December 2021 was as follows:

Shareholding between:	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
1-100	706	1.63	40,745	0.00
101-500	2,798	6.44	829,175	0.07
501-1000	7,779	17.92	7,048,876	0.60
1001-2500	1,821	4.19	2,252,659	0.19
1001-2500	9,268	21.35	17,166,804	1.46
2,501-5,000	6,722	15.48	22,908,877	1.95
5,001-7,500	2,320	5.34	14,203,008	1.21
7,501-10,000	6,096	14.04	48,230,926	4.10
10,001-100,000	5,205	11.99	135,499,292	11.52
100,001-1,000,000	627	1.44	161,565,869	13.73
100,001 and above	77	0.18	766,605,825	65.17
	43,419	100	1,176,352,056	100

Free Float

The free float of the company is in full compliance with the minimum free float requirements of the Nigerian Exchange for the Main Board. The free float analysis of the issued and paid-up share capital of the company as at December 31, 2021 and June 9 2022 when the consolidated financial statements for the year ended 31st December, 2021 were approved is as follows:

	No. of ordinary shares held as at 9 June 2022	% of ordinary shares held as at 9 June 2022	No. of ordinary shares held as at 31 December 2021	% of ordinary shares held as at 31 December 2021	% of ordinary shares held as at 31 December 2020
Strategic Shareholding	437,131,724	37.2	437,131,724	37.2	41.4
Director's Direct Shareholding	733,569	0.1	733,569	0.1	0.1
Staff Schemes	13,255,923	1.1	13,255,923	1.1	1.1
Free Float	725,230,840	61.7	725,230,840	61.7	57.4
Total	1,176,352,056	100	1,176,352,056	100	100

Donations

The Group donated N650,000 (2020: N404,000) to the following charitable institutions during the year:
Rumukwurushi Town Council & Youth Borehole project - N400,000
Mushin Arts & Culture Day Sponsorship - N250,000

In accordance with Section 43(2) of CAMA 2020, the Group did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review

Subsequent events

There were no other significant subsequent events which could have had a material effect on the Group's and the Company's financial position as at 31 December, 2021 that have not been adequately provided for or disclosed in these financial statements. Refer to Note 37.

DIRECTORS' REPORT

For the year ended 31 December 2021



Distributors

There are no major distributors appointed to distribute the Company's products.

Suppliers

The Company's significant suppliers are Toyota Nigeria Limited, Manitou Material Handling, France and ELGi Equipment Limited, India.

Acquisition of Company's own shares

The Company has no beneficial interest in any of its own shares and all shares are held as provided for in the Company's Articles of Association.

Share Capital history

The changes to the Company's share capital since incorporation are summarised below:

Year	Increase '000	Cumulative '000	Increase N'000	Cumulative N'000	Consideration
1957	-	200	200	200	Cash
1963	200	400	-	200	Increase in authorised share capital
1964	-	400	200	400	Bonus
1972	1,600	2,000	-	400	Increase in authorised share capital
1973	-	2,000	800	1,200	Bonus
1974	-	2,000	800	2,000	Cash
1975	4,000	6,000	2,000	4,000	Bonus
1976	4,000	10,000	6,000	10,000	Bonus
1977	10,000	20,000	5,000	15,000	Bonus
1980	-	20,000	5,000	20,000	Bonus
1981	10,000	30,000	5,000	25,000	Bonus
1992	-	30,000	5,000	30,000	Bonus
1993	20,000	50,000	-	30,000	Increase in authorised share capital
1997	50,000	100,000	30,000	60,000	Rights Issue
2003	-	100,000	15,000	75,000	Bonus
2004	200,000	300,000	18,750	93,750	Bonus
2004	-	300,000	62,500	156,250	Rights Issue
2004	-	300,000	25,285	181,535	Public Offer
2007	-	300,000	45,384	226,919	Bonus
2008	-	300,000	56,730	283,650	Bonus
2009	-	300,000	56,730	340,380	Bonus
2010	300,000	600,000	68,076	408,426	Bonus
2011	1,400,000	2,000,000	81,691	490,147	Bonus
2012	-	2,000,000	98,029	588,177	Bonus
2014	1,250,000	3,250,000	-	588,177	Increase in authorised share capital



Employment and employees

a) Employment of physically challenged persons

The Group has no physically challenged persons in its employment. However, applications for employment by physically challenged persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

b) Health, safety and welfare at work

The Group invests its resources to ensure that the hygiene of its premises is of the highest standard. To this end, the Group has various forms of insurance policies, including company personal accident insurance to adequately secure and protect its employees.

c) Employee involvement and training

The Group places considerable value on the involvement of its employees and has a practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. The Group has in-house training facilities complemented when and where necessary with additional facilities from educational institutions for the training of its employees.

Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 17 to the financial statements.

Audit Committee

Pursuant to section 404 (3) of the Companies and Allied Matters Act 2020, the Company has an Audit Committee comprising of two directors and three shareholders. Details of the members, frequency of meetings held and attendance of members are below:

	Attendance of members at meetings held in the year	
	07.06.2021	27.10.2021
Mr. Akin Ajayi (Chairman)	P	P
Mr. Kenneth Nwabike Nwosu	P	P
Alhaji Ali Safiyanu Madugu, mni	P	AB
Mr. Adeniyi Araunsi Adebisi	P	P
Mr. Anthony Kanayo Katchy	P	P

*P- Present; *AB - Absent with Apology

The functions of the Audit Committee are laid down in Section 404(7) of the Companies and Allied Matters Act, 2020.

Corporate Governance

The Board is responsible for the corporate governance of the Group. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial status of the company and ensure that the financial statements comply with the Companies and Allied Matters Act, 2020. They are also responsible for safeguarding the assets of the Group by taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

For the year ended 31 December 2021



Committee	Membership	Status
Business Strategy	Mr. Akin Ajayi Mr. Bukola Oluseyi Onajide Alhaji Ali Safiyanu Madugu Mrs. Folasade Oluwatoyin Ogunde Dr. Olorunfemi Eguaihide	Chairman Member Member Member Member
Governance	Ms. Adeola Adenike Ade-Ojo Alhaji Ali Safiyanu Madugu Mrs. Folasade Oluwatoyin Ogunde*	Chairman Member Member
Finance & Risks Management	Mrs. Folasade Oluwatoyin Ogunde Mr. Bukola Oluseyi Onajide Mr. Akin Ajayi Ms. Adeola Adenike Ade-Ojo Dr. Olorunfemi Eguaihide	Chairman Member Member Member Member

* Mrs. Folasade Oluwatoyin Ogunde was appointed as a member of the Governance Committee on January 14, 2021.

Appointment of Acting Company Secretary

The firm of Olukayode Adeoluwa & Co., the erstwhile Company Secretary of the Company tendered its resignation with effect from August 31, 2021. Consequently, Mr. Michael Olabode was appointed the Acting Company Secretary with effect from September 1, 2021.

Compliance with the Code of Corporate Governance

During the year, the company complied with the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council of Nigeria.

Complaints Management Framework

The company has a Complaints Management Policy to handle and resolve complaints from shareholders, customers, business associates, employees, members of the public and other stakeholders. The details of the policy are hosted on the company's website.

Whistle Blowing Policy

The company also has a Whistle Blowing Policy which governs the procedure and provides for a confidential channel by which employees, customers and other members of the public might report any concerns about wrongdoing or improper conduct within the company to the Board of Directors or the Audit Committee. Reports by Whistle Blowers can be made in writing by email and addressed to whistleblowing@rtbriscoe.com or the personal emails of the Chairmen of the Committees as follows:

Ag. Chairman, Governance Committee	- akinsetaderemi@hotmail.com
Chairman, Audit Committee	- akinajayi1@yahoo.com
Chairman, Finance and Risk Management Committee	- sadeogunde@gmail.com

Reports can also be made verbally either through telephone or in person. The following telephone lines should be used:

07056984101 - (Ag. Chairperson, Governance Committee)
08023037318 - (Chairman, Audit Committee)
09092154179 - (Chairperson, Finance & Risks Management Committee)

DIRECTORS' REPORT

For the year ended 31 December 2021



The details of the policy are hosted on the company's website.

Securities Trading Policy

The Board has a Securities Trading Policy which is applicable to all employees, directors, audit committee members and connected employees of auditors, consultants and contractors of the company and its subsidiaries. The terms of the policy are no less exacting than the standard set in the Listing Rules of The Nigerian Exchange. A copy of the policy is on the company's website.

Independent Auditors

The Auditors, Messrs. PKF Professional Services have indicated their willingness to continue in office as the Company's auditor in accordance with section 401 (2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed authorising the Directors to fix their remuneration.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Michael Olabode'.

Michael Olabode

FRC/2022/PRO/NBA/002/2335
Ag. Company Secretary
18, Fatai Atere Way, Matori
Lagos, Nigeria
Dated: 9 June 2022



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021



In accordance with the provisions of the Companies and Allied Matters Act, 2020. The directors are responsible for the preparation of Consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group at the end of the year and its profit or loss.

The responsibilities include ensuring that:

- i. The Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020.
- ii. Appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities;
- iii. The Group prepares its Consolidated and separate Consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- iv. It is appropriate for the Consolidated and separate financial statements to be prepared on a going concern basis.

The Directors accept responsibility for the preparation of the Consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in accordance with the International Financial Reporting Standards; in compliance with the Financial Reporting Council Act No. 6, 2011 and in the manner required by the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the group Consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group, in accordance with the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and in the manner required by Companies and Allied Matters Act, 2020.

The Directors further accept responsibility for the maintenance of adequate accounting records as required by the Companies and Allied Matters Act, 2020 and for such internal controls as the Directors determine is necessary to enable the preparation of Consolidated and separate financial statements that are free from material misstatements whether due to fraud or error.

Going Concern:

The Consolidated and separate financial statements have been prepared assuming the Group and company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the near future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, management takes into account all available information in the near future, in particular for the twelve months from the date of the Consolidated and separate financial statements.

The Group incurred loss before tax of N2.27 billion for the year ended 31 December 2021 (2020 : N1.08 billion), the Company incurred loss before tax of N2.16 billion for the year ended 31 December 2021 (2020 : N894.89 million) and as of that date, the Group's current liabilities exceeded its current assets by N17.85 billion (2020 : N15.81 billion) and the Company by N18.02 billion (2020 : N15.94 billion), while Group total liabilities exceeded its total assets by N12.58 billion (2020 : N10.28 billion) and the Company by N12.71 billion (2020 : N10.52 billion).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021



As a result of the losses incurred over the years, the shareholders' fund has been totally eroded to the tune of N12.58 billion and N12.71 billion deficit as at 31 December 2021 for the Group and Company respectively. These conditions, along with other matters set forth on the same Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Directors are optimistic about the successful resolution of the group's going concern issue. The group holding company has feasible strategy and plan to diversify activities and is reducing cost across the companies in the group. There are key performance indicators on cost monitoring and control. Restructuring of the Group's distribution network for cost effectiveness to increase dealers' margin and sales will bring back the Group to profitability in the near future.

Signed on behalf of the board of directors by:

A handwritten signature in black ink, appearing to read 'Sunday Nwosu', written over a horizontal line.

Sir Sunday N. Nwosu (Chairman)
FRC/2014/IODN/00000006788
Dated: 9 June 2022

A handwritten signature in black ink, appearing to read 'Oluseyi Onajide', written in a cursive style.

Mr. Oluseyi Onajide
FRC/2013/ICAN/00000002194
Dated: 9 June 2022

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

Pursuant to S405(1) of the Company's and Allied Matters Act, 2020, we hereby confirm that the Chief Executive Officer and Chief Financial Officer of R.T. Briscoe (Nigeria) PLC have reviewed the audited financial statements and accept responsibility for the financial and other information within the annual report. The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the Internal Controls established within the Group are hereby provided below:

Financial Information

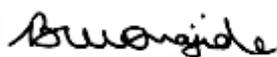
- i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;
- ii) The audited financial statements and all other financial information included in the statements fairly represent, in all material respect, the financial condition and results of operation of the Group as of and for the period ended 31st December 2021.

Effective Internal Controls

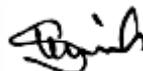
- a) Effective Internal Controls have been designed to ensure that material information relating to the company and its subsidiaries are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.
- b) The effectiveness of the Group's Internal Controls have been evaluated within 90 days prior to 31st December 2021.
- c) The Group's Internal Controls are effective as at 31st December 2021.

Disclosures

- i. There were no significant deficiencies in the design or operation of Internal Controls which could adversely affect the Group's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Group's Internal Control systems.
- ii. There were no fraud events involving Senior Management or other employees who have a significant role in company's internal control
- iii. There were no significant changes in internal controls or other factors that could significantly affect internal controls.



Mr. Oluseyi Onajide
Group Managing Director/CEO
FRC/2013/ICAN/00000002194
Dated: 9 June 2022



Mr. Jubril Adetokunbo Shittu
Chief Financial Officer
FRC/2013/ICAN/00000000728
Dated: 9 June 2022

REPORT OF THE AUDIT COMMITTEE

For the year ended 31 December 2021



In compliance with the statutory provisions of Section 404(7) of the Companies and Allied Matters Act 2020, the Rules of the Nigerian Exchange and the Code of Corporate Governance 2018, the Members of the Audit Committee of R.T. Briscoe (Nigeria) PLC hereby report as follows:

- i. The committee met in exercise of its statutory functions under Section 404(7) of the Companies and Allied Matters Act, 2020 and we received the co-operation of the Management and Staff in the exercise of these responsibilities.
- ii. We exercised due oversight over Management processes towards ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.
- iii. We deliberated with the External Auditors and received confirmation that all necessary co-operation was received from Management and that they have issued a fair and objective report.
- iv. We confirm that the Company has an adequately resourced independent internal audit unit which discharges its responsibilities effectively.
- v. We are satisfied from our deliberations and reports presented at meetings that Management is pursuing the Company's goals and objectives and is taking the necessary steps to preserve the status of the Company as a going concern, and also minimize the adverse impact of the Corona virus pandemic on the business activities and financial results of the company.
- vi. In the course of the financial year, R.T. Briscoe (Nigeria) PLC recorded significant business transactions with Toyota Nigeria Limited which is its main supplier of Toyota vehicles and the sole authorized distributor of Toyota vehicles in Nigeria by the manufacturers, the Toyota Motor Corporation of Japan. R.T. Briscoe has a de facto common shareholder with Toyota Nigeria Limited who has controlling interests in R.T. Briscoe and therefore an interested person.
- vii. We are satisfied that the methods or procedures for determining transaction prices between R.T. Briscoe (Nigeria) PLC and Toyota Nigeria Limited have not changed since the approval granted by shareholders at the last Annual General Meeting on 26 August, 2021; and the methods or procedures are sufficient to ensure that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the company and its minority shareholders.

A handwritten signature in black ink, appearing to read 'Akin Ajayi'.

Mr. Akin Ajayi
FRC/2013/MULTI/00000004485
Chairman
Dated: 9 June 2022

Members:

Mr. Akin Ajayi
Alhaji Ali Safiyanu Madugu, mni
Mr. Kenneth Nwabike Nwosu
Mr. Adeniyi Araunsi Adebisi
Mr. Anthony Kanayo Kachy



PKF Professional Services



Accountants &
business advisers

To the Shareholders of R.T. Briscoe (Nigeria) Plc

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of R.T. Briscoe (Nigeria) Pic ("the Company") and its subsidiaries (together, "the group"), which comprise the consolidated and separate statements of financial position at 31 December 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with Financial Reporting Council of Nigeria Act, No. 6, 2011 and with the requirements of the Companies and Allied Matters Act, 2020.

Basis of opinion

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

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. The key audit matters below relate to the audit of the consolidated and separate financial statements.

Key Audit Matters	How the matters were addressed in the audit
<p>a) Revenue recognition Revenue is an important measure and it impacts most of the key performance indicators on which the Company and its Directors are assessed. The significance makes revenue a matter of focus in our audit.</p> <p>Refer to significant accounting policies (Note 4.10) and revenue on (Note 8) of the financial statements.</p>	<p>We reviewed accounting policy for consistency and management's procedures in the recognition and recording of revenue;</p> <p>We evaluated the design and implementation and the operating effectiveness of internal controls over the approval of goods and services rendered:</p>

Key Audit Matters	How the matters were addressed in the audit
<p>b) Bank overdraft turned into core debt-Borrowings Bank overdrafts at 31 December 2021 stood at N15.86 billion (2020: N16.60 billion) representing 73% of the total liabilities which is significant in the consolidated financial statements. The company has not been able to repay the bank overdrafts and this has led to winding up case by one of the banks. Included in this overdrafts, is an amount of N4.6 billion, which was taken over by Assets Management Corporation of Nigeria (AMCON) in 2018. During the year, AMCON restructured this indebtedness leading to a waiver of N2.36 billion to the Company. This amount has been recognised as deferred income in this financial statements, owing to the need for the perfection of the legal documents relating to the debt forgiveness, which is yet to be completed as at year end. There are also issues on penalty charges by the banks. The significance of the balance, the recognition of the waiver in the deferred income and the inability to repay the borrowings which led to court litigations, and winding up cases against the company makes it a key audit matter.</p>	<p>For sale of vehicle and services rendered to customers during the year, we compared, on a sample basis, postings into revenue ledger to appropriate basis such as delivery way bills acknowledged by customers;</p> <p>We performed data integrity check on revenue including the accuracy of a sample of journal entries relating to revenue and any significant unusual entries;</p> <p>We assessed the postings in sales ledger subsequent to year end to understand the basis of any significant unusual items:</p> <p>We tested whether revenue transactions occurring both prior and post the year end date were recognized in the correct period.</p> <p>Reviewed pending legal winding-up cases against the company;</p> <p>Reviewed and ensure that accrued interest charges are not materially misstated;</p> <p>Reviewed bank overdrafts reconciliations noting outstanding reconciling items and how they were dealt with in the book;</p> <p>Obtained and reviewed independent confirmations from banks and AMCON.</p> <p>Ensured adequate disclosures were made in respect of the bank overdraft and the deferred income relating to the waiver.</p> <p>Reviewed the Agreements precedent to granting the waiver and Terms of Settlement with AMCON to ensure compliance.</p>

Key Audit Matter	How the matters were addressed in the audit
<p>c) Impairment of trade receivables The Company is exposed to credit risk arising from the company trade receivables.</p> <p>The appropriateness of impairment calculation for long term over due credit which require significant management judgement, makes it a key audit matter.</p> <p>Trade and other receivables are significant to this company as they account for about 31% of the total assets value.</p> <p>Refer to significant accounting policies (Note 4.7), trade and other receivables (Note 21) of the consolidated financial statements.</p> <p>The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the Group into a complex financial model. The Group considered the following in determining the inputs for the ECL model:</p> <ul style="list-style-type: none"> - Determining criteria for assigning Probability of Default rates (PO Rates); - Assessing the relationship between the quantitative factors such as default and qualitative factors such as macro-economic variables; - The Group incorporates forward looking information in the model building process; - Factors incorporated in determining the Probability of Default (PO); - Factors considered in cash flow estimation including rate of recovery from customers. 	<ul style="list-style-type: none"> - We assessed and tested the design and operating effectiveness of the controls over impairment determination process. - Key controls tested include the recoverability of the receivables that had been long overdue. - Evaluated whether the model used to calculate the recoverable amount complied with the requirements of IFRS 9 and it is in agreement with our understanding of the client's business, the industry in which the Company operates and the reasonableness of the assumptions used. - Evaluated the accounting principles underlying revenue recognition, which form the basis for the recognition of trade receivables.

Emphasis of matter

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 2.3 in the consolidated and separate financial statements which indicates that Group incurred loss before tax of N2.27 billion for the year ended 31 December 2021 (2020 : N1.08 billion), the Company incurred loss before tax of N2.16 billion for the year ended 31 December 2021 (2020 : N894.89 million) and as of that date, the Group's current liabilities exceeded its current assets by N17.85 billion (2020 : N15.81 billion) and the Company by N18.02 billion (2020 : N15.94 billion), while Group total liabilities exceeded its total assets by N12.58 billion (2020 : N10.28 billion) and the Company by N12.71 billion (2020 : N10.52 billion). As a result of the losses

incurred over the years, the shareholders' fund has been totally eroded to the tune of N12.58 billion and N12.71 billion deficit as at 31 December 2021 for the Group and Company respectively. These conditions, along with other matters set forth on the same Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The following summarises how the matter was addressed in the audit:

- We reviewed all court cases against the Company in order to obtain reasonable assurance that no litigation threatens the going concern of the Company either by suppliers, government, customers, employees, aggrieved third parties or shareholder of the Company.
- We obtained assurance from management that significant accounting and reporting judgments are supported by a degree of rigor and analysis appropriate to the circumstances of the company.
- We checked adverse market conditions, trend and events and also performed other risk assessment procedures to identify any adverse events or conditions.
- We reviewed minute of board meetings held for all the quarters in the reporting period to assess any issues that could border on regulatory or legal challenges as it relates to the going concern of the Company.
- We asked management whether they have identified any events or conditions that may cast significant doubts on the company's ability to continue as a going concern.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's 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 in the audit, or otherwise appeared to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance 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 Standard in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, 2020, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provided the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determined those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of fifth schedule of the Companies and Allied Matters Act, 2020, 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 purposes of our audit.
- ii) The Company and its subsidiaries have kept proper books of account, so far as it appears from our examination of those books.
- iii) The Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are in agreement with the books of account.

Benson O. Adejayan, FCA
 FRC/2013/CAN/00000002226
 For: PKF Professional Services
 Chartered Accountants
 Lagos, Nigeria



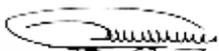
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

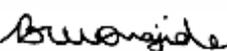
As at 31 December 2021

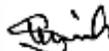


	Notes	The Group		The Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Assets					
Non-current assets					
Property, plant and equipment	17	4,696,998	4,810,763	4,684,374	4,796,315
Investment property	25	91,611	247,201	-	-
Intangible assets	18	458	1,357	457	677
Other receivables	21	511,152	499,071	502,427	490,347
Defined benefit plan	30	7,331	13,246	7,331	13,246
Investment in subsidiary	19	-	-	155,501	156,501
		5,307,550	5,571,638	5,350,090	5,457,086
Current assets					
Inventories	20	676,008	608,276	635,153	545,337
Trade and other receivables	21	2,861,297	2,184,734	2,908,273	2,059,705
Other current assets	22	113,956	38,462	102,912	27,755
Cash and cash equivalents	23	235,879	219,873	162,863	143,854
		3,887,140	3,051,345	3,809,201	2,776,651
Total assets		9,194,690	8,622,983	9,159,291	8,233,737
Current liabilities					
Trade and other payables	31	2,598,565	1,716,171	2,720,109	1,592,609
Current tax payable	15.3	73,204	60,320	46,445	34,936
Bank overdraft	23.1	15,855,347	16,603,126	15,855,347	16,603,126
Deferred income	23.2	2,362,392	-	2,362,392	-
Borrowings	24	849,888	486,130	849,888	486,130
		21,739,396	18,865,747	21,834,181	18,716,801
Net current liabilities		(17,852,256)	(15,814,402)	(18,024,981)	(15,940,150)
Non-current liabilities					
Deferred tax liability	15.4.2	36,615	35,911	34,399	34,399
Total non-current liabilities		36,615	35,911	34,399	34,399
Net liabilities		(12,581,321)	(10,278,675)	(12,709,289)	(10,517,463)
Equity					
Ordinary shares	26.2	588,177	588,177	588,177	588,177
Share premium	27	409,862	409,862	409,862	409,862
Revaluation reserves	28	3,174,364	3,174,364	3,174,364	3,174,364
Sustained loss	29	(16,753,724)	(14,451,078)	(16,881,692)	(14,689,866)
Equity attributable to equity holder of the parent		(12,581,321)	(10,278,675)	(12,709,289)	(10,517,463)
Total equity		(12,581,321)	(10,278,675)	(12,709,289)	(10,517,463)

These consolidated and separate financial statements were approved by the Board of Directors on 9 June 2022 and signed on its behalf by:


Sir. Sunday Nnamdi Nwosu
 FRC/2014/IODN/00000006788
 Chairman


Mr. Oluseyi Onajide
 FRC/2013/ICAN/00000002194
 Group Managing Director/CEO


Mr. Jubril Adetokunbo Shittu
 FRC/2013/ICAN/00000000728
 Chief Financial Officer

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021



	Notes	The Group		The Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Continuing Operations					
Revenue	8	11,898,697	6,478,009	11,116,678	5,905,687
Cost of sales	9	(9,888,740)	(5,139,927)	(9,362,933)	(4,752,078)
Gross profit		2,009,957	1,338,082	1,753,745	1,153,609
Other income	10	129,297	724,741	205,096	812,622
Distribution costs	12.4	(448,435)	(296,478)	(429,781)	(283,979)
Administrative expenses	12.4	(1,301,887)	(1,229,081)	(1,048,452)	(979,602)
Operating profit		388,932	537,263	480,608	702,650
Net finance costs	13	(2,656,551)	(1,616,539)	(2,640,232)	(1,597,537)
Loss before taxation		(2,267,619)	(1,079,276)	(2,159,624)	(894,887)
Income tax expense	15	(31,129)	(16,877)	(28,304)	(15,335)
Loss for the year from continuing operations		(2,298,748)	(1,096,153)	(2,187,928)	(910,222)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurement loss on defined benefit plans	30	(3,898)	(8,711)	(3,898)	(8,711)
Revaluation gain on property, plant and equipment (Net of tax)	28	-	309,586	-	309,586
Other comprehensive income / (loss) for the year		(3,898)	300,875	(3,898)	300,875
Total comprehensive loss for the year		(2,302,646)	(795,278)	(2,191,826)	(609,347)
Total loss attributable to:					
Equity holders of the parent		(2,298,748)	(1,096,153)	(2,187,928)	(910,222)
		(2,298,748)	(1,096,153)	(2,187,928)	(910,222)
Total comprehensive loss attributable to:					
Equity holders of the parent		(2,302,646)	(795,278)	(2,191,826)	(609,347)
Loss for the year		(2,302,646)	(795,278)	(2,191,826)	(609,347)
Loss per share from continuing operations:					
Basic/diluted loss per share (Naira)	16	(1.95)	(0.93)	(1.86)	(0.77)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021



	Issued share capital N'000	Share premium N'000	Accumulated Loss N'000	Revaluation reserves N'000	Total N'000
Attributable to equity holders of the Group					
At 1 January 2020	588,177	409,862	(13,346,214)	2,864,778	(9,483,397)
Loss for the year	-	-	(1,096,153)	-	(1,096,153)
Revaluation gain on property, plant and equipment	-	-	-	309,586	309,586
Re-measurement loss on defined benefit plans	-	-	(8,711)	-	(8,711)
Total comprehensive loss	-	-	(1,104,864)	309,586	(795,278)
At 31 December 2020	588,177	409,862	(14,451,078)	3,174,364	(10,278,675)
At 1 January 2021	588,177	409,862	(14,451,078)	3,174,364	(10,278,675)
Loss for the year	-	-	(2,298,748)	-	(2,298,748)
Revaluation gain on property, plant and equipment	-	-	-	-	-
Re-measurement loss on defined benefit plans	-	-	(3,898)	-	(3,898)
Total comprehensive loss	-	-	(2,302,646)	-	(2,302,646)
At 31 December 2021	588,177	409,862	(16,753,724)	3,174,364	(12,581,321)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021



	Issued share capital N'000	Share premium N'000	Accumulated Loss N'000	Revaluation reserves N'000	Total N'000
Attributable to equity holders of the Company					
At 1 January 2020	588,177	409,862	(13,770,930)	2,864,778	(9,908,113)
Revaluation gain on property, plant and equipment	-	-	-	309,586	309,586
Loss for the year	-	-	(910,222)	-	(910,222)
Re-measurement loss on defined benefit plans	-	-	(8,711)	-	(8,711)
Total comprehensive loss	-	-	(918,933)	309,586	(609,347)
At 31 December 2020	588,177	409,862	(14,689,863)	3,174,364	(10,517,460)
At 1 January 2021	588,177	409,862	(14,689,863)	3,174,364	(10,517,460)
Revaluation gain on property, plant and equipment	-	-	-	-	-
Re-measurement loss on defined benefit plans	-	-	(3,898)	-	(3,898)
Loss for the year	-	-	(2,187,928)	-	(2,187,928)
Total comprehensive loss	-	-	(2,191,826)	-	(2,191,826)
At 31 December 2021	588,177	409,862	(16,881,689)	3,174,364	(12,709,286)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021



	Notes	The Group		The Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash flows from operating activities					
Loss for the year		(2,298,748)	(1,096,153)	(2,187,928)	(910,222)
Adjustment for:					
Depreciation of property, plant and equipment	17	51,205	45,905	38,773	41,184
Finance income	13.1	(25,383)	(46,250)	(41,702)	(65,253)
Finance cost	13.2	47,868	52,136	47,868	20,826
Profit on disposal of property, plant and equipment	10	(9,401)	(22,499)	(9,351)	(22,499)
Profit on disposal of investment property	10	(33,692)	(17,968)	-	-
Employee benefit plan charged	30	9,451	10,015	9,451	10,015
Amortisation of Investment properties	25	2,018	3,216	-	-
Adjustments on depreciation	17	(6,439)	(294)	175	(294)
Property, plant and equipment written off	17	-	5,050	-	5,050
Amortisation of Intangible assets	18	899	679	220	-
Return on planned asset	30	(3,399)	(3,778)	(3,399)	(3,778)
Adjustment for investment in Fara Park Ltd		-	140,725	-	140,725
Adjustment for impairment of trade receivable	21.1	27,900	-	10,554	-
Impairment of investment in subsidiary	19	-	-	1,000	-
Income tax expenses	15	31,129	16,877	28,304	15,335
		(2,206,592)	(912,339)	(2,106,035)	(768,911)
Changes in:					
(Increase)/decrease in inventories		(67,732)	220,059	(89,816)	75,307
(increase)/decrease in trade receivables		(704,463)	358,909	(859,122)	473,494
Increase in other receivables		(12,081)	(55,907)	(12,080)	(50,437)
(increase)/Decrease in other current assets		(75,494)	7,340	(75,157)	5,878
increase/(Decrease) in trade and other payables		882,394	(854,549)	1,127,500	(935,668)
Increase in deferred income		2,362,392	-	2,362,392	-
Cash used in operating activities		178,424	(1,236,487)	347,682	(1,200,337)
Movement in employee benefit plan	30	(4,035)	(12,816)	(4,035)	(12,816)
Income taxes paid	15.3	(17,541)	(34,897)	(16,795)	(31,874)
Net cash used in operating activities		156,848	(1,284,200)	326,852	(1,245,027)
Purchase of property plant and equipment	17	(26,948)	(81,826)	(22,952)	(69,156)
Proceeds from sale of investment property		187,264	114,730	-	-
Proceeds from sale of property, plant and equipment		105,348	81,386	105,296	81,386
Net cash from investing activities		265,664	114,290	82,344	12,230
Finance cost	13.2	(47,868)	(52,136)	(47,868)	(20,826)
Finance income	13.1	25,383	46,250	41,702	65,253
Proceeds from LPO financing facility	24	363,758	441,864	363,758	441,864
Net cash from financing activities		341,273	435,978	357,592	486,291
Net decrease in cash and cash equivalents		763,785	(733,932)	766,788	(746,506)
Cash and cash equivalents at 1 January		(16,383,253)	(15,649,321)	(16,459,272)	(15,712,766)
Cash and cash equivalents at 31 December	23	(15,619,468)	(16,383,253)	(15,692,484)	(16,459,272)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



1. The reporting entity

1.1. Legal form

R.T. Briscoe (Nigeria) PLC (the 'Company') is domiciled in Nigeria. The Company was incorporated in Nigeria as a limited liability company on 9 March 1957 and became a public limited liability company in 1973. The Company's registered office is at 18, Fatai Atere Way, Matori, Oshodi, Lagos State. This financial statements comprise the Company and its subsidiaries (collectively 'the Group' and individually 'Group companies').

1.2. Principal activity

The Group is primarily engaged in the sales and servicing of Toyota and Ford motor vehicles, technical equipment, including forklifts, industrial compressors, mining and drilling equipment and generating sets, facility management, property development and leasing of property.

2. Basis of preparation

2.1 Statement of compliance with IFRSs

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), and in compliance with Financial Reporting Council of Nigeria Act No 6 2011. Additional information required by national regulations has been included where appropriate.

The consolidated financial statements comprise of the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the statement of changes in equity, the consolidated statement of cashflows and notes to the financial statements.

2.2. Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial instruments measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Group's financial statements present the financial position and results fairly.

2.3. Going concern status

The Group incurred loss before tax of N2.27 billion for the year ended 31 December 2021 (2020 : N1.08 billion) the Company incurred loss before tax of N2.16 billion for the year ended 31 December 2021 (2020 : N894.89 million) and as of that date, the Group's current liabilities exceeded its current assets by N17.85 billion (2020 : N15.81 billion) and the Company by N18.02 billion (2020 : N15.94 billion), while Group total liabilities exceeded its total assets by N12.58 billion (2020 : N10.28 billion) and the Company by N12.71 billion (2020 : N10.52 billion). As a result of the losses incurred over the years, the shareholders' fund has been totally eroded to the tune of N12.58 billion and N12.71 billion deficit as at 31 December 2021 for the Group and Company respectively.

The loss for the year was mainly attributable to finance costs which remain high at N2.66 billion and N2.64 billion respectively for both Group and Company (2020 : N1.62 billion for the Group and Company N1.59), as both Group and Company achieved positive operating profits of N388.93 million and N480.61 million respectively during the year.

The decline in the Company's revenue over the years contributed to the Company's inability to generate sufficient cash from its operations to settle its obligations, which resulted in:

- Difficulty in meeting its obligations with respect to its import finance/stock replacement finance and overdraft facilities with the Company's bankers.
- Delays in settlement of its obligations to suppliers and other service providers contrary to the terms of agreement.

2.3.1 Suit No. FHC/L/CR/780/2016 (winding up petition between Diamond Bank Plc v. R.T. Briscoe Nigeria Plc)

In 2016, one of the Company's bankers, Diamond Bank Nigeria Plc (DBN) petitioned the Federal High Court Lagos to wind up the company on the basis that the Company was unable to liquidate and/or offset the various facilities granted to it by the bank.

Simultaneous with the issuance of the petition aforesaid, the Bank applied for (and obtained) an Ex-parte order to restrain the Company from dealing with its properties and/or withdrawing any of its funds with the Bank and other financial institutions in Nigeria.

Upon service of the said order on the Company, the Company instructed the law firm of A.B. Sulu-Gambari & Co. to defend its interests and get the Ex-Parte Order vacated on the ground that the Company was servicing its debts till May 2016, a material fact which the Bank failed to disclose to the court in obtaining the order.

The firm applied to court on 22/06/2016 to set aside the Ex-Parte Order of 13/06/2016 as the Bank suppressed material facts in obtaining the said Order. The Application was heard on 08/07/2016 when the court ruled in the Company's favour and set aside the Ex-Parte Order for non-disclosure of material facts amongst others.

The Bank claims it is owed a total sum of N3,339,393,807.59 (Three Billion, Three Hundred and Thirty-Nine Million, Three Hundred and Ninety-Three Thousand, Eight Hundred and Seven Naira Fifty-Nine Kobo) by the Company.

Further to the above, other parties including United Bank for Africa, Guaranty Trust Bank, Polaris (Skye) Bank, First Bank, FSDH Merchant Bank and Federal Inland Revenue Service applied to the court as interested parties, alleging to be creditors to the Company for various amounts which are being disputed by the Company.

Petition for appointment of Liquidator/Receiver

In 2018, an application was placed before the court by First Bank of Nigeria Limited and Diamond Bank Nigeria Plc (DBN) for the appointment of a provisional liquidator and an Interim Official Receiver respectively. These applications were dismissed as lacking merit by the Federal High Court on 11 June 2018.

Status of the matter as of date

The Bank and the Company have filed their respective final written addresses. When the matter came up in court on 21/01/2019, the Judge informed the parties that he had been transferred to another Judicial Division consequent upon which the matter would start afresh before a new Judge.

The matter commenced before the new Judge and was set down for hearing of the petition and other applications on 04/06/2019, but the Court was unable to sit on the said date.

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However, the Bank filed an Application dated 23/05/2019 seeking to discontinue the matter in its entirety. Although, the Company's legal team is not opposing the application, but a counter Affidavit on the ground that the proper order the court should make in the circumstances is that of dismissal of the petition and not striking out. The Firm further prayed the court to grant substantial costs of N50 million in favour of the Company.

Subsequently, one of the alleged creditors, Polaris Bank (formerly Skye Bank), filed an application dated 03/06/2019 seeking to be substituted as the Bank in place of Diamond Bank.

In response, Diamond Bank filed a counter Affidavit dated 18/06/2019 and Polaris Bank filed its reply on points of law dated 27/06/2019.

On October 15, 2019, the matter again came up before the Federal High Court sitting at Ikoyi. At this sitting of the court, Diamond Bank informed the court of its intention to withdraw its application to discontinue the petition. The matter was subsequently adjourned till November 2019 for the hearing of all pending applications.

The matter came up the in court on 28/11/2019 for hearing of all pending applications, Diamond Bank Nigeria Plc withdrew the aforesaid application to discontinue and subsequently moved the application for change of name from Diamond Bank to Access Bank.

The matter was adjourned to 21/01/2020 for hearing of the petition.

When the matter came up in January 2020, the court having heard the substantive winding up petition, adjourned the matter till February 27, 2020 for final judgement. Prior to the adjournment however, Asset Management Corporation of Nigeria (AMCON), having taken over the debts and liabilities of Polaris Bank (one of the creditors banks) had in exercise of its statutory powers appointed a Receiver for the company. AMCON through its Lawyer, filed an application in the Winding Up petition, praying the court to be joined as a party. This application was heard by the court on March 19, 2020, and adjourned till April 24, 2020 for ruling on AMCON's application to be joined as a party and/or judgment on the substantive petition. But due to the lockdown occasioned by the COVID-19 pandemic, the court could not sit on this date and no new date has been advised by the court.

2.3.2 Suit No. I.D./3761/2018 (GTB Plc v. R.T. Briscoe Nigeria Limited)

Guaranty Trust Bank Plc ("GTBank") seeks to recover principally the sum of N185,274,562.54 (One Hundred and Eighty-Five Million, Two hundred and Seventy Four Thousand, Five Hundred and Sixty Two Naira, Fifty-Four Kobo) from R.T. Briscoe Nigeria Limited ("the Company"). In response, the Company has filed a complete Defence against the claim along with a counterclaim against GTBank to recover from GTBank for the sum of N3,096,943,226.00 (Three Billion, Ninety Six Million, Nine Hundred and Forty Three Thousand, Two Hundred and Twenty Six Naira).

Status of the matter as of date

The matter was referred for mediation at the Multi Door Court House of Lagos, however all efforts to amicably resolve the impasse between parties did not yeild any positive result leading to the matter being sent back to the court. Following an application by the company's lawyers, the matter was struck out by the Lagos high court for lack of dilligent prosecution.

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2.3.3 The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. In order to address this, the Directors have over the last couple of years commenced the implementation of a number of strategic measures aimed at returning the Company to profitability and a healthy financial position, some of which have started yielding positive results.

These measures are as follows:

Business Restructuring: Following the restructuring exercise carried out by the Board and Management of the company in 2017 meant to reposition the operating entities within the group for operational efficiencies, the group has recorded four consecutive years of reporting operational profits in 2018, 2019, 2020 and 2021. Our various businesses' results have shown that with the right level of operating capital, they can deliver satisfactory returns as they continue to thrive under harsh circumstances.

It is also gratifying to note that our major suppliers, both local and foreign, have continued to reaffirm their confidence in the business prospects of our company through their staunch support. Despite the precarious position of the company, we still retain the dealership licenses of our Major Original Equipment suppliers – Toyota Nigeria Limited and Elgi Air Compressors in India which are the primary sources of our revenue earning potential and competitive advantage.

Recapitalisation: The Company has been actively exploring the raising of additional capital of N10billion pursuant to the approval by the shareholders at two separate AGMs in 2014 and subsequently in 2016, which authorized the Board to raise up to N10 billion by way of equity, debt capital or a combination of both to recapitalize the Company. To actualize this, the Directors retained the services of Lead Capital Plc as financial advisers, to identify potential investors and facilitate the recapitalization exercise.

Also, Messrs. Dunn Loren Merrifield Advisory Partners (DLM) was in 2019 engaged by the Directors as Investment Advisers, with the mandate to assist in the recapitalization drive. DLM has developed and recommended a rather innovative Recapitalization Scheme. The scheme involves the institution of a money market fund with a life span of about 12-18 months, where existing shareholders of the Company and other interested investors may subscribe to units of the offer by making single lump sum payment or commit to pay in instalments. A share conversion exercise involving the shares of the Company would subsequently be consummated after the termination of the fund.

We have reached an advance stage in bringing to life this Special Purpose money market scheme. DLM has secured the approval of the Security and Exchange Commission (SEC) for the Fund, renamed as

R.T. BRISCOE SAVINGS AND INVESTMENT FUND, with an initial offer of 20,000 units of N50,000.00 each amounting to N1 billion registered and approved by Security and Exchange Commission (SEC). Subsequently we have applied to SEC through DLM for a reduction in the unit price of the Fund to a more affordable price of N5000.00 each, to make the Fund accessible to a wider range of prospective Investors. We are currently awaiting this approval, after which the marketing of the Fund will begin. It is our conviction that this scheme will be successful and will lead to the recapitalisation of the company and enable us to refinance the company's existing debts, finance start-up of new businesses and enhance working capital.

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Winding-Up Petition and Outstanding Debts: Diamond Bank PLC (now Access bank) instituted an action at the Federal High Court in Lagos for the winding up of the company based on our indebtedness to the bank. The case has been pending in Court since June 2016 due to the various interlocutory applications before the Court and several adjournments.

The matter had been set down for judgement but when it came up on March 19, 2020, the court was notified by lawyers representing AMCON that an application had been filed seeking to have AMCON joined as a party to the suit, Access Bank informed the court that it had filed a counter-affidavit in opposition to AMCON's application. FBN also informed the court that it had filed its counter-affidavit also opposing AMCON's application and seeking to be substituted as petitioner in the suit. The matter was subsequently adjourned to April 24, 2020. Due to the COVID 19 pandemic, we are yet to get any hearing notice from the court till date.

It is worthy of note that under the AMCON Act, no action, suit or proceedings, including any judgement enforcement proceeding can be commenced or maintained against a debtor company or the receiver or in relation to receiver's management of the affairs of the debtor company and all claims, actions, suits or proceedings, including judgement enforcement proceedings against the debtor company or receiver stands automatically suspended and stayed for one year; and at the expiration of the one year, for a further one year upon application to the court in this regard.

In the light of the above, the winding-up petition by Diamond Bank (now Access bank) and outstanding debts to other creditor banks no longer pose any immediate threat to the going concern status of the company.

Appointment of Receiver by AMCON: During the year ended 31 December 2021, Dele Oye, Esq appointed by Asset Management Corporation of Nigeria (AMCON), continued to act as the Receiver to the company, working hand in hand with the management and Board of the Company in the task of restoring the financial wellbeing of the company.

The Receiver has been able to use his clout to recover some significant sums of money in receivables, which were hitherto proving difficult, thereby helping the company's working capital to improve.

Negotiation with AMCON and other Creditor Banks for Balance Waiver: Following negotiations over last year, the company during the year secured from AMCON a waiver of 57% of the balance owed to the Corporation, with an amount of N2billion payable over a two years' period agreed in full and final settlement of our liabilities to the Corporation. A Terms of Settlement in respect of this has been executed by the company and sent to AMCON for their execution and subsequent filling in Court, as a consent judgement as required by one of the conditions precedents to the waiver, contained in AMCON's offer letter dated 9th September 2021.

Following this agreed waiver by AMCON, the Receiver has commenced negotiations with all the other creditor banks of the company for the same percentage waiver of the balances carried by them in their books. Progress is being made in this wise, and when concluded, this will automatically turn the Company's negative financial position to positive.

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The future of our company lies in its ability to reposition itself and chart a differentiating course in the very competitive auto industry which currently accounts for over 70% of our business activities. We are currently also focusing on and developing our technical and real estate businesses which have shown promising prospects over the years but have had restricted growth due to limited working capital. Our company holds licenses for the assembling of motor vehicles and generators in Nigeria and in this regard, we are currently reinforcing our relationship with BYD, a global leader in electric automobiles, metro transportation and alternative energy with whom we recently executed a new MOU. The expected recapitalization of the company would give the needed impetus for the exponential growth of our various business activities.

- 2.3.4 The Directors believe that the above on-going actions and plans will be successful, and remain confident of the validity of the going concern assumption. Accordingly, the financial statements have been prepared on the basis of accounting policies applicable to a going concern.

However, if the on going actions and plans as enumerated above do not yield the desired results, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

2.4 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the group's consolidated financial statements present the financial position and results fairly.

2.5 Functional and presentational currency

The financial statements are presented in Naira, which is the Company's presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

3. Adoption of new and revised standards

3.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

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The Company has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2021.

Both the Phase 1 and Phase 2 the amendments are not relevant to the Company and the Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021-Amendment to IFRS 16

In the prior year, the Company early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022. In the current financial year, the Company has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022);
- c) There is no substantive change to other terms and conditions of the lease.

The Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

3.2 New and revised IFRS Standards in issue but not yet effective (but allow early application) for the year ending 31 December 2021

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 (including the June 2020 amendments to IFRS 17) - Insurance Contracts
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate OT Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 - Reference to the Conceptual Framework

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- Amendments to IAS 16 - Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts— Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

IFRS 17 Insurance contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the

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equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 1 Presentation of Financial Statements-Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The Directors of the company do not anticipate that the application of the amendments in the future will have an impact on the company's financial statements.

Amendments to IFRS 3 Business Combinations-Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 16 - Property, Plant and Equipment-Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets-Onerous Contracts-Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify that the cost of fulfilling a contract comprises the costs that relates directly to the contract. Cost that relates directly to a contract consists of both the incremental cost of fulfilling that contract. Examples would be direct labour or materials and allocation of other costs that relates directly to fulfilling the contract (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendment's. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other components of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Directors of the Company do not anticipate that the application of the amendment in the future will have an impact on the Company's financial statements.

Annual Improvements to IFRS Standards 2018 - 2020-Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty.

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The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error;
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 12 Income Taxes–Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

4. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise stated.

4.1. Basis of consolidation

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(ii) below). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (f) below). Any gain on a bargain purchase is recognised in profit or loss immediately.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Separate disclosure is made for non-controlling interest.

iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-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.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation.

4.2 Foreign currency transactions

Transactions in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into naira at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Naira at the exchange rate when the fair value was determined. Non-monetary items that are measured on historical cost in foreign currency are translated using the exchange rate at the dates of the transactions. Foreign currency differences are generally recognised in profit or loss.

4.3 Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Where the Group or any member of the Group purchases the Group's share capital, the consideration paid is deducted from the shareholders' equity and held in a separate 'reserve for own shares' account until they are cancelled or disposed. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by S.120(3) of CAMA. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time.

4.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses except as indicated in note (iv) below. Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Derecognition of Property, plant and equipment

An item of property, plant and equipment is derecognized upon disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are recognised as a part of the cost of that asset.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

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(iv) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

Leasehold land	-	Unlimited
Buildings	-	100 years
Plant & Machinery	-	6.7 years
Furniture & Fittings	-	6.7 years
I.T Equipment	-	3.3 years
Motor Vehicles	-	4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate, with the effect of changes in estimate is accounted for on a prospective basis.

During the year, the Company reviewed the estimated useful life of its buildings to 100 years as against Leasehold period used in the comparative period, based an assessment carried out by a professional firm of structural engineers on one of its oldest buildings, in conjunction with Lagos State Material Testing Agency. This is also premised on the fact that Leasehold periods for lands upon which the buildings are sitting are considered unlimited. The new estimate has been applied prospectively inline with the provisions of IAS 8.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

(iv) Revaluation of Property plant and equipment

With effect from 31 December 2014, the Group adopted the revaluation model for its land and building asset category of its property plant and equipment. After recognition, land and building whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset.

- If an asset's carrying amount is increased, the increase shall be recognised in other comprehensive income and accumulated in equity in "revaluation surplus". However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.
- If an asset's carrying amount is decreased, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognised and disclosed as appropriate.

4.5. Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The Company's intangible assets with finite useful lives comprise acquired computer software. The estimated useful lives for the current and comparative years is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

An intangible asset is derecognized upon disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from the disposal.

4.6 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Motor Vehicles - Purchase cost on a specific item identification basis including transportation and clearing cost.

Spare and industrial equipment - Purchase cost on a weighted average basis including transportation and clearing costs.

Property Units - Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as property units. This would normally comprise expenditure incurred in acquiring the properties, production or conversion costs and other costs incurred in bringing them to their existing location and condition and are subsequently measured at the lower of cost and net realizable value.

4.7 Construction work in progress

Construction work-in-progress represents accumulated cost of ongoing real estate projects and is measured using the cost model on the basis of a valuation by an independent valuer. Borrowing costs that are directly attributable to work-in-progress and other directly attributable expenditure are capitalised to work in progress when it is probable that they will result in future economic benefits on completion of the project.

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To the extent that loans and borrowings are specifically used for the purpose of the work in progress, the amount of borrowing costs eligible for capitalisation is determined as the borrowing costs incurred on the loans and borrowings (measured at amortised cost) during the year less any investment income on the temporary investment of those borrowings.

4.8 Financial instruments

Financial instruments carried at state of financial position date include the loans and receivables, cash and cash equivalents and borrowings. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below:

4.8.1 Financial assets

The Company classifies its financial assets into the following categories: Financial assets at fair value through profit or loss, at fair value through OCI or at amortised cost. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

a) Financial assets at fair value through profit or loss

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

b) Financial assets at fair value through other comprehensive income

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

c) Financial assets carried at amortised cost

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or company of financial assets is impaired. A financial asset or company of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation.

The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

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

4.8.2 Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the company has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

4.8.1.1 Impairment of financial assets

4.8.1.2 Overview of the ECL principles

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its trade receivables, equity instrument and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.8.1.3 Credit-impaired financial assets

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the Customer's financial difficulty, granting to the Customer a concession that the Company
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Company of financial assets.
- the financial asset is 360 days and above past due.

A trade receivable debt that has been renegotiated due to a deterioration in the Customer's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a trade receivable that is overdue for 90 days or more is considered impaired.

4.8.1.4 Presentation of allowance for ECL

Trade receivable allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision, and
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

4.8.1.5 Write-off

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

4.8.2 Financial liabilities

4.8.2.1 Initial recognition and measurements

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.9 Provisions and Contingent liabilities

Provisions

A provision is recognised 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

4.10 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Post employment benefits

a. Defined contribution plans

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Group/Company pays fixed contributions into a separate entity. The Group/Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2014, the Group has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions while the Group/Company's contribution is recognised in profit or loss as employee benefit expense in the periods during which services are rendered by employees.

Employees contribute 8% of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Group's contribution is 10% of each employee's Basic salary, Transport & Housing Allowances for all employees.

b. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounting that amount.

The discount rate is the yield at the reporting date on Federal Government bonds, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency (Naira) in which the benefits are expected to be paid.

The calculation of the defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Long Service Award

The Group's instituted Long Service Awards scheme instituted for all permanent employees. The Group's obligations in respect of these schemes are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Any actuarial gains and losses are recognized in profit or loss.

4.11 Revenue

Revenue comprises of the fair value of consideration received or receivable for the goods and services provided, net of value-added tax, rebates and discounts and after elimination of sales within the group.

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, the sales price is agreed or determinable, recovery of the consideration is probable and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Transfer of significant risk and rewards of ownership is determined to be transferred to the buyer at the point of delivery to the buyer. This corresponds generally to the delivery date on the sale to customers.

(ii) Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to surveys of work performed.

(iii) Rental income

Revenue from property rentals is recognised in the profit or loss on a straight line basis.

4.12 Finance income and finance costs

Finance income comprises interest income on fixed deposits, loans to third parties. Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings, bank overdrafts and impairment losses recognised on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4.13 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity- settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost is also included in financing activities while finance income received is included in investing activities.

4.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(ii) Deferred tax

Deferred tax is recognised in profit or loss account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- a. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- b. differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
- c. temporary differences arising on the initial recognition of goodwill.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(iv) Minimum taxation

Minimum tax payable is calculated using the tax rate applicable based on certain parameters stipulated in the Nigerian tax law. Any amount by which this minimum amount payable exceeds company income tax is shown as minimum tax expense and presented separately in the statement of profit or loss and other comprehensive income.

4.15 Earnings per share

The Group/Company presents basic and diluted 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 Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, if any.

4.16 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BOD) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

Segment results, assets and liabilities, that are reported to the BOD includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4.17 Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of Companies and Allied Matters Act of Nigeria are written back to retained earnings.

4.18 Leases

(i) Leased assets

Leases in terms of which the Group/Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Group /Company's statement of financial position.

4.19 Related parties

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

5. Determination of fair values

A number of the Group/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. See note 6 (g) for basis of determination of fair value for financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Trade and other receivables

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 Expected Credit Loss (ECL) Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

6. Financial risk management and Financial instruments

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk.

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This note presents information about the Group and Company's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has delegated the responsibility for developing and monitoring the Group's risk management policies to the management of the Group. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Trade and other receivables*	2,861,297	2,184,734	2,908,273	2,059,705
Cash and bank balances	235,879	219,873	162,863	143,854
	3,097,176	2,404,607	3,071,136	2,203,559

* Advance payments, with-holding tax and VAT receivables have been excluded as they are not financial instruments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group considers that it is not exposed to major concentration of credit risk in relation to the trade receivables. However, credit risk can arise in the event of non-performance of a counterparty. Purchase limits are established for each customer, which represents the maximum allowed open amount. These limits are reviewed bi-annually. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash-and-carry basis.

The Group considers that the concentration of credit risk with respect to trade receivables is limited given that the Group grants a credit period of 30 to 45 days to selected customers, which mitigates the risk of default by customers. In addition, the Group tries to mitigate the credit risk by adopting specific control procedures, including regular assessment the credit worthiness of the counterparty and limiting the exposure to any one counterparty.

Deductions are made on a monthly basis from staff emoluments to recover any outstanding loan liabilities, and any other outstanding loan balance is deducted from an exiting employee's final entitlements. There has been no history of default in respect of amounts due from related companies as such amounts are always settled in full. Accordingly management does not consider any credit risk in respect of amount due from related parties.

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The maximum exposure to credit risk for trades and other receivables at the reporting date was:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Trade receivables	2,718,214	2,147,182	2,225,011	1,717,627
Staff loans and advance	11,006	3,432	9,757	1,715
Amounts due from related parties	36,677	-	441,061	167,135
Other receivables	3,302,872	3,201,611	3,245,365	3,163,515
	6,068,769	5,352,225	5,921,194	5,049,992
The ageing of trade and other receivables at the reporting date was:				
Not past due	1,353,627	2,537,510	1,705,957	1,886,093
Past due 91-180 days	56,445	435,527	52,066	367,194
Past due 181-360 days	36,238	117,045	26,872	360,778
Past due above 360 days	4,622,459	2,262,143	4,136,299	2,435,927
	6,068,769	5,352,225	5,921,194	5,049,992
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:				
At 1 January	2,668,420	2,657,212	2,499,940	2,516,338
Provision no longer required	(974)	(17,540)	(974)	(17,540)
Addition in the year	28,874	28,748	11,528	1,142
Balance at 31 December	2,696,320	2,668,420	2,510,494	2,499,940

Cash and cash equivalents

The Company held cash and cash equivalents which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are reputable and have a sound financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Group and company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's and company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group and company has an appropriate liquidity risk management framework for the Group's and company's short, medium and long term liquidity requirements and makes monthly cash flow projections, which assists in monitoring cash flow requirements and optimizing cash return on investments.

Typically the credit terms with customers are more favourable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Note	Carrying amount N'000	Contractual cash flows N'000	1 year or less N'000	1 to 2 years N'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables*	31	2,598,565	2,598,565	2,598,565	-
Bank overdrafts	23	15,855,347	15,855,347	15,855,347	-
		18,453,912	18,453,912	18,453,912	-
31 December 2020					
Non-derivative financial liabilities					
Trade and other payables*	31	1,716,171	1,716,171	1,716,171	-
Bank overdrafts	23	16,603,126	16,603,126	16,603,126	-
		18,319,297	18,319,297	18,319,297	-
Company					
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables*	31	2,720,109	2,720,109	2,720,109	-
Bank overdrafts	23	15,855,347	15,855,347	15,855,347	-
		18,575,456	18,575,456	18,575,456	-
31 December 2020					
Non-derivative financial liabilities					
Trade and other payables*	31	1,592,609	1,592,609	1,592,609	-
Bank overdrafts	23	16,603,126	16,603,126	16,603,126	-
		18,195,735	18,195,735	18,195,735	-

*Trade and other payables has been adjusted for statutory deductions like PAYE, VAT, WHT, ITF etc. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

c) Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. There has been no change to the Group's exposure to market risks or the manner in which it is managed and measures the risk during the year.

(i) Foreign currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group, primarily the Naira. The currencies in which these transactions primarily are denominated are Euro, United States Dollar (USD), Japanese Yen (JPY) and United Kingdom pound sterling (GBP). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

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The Group's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

	31-Dec-21				31-Dec-20			
	Euro	USD	JPY	SAR	Euro	USD	JPY	GBP
Amounts in thousands								
Trade and other receivables	9	1,132	11	-	2	3	-	-
Cash and cash equivalents	2	1,426	4	-	1	5	4	2
Trade and other payables	(205)	(20)	-	(21)	(45)	(21)	-	-
Net exposure	(195)	2,538	15	(21)	(42)	(13)	4	2

The following significant exchange rates applied during the year:

	Average rate		Year end spot rate	
	2021	2020	2021	2020
Euro	641	466	641	466
United States Dollars (USD)	565	380	565	380
GBP	767	504	767	504
JPY	5	2.2	5	2.2
SAR	37	-	-	-

(ii) Sensitivity analysis

A reasonable possible strengthening/ (weakening) of the Naira, as indicated below, against major foreign currencies would have affected the measurement of financial instruments denominated in foreign currency and (increased)/ decreased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in thousands of Naira	(Increase)/decrease in profit or loss	
	2021	2020
Euro (20% weakening of the Naira)	(24,921)	(3,914)
USD (20% weakening of the Naira)	130,639	(988)
GBP (20% weakening of the Naira)	-	202
Yen (20% weakening of the Naira)	15	1.8
ZAR (20% weakening of the Naira)	(155)	-

d) Interest rate risk

The Group adopts a policy of ensuring that its interest rates for its import finance facilities and commercial papers are at a fixed rate, as much as possible, other facilities are at variable rates.

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At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Group Carrying Amount		Company Carrying Amount	
	2021	2020	2021	2020
Variable rate instruments				
Bank overdrafts	15,855,347	16,603,126	15,855,347	16,603,126

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Documentation of processes, controls and procedures;
- Periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified by the risk management committee;
- Training and development of employees;
- Appropriate segregation of duties, including the independent authorization of transactions;
- Monitoring of compliance with regulatory and other legal requirements;
- Requirements for reporting of operational losses and proposed remedial action;
- Reconciliation and monitoring of transactions;
- Development, communication and monitoring of ethical and acceptable business practices;
- Risk mitigation, including insurance when this is effective;
- Monitoring of business process performance and development and implementation of improvement mechanisms thereof.

Compliance with the Company's standards, established procedures and controls is supported by periodic reviews undertaken by management. Deficiencies are discussed with management for corrective action with summaries submitted to Board of the Company.

f) Capital management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the Company or its subsidiaries may, among other things, issue new shares or convert debt to equity.

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The debt to adjusted capital ratio at the end of the year was as follows:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Total liabilities	21,776,011	18,901,658	21,868,580	18,751,200
Less: Cash and cash equivalents	(235,879)	(219,873)	(162,863)	(143,854)
Net debt	21,540,132	18,681,785	21,705,717	18,607,346
Total equity	(12,581,321)	(10,278,675)	(12,709,289)	(10,517,463)
Debt to adjusted capital ratio	(2)	(2)	(2)	(2)

Due to the position above, management is exploring various options as detailed in Note 2.3 to achieve a better debt to equity ratio.

g) Accounting classification and fair values

The analysis below shows the carrying amounts of financial assets and liabilities.

	Carrying amount		Total N'000
	Loans and receivables N'000	Other financial liabilities N'000	
Group			
31 December 2021			
Financial assets not measured at fair value			
Trade and other receivables	2,861,297	-	2,861,297
Cash and cash equivalents	235,879	-	235,879
	3,097,176	-	3,097,176
Financial liabilities not measured at fair value			
Trade and other payables	-	2,502,118	2,502,118
Bank overdrafts	-	15,855,347	15,855,347
Dividend payable	-	96,447	96,447
	-	18,453,912	18,453,912
31 December 2020			
Financial assets not measured at fair value			
Trade and other receivables	2,184,734	-	2,184,734
Cash and cash equivalents	219,873	-	219,873
	2,404,607	-	2,404,607
Financial liabilities not measured at fair value			
Trade and other payables	-	1,619,724	1,619,724
Bank overdrafts	-	16,603,126	16,603,126
Dividend payable	-	96,447	96,447
	-	18,319,297	18,319,297

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	Loans and receivables N'000	Carrying amount Other financial liabilities N'000	Total N'000
Company			
31 December 2021			
Financial assets not measured at fair value			
Trade and other receivables	2,908,273	-	2,908,273
Cash and cash equivalents	162,863	-	162,863
	3,071,136	-	3,071,136
Financial liabilities not measured at fair value			
Trade and other payables	-	2,623,662	2,623,662
Bank overdrafts*	-	15,855,347	15,855,347
Dividend payable	-	96,447	96,447
	-	18,575,456	18,575,456

* Bank overdrafts represents overdue facilities from Various banks which has been debited into the Company's current accounts.

Company			
31 December 2020			
Financial assets not measured at fair value			
Trade and other receivables	2,059,705	-	2,059,705
Cash and cash equivalents	143,854	-	143,854
	2,203,559	-	2,203,559
Financial liabilities not measured at fair value			
Trade and other payables	-	1,496,162	1,496,162
Bank overdrafts	-	16,603,126	16,603,126
Dividend payable	-	96,447	96,447
	-	18,195,735	18,195,735

Except as highlighted above, the fair value of all other financial instruments have not been disclosed because their carrying amounts are a reasonable approximation of fair values.

7. Segment Reporting

7.1. Basis of segmentation

The Group has the following strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Motor Vehicles	Sale of Toyota & Ford Vehicles
Industrial equipment	Sale and marketing of industrial equipment
Aftersales service	Servicing and maintenance of vehicles
Property development	Facility Management, Development, sale and leasing of property.

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The Group Chief Executive Officer (CEO) reviews the internal management reports of each division at least quarterly.

Information about reportable segments

	Segment Revenue N'000	Cost of sales N'000	Gross profit N'000
Group			
31 December 2021			
Motor vehicles and accessories	7,759,718	(6,682,019)	1,077,699
Industrial equipment	2,631,222	(2,064,693)	566,529
Aftersales services and parts	1,090,783	(840,806)	249,977
Property development and facility management	416,974	(301,222)	115,752
Total	11,898,697	(9,888,740)	2,009,957
Group			
31 December 2020			
Motor vehicles and accessories	4,661,659	(3,964,935)	696,724
Industrial equipment	670,658	(399,679)	270,979
Aftersales services and parts	872,693	(607,461)	265,232
Property development and facility management	272,999	(167,851)	105,148
Total	6,478,009	(5,139,927)	1,338,082
Company			
31 December 2021			
Motor vehicles and accessories	7,759,718	(6,682,019)	1,077,699
Industrial equipment	2,246,580	(1,936,735)	309,845
Aftersales services and parts	1,110,380	(744,179)	366,201
	11,116,678	(9,362,933)	1,753,745
Company			
31 December 2020			
Motor vehicles and accessories	4,661,659	(3,961,163)	700,496
Industrial equipment	356,542	(262,106)	94,436
Aftersales services and parts	887,486	(528,809)	358,677
	5,905,687	(4,752,078)	1,153,609

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (Board of Directors) on a regular basis. Therefore, information on segment assets and liabilities has not been presented.

No customer provided up to 15% of the revenue generated by the Group/Company.

Geographical Information

Nigeria is the Group/Company's only geographical segment as all of the Group/Company's sales are made in Nigeria. Accordingly, no further geographical segment information is reported.

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	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
8. Revenue				
Sales of goods	11,255,134	5,966,352	10,906,674	5,680,932
Rendering of services	226,589	238,658	210,004	224,755
Sale of property units	23,190	16,906	-	-
Rents from investment properties	6,415	19,759	-	-
Facilities Management fees	304,702	236,334	-	-
Project Management fees	82,667	-	-	-
	11,898,697	6,478,009	11,116,678	5,905,687
9. Cost of sales				
Sales of goods				
Cost - Vehicles	6,682,019	3,977,632	6,682,019	3,929,786
Cost - Equipment	2,064,693	383,876	1,936,735	258,100
Cost - Parts	690,895	506,407	599,681	475,344
Pre - Delivery Expenses	24,612	35,383	24,612	35,383
Rendering of services				
Cost Serv - Sub Contract	122,613	68,608	117,380	52,466
Cost - Sundry	2,686	999	2,506	999
Sales of property and facility management	301,222	167,022	-	-
	9,888,740	5,139,927	9,362,933	4,752,078
10. Other income				
Rental Income	35,021	33,432	45,521	43,932
Insurance claim	1,074	4,631	679	3,784
Profit on disposal of property, plant and equipment	9,401	22,499	9,351	22,499
Provision no longer required	7,389	17,540	7,389	17,541
Profit on disposal of investment property	33,692	17,968	-	-
Withholding tax recovered	-	6,969	-	-
Gains on foreign exchange translations	5,582	2,232	5,522	-
Interest writeback (Note 10.1)	-	595,296	-	595,296
Management service income (Note 10.2)	-	-	108,181	106,276
Sundry other income (Note 10.3)	37,138	24,174	28,453	23,294
	129,297	724,741	205,096	812,622

10.1 This represents reduction in overdraft balance based on confirmation received from one of the commercial banks.

10.2 This represents group service fee charged by the holding company (R.T. Briscoe) to its subsidiaries according to the group's policy for the services enjoyed by the subsidiaries. This amount has been eliminated at group level.

10.3 This represent commission from direct purchases from Ramond corporations and income earned from the training of customer's technicians.

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	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
11. Selling and distribution expenses				
Selling and distribution expenses	448,435	296,478	429,781	283,979
11.1 This represent sales expenses, sales commission, advert in the media and exhibition and show.				
12. Expenses by nature				
Salaries and employee related costs (Note 12.1)	576,574	547,076	501,309	467,366
Cost of motor vehicles, accessories and parts	9,888,741	5,139,926	9,362,933	4,752,078
Selling and distribution expenses	448,435	296,478	429,781	283,979
Meeting expenses	17,321	15,867	15,121	14,267
Audit fees	10,000	10,000	5,000	5,000
Legal and professional fees	117,615	193,268	64,182	123,219
Donations	650	404	650	404
Depreciation	43,004	44,768	38,945	41,110
Amortisation	288	753	220	74
Director fees	762	950	762	950
Entertainment	9,585	3,865	7,948	2,843
Electricity, fuel and business premises	78,032	49,770	70,823	47,482
Foreign exchange loss	40,060	11,154	-	194
Insurance	25,039	26,036	20,209	20,438
Bank charges	11,147	7,873	8,318	6,557
Postages and stationeries	27,945	18,988	22,994	15,875
Impairment charge	27,795	26,004	12,528	1,142
Repairs and maintenance	108,670	77,241	100,643	69,626
Rent, Business Premises	29,021	35,061	25,111	26,111
Rate and taxes	7,521	11,462	7,190	11,048
Fees and fines	228	24	189	-
Registrar fees	5,913	6,450	5,913	6,450
Internet and subscriptions	16,363	17,322	15,144	15,306
Security and cleaning	38,965	35,951	38,026	35,028
Telephone expenses	7,333	7,084	6,385	5,801
Transport and travelling expenses	63,593	54,189	53,689	49,188
Subscriptions to organisations	4,509	3,938	3,300	2,784
Other expenses (Note 12.2)	33,952	23,583	23,849	11,339
	11,639,061	6,665,485	10,841,162	6,015,659
12.1. Salaries and employee related costs include the following:				
Basic salary	102,323	105,818	92,455	95,833
Leave allowance	11,752	12,544	10,817	11,367
House allowance	57,338	63,888	53,632	60,554
Transport allowance	45,186	39,096	42,109	36,820
Meal subsidy	9,161	9,508	8,563	8,912

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	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Staff Bonus & Incentives	17,054	240	16,256	-
Pension	20,362	19,880	18,824	18,700
Training	63,155	59,721	59,329	56,123
Gratuity expense	11,170	10,625	10,389	9,445
Industrial Training Fund	3,828	3,713	3,561	3,475
Medical Expenses - Admin	134,231	128,620	118,746	111,973
Directors Remuneration (Note 34.2)	39,810	40,359	38,535	38,759
Other staff expenses (12.3)	61,204	53,064	28,093	15,405
	576,574	547,076	501,309	467,366

12.2. Other expenses represent gifts, secretariat expenses, fees and fines etc.

12.3. Included in other staff expenses are tuition and training reimbursement, electricity/gas /telephone expenses and staff housing repair and maintenance expenses etc.

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
12.4. Expense by function				
Production cost	9,888,741	5,139,926	9,362,933	4,752,078
Selling and distribution expenses	448,435	296,478	429,781	283,979
Administrative expenses	1,301,887	1,229,081	1,048,452	979,602
	11,639,063	6,665,485	10,841,166	6,015,659

13. Finance income and finance cost

13.1. Finance income

Interest on Investment				
- Farapak	-	30,163	-	30,163
Interest on inter-company borrowings	-	-	38,301	31,311
Interest on bank deposits	3,572	3,849	3,401	3,779
Interest on commercial paper	21,811	12,238	-	-
Total Finance income	25,383	46,250	41,702	65,253

13.2. Finance costs

Interest on bank overdrafts	(2,634,066)	(1,610,653)	(2,634,066)	(1,641,964)
Interest on LPO Finance Facility	(47,868)	(52,136)	(47,868)	(20,826)
Total finance cost	(2,681,934)	(1,662,789)	(2,681,934)	(1,662,790)
Net finance costs	(2,656,551)	(1,616,539)	(2,640,232)	(1,597,537)

Interest income represents income earned on bank deposits and Farapak investment while interest expense represents charges on various outstanding facilities utilised during the year. Interest on inter-company loan has been eliminated on consolidation.

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	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
14. Loss before income tax				
Loss before income tax is stated after charging / (crediting) the following items: Depreciation of property, plant and equipment (Note 17)	51,205	45,905	38,773	41,184
Amortisation of intangible assets (Note 18)	899	679	-	-
Auditors' remuneration	10,000	10,000	5,000	5,000
Directors' remuneration	39,810	40,359	38,535	38,759
Personnel expenses (Note 12.1)	576,574	547,076	501,309	467,366
Rent and rates	43,659	35,061	-	26,181
Gain on disposal of property, plant and equipment	(9,401)	(22,499)	(9,351)	(22,499)
15. Tax expense				
15.1. The tax charge/(credit) for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:				
Minimum Tax	30,425	16,877	28,304	15,335
Deferred Tax charged	704	-	-	-
Total tax expense	31,129	16,877	28,304	15,335
15.2. Current tax payable				
At 1 January	60,320	78,340	34,936	51,475
Charge for the year:	30,425	16,877	28,304	15,335
Payments during the year	(746)	(571)	-	-
Withholding tax utilized**	(16,795)	(34,326)	(16,795)	(31,874)
At 31 December	73,204	60,320	46,445	34,936

15.3. Withholding tax

As at year end, the Group and Company has withholding tax credit notes available for use in settlement of its tax liability. An amount of N16.8 million (2020: N34.3 million) for Group and N16.8 million (2020: N31.9 million) for Company has been utilised to offset tax liability. The Movement in withholding tax receivables is as follows:

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	949,818	764,138	1,104,456	943,329
Additions in the year	-	220,006	-	193,001
Withholding tax credit note utilised	(16,795)	(34,326)	(16,795)	(31,874)
At 31 December	933,023	949,818	1,087,661	1,104,456

15.4. Deferred taxation

15.4.1. Unrecognised deferred tax assets (Company)

Deferred tax assets have not been recognised in respect of the following items, because it was considered improbable that future taxable profit will be available against which the Company can use the benefits therefrom.

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	2021 N'000	2020 N'000
Property, plant and equipment	1,217,083	(64,662)
Employee benefits	(2,199)	2,441
Impairment allowance on trade receivables	-	(2,161)
Unabsorbed capital allowance carry-forward	(221,923)	186,592
Gain on Disposal of PPE	2,805	-
Unrelieved tax losses carried forward	(4,239,639)	3,355,667
	(3,243,873)	3,477,877

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
15.4.2. Movement in deferred tax balances				
At 1 January	35,911	1,512	34,399	-
Deferred tax on revaluation surplus	-	34,399	-	34,399
Charged in the year	704	-	-	-
At 31 December	36,615	35,911	34,399	34,399
15.5. Income tax reconciliation				
Loss before taxation	(2,267,619)	(1,079,276)	(2,159,624)	(894,887)
Tax at Nigerian statutory income tax rate of 30% (2020 : 30%)	-	-	-	-
Non deductible expenses for tax purposes	-	-	-	-
Effect of minimum tax	30,425	16,877	28,304	15,335
Deferred tax effect	704	-	-	-
Tax relief	-	-	-	-
Education tax @ 2% of assessable profit	-	-	-	-
Recognised in profit or loss (Note 15.1)	31,129	16,877	28,304	15,335
	%	%	%	%
At the effective tax rate	(73)	(64)	(76)	(58)
15.6 Statement of profit or loss				
Accelerated depreciation for tax purpose	51,205	45,905	38,773	41,184
Impairment of trade and other receivables	(2,696,320)	(2,668,420)	(2,510,494)	(2,499,940)
Other comprehensive income:				
Post-employment benefits	-	-	-	-
	(2,645,115)	(2,622,515)	(2,471,721)	(2,458,756)

16. Basic and diluted loss per share

Basic/diluted loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the Group by the number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic earnings per share computation:

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	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Loss attributable to equity holders (Naira)	(2,298,748)	(1,096,153)	(2,187,928)	(910,222)
Number of shares issued	1,176,354	1,176,354	1,176,354	1,176,354
Basic/diluted loss per share (Naira)	(1.95)	(0.93)	(1.86)	(0.77)

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

17. Property, plant and equipment

17.1 The Group

	Freehold land N'000	Freehold building N'000	Motor vehicle and Transport equipment N'000	Plant and machinery, Furniture and fittings N'000	IT Equipment N'000	Work-in- progress N'000	Total N'000
Group							
Cost							
At 1 January 2020	3,611,608	1,512,233	504,441	504,892	188,177	118,563	6,439,914
Additions	-	-	25,515	44,943	6,963	4,405	81,826
Revaluation	343,985	-	-	-	-	-	343,985
Transfer	-	-	-	-	(750)	-	(750)
Adjustment	-	-	-	(680)	680	-	-
Reclassification	-	-	(9,073)	78	(78)	9,073	-
Write-offs	-	-	-	(5,178)	-	-	(5,178)
Disposals	(61,981)	-	-	-	-	-	(61,981)
At 31 December 2020	3,893,612	1,512,233	520,883	544,055	194,992	132,041	6,797,816
At 1 January 2021	3,893,612	1,512,233	520,883	544,055	194,992	132,041	6,797,816
Additions in the year	-	-	-	4,183	21,487	1,278	26,948
Adjustment	-	-	9	6,442	173	-	6,624
Reclassification	-	-	9,074	5,682	-	(14,756)	-
Disposals	(96,949)	-	-	-	-	-	(96,949)
At 31 December 2021	3,796,663	1,512,233	529,966	560,362	216,652	118,563	6,734,439
Depreciation							
At 1 January 2020	284,675	509,639	489,524	482,957	177,941	-	1,944,736
Adjustment	-	(167)	633	(878)	118	-	(294)
Charged for the year	-	17,091	8,211	16,423	4,180	-	45,905
Reclassification	-	-	-	29	(29)	-	-
Transfer	-	-	-	-	(73)	-	(73)
Write-offs	-	-	-	(128)	-	-	(128)
Disposals	(3,093)	-	-	-	-	-	(3,093)
At 31 December 2020	281,582	526,563	498,368	498,403	182,137	-	1,987,053

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	Freehold land N'000	Freehold building N'000	Motor vehicle and Transport equipment N'000	Plant and machinery, Furniture and fittings N'000	IT Equipment N'000	Work-in-progress N'000	Total N'000
At 1 January 2021	281,582	526,563	498,368	498,403	182,137	-	1,987,053
Adjustment	-	-	14	-	171	-	185
Charged for the year	-	14,353	8,076	19,723	9,053	-	51,205
Disposals	(1,002)	-	-	-	-	-	(1,002)
At 31 December 2021	280,580	540,916	506,458	518,126	191,361	-	2,037,441
Net book value							
At 31 December 2021	3,516,083	971,317	23,508	42,236	25,291	118,563	4,696,998
At 31 December 2020	3,612,030	985,670	22,515	45,652	12,855	132,041	4,810,763

17.1.1 Land and Buildings of the company were revalued by Gbenga Olaniyan and Associates and the report was signed on behalf of Gbenga Olaniyan and Associates by Mr. Gbenga Olaniyan with (FRC/2013/0000000001837) on 30 December 2020. The valuation was carried out on current open market valuation basis and it resulted in a fair value gain of N343.9 million which has been recognised in other comprehensive income net of tax.

17.1.2 The adjustment to property, plant and equipment represent correction of misstatement of accumulated depreciation in the prior year.

17.1.3 Assets written off relates to Generator that caught fire and got burnt in the year.

	Freehold land N'000	Freehold building N'000	Motor vehicle and Transport equipment N'000	Plant and machinery, Furniture and fittings N'000	IT Equipment N'000	Work-in-progress N'000	Total N'000
17.2. The Company							
Cost							
At 1 January 2020	3,611,608	1,512,233	339,819	449,589	169,583	118,563	6,201,395
Adjustment	-	-	-	(680)	680	-	-
Additions	-	-	13,069	44,943	6,739	4,405	69,156
Revaluation	343,985	-	-	-	-	-	343,985
Reclassification	-	-	(9,073)	78	(78)	9,073	-
Transfer	-	-	-	-	(750)	-	(750)
Disposals/write offs	(61,981)	-	-	(5,178)	-	-	(67,159)
At 31 December 2020	3,893,612	1,512,233	343,815	488,752	176,174	132,041	6,546,627
At 1 January 2021	3,893,612	1,512,233	343,815	488,752	176,174	132,041	6,546,627
Adjustment	-	-	10	-	-	-	10
Additions	-	-	-	4,042	17,632	1,278	22,952
Reclassification	-	-	9,073	5,683	-	(14,756)	-

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	Freehold land N'000	Freehold building N'000	Motor vehicle and Transport equipment N'000	Plant and machinery, Furniture and fittings N'000	IT Equipment N'000	Work-in- progress N'000	Total N'000
Disposals	(96,949)	-	-	-	-	-	(96,949)
At 31 December 2021	3,796,663	1,512,233	352,898	498,477	193,806	118,564	6,472,640
Accumulated depreciation and impairment							
At 1 January 2020	284,677	509,639	325,933	430,147	162,320	-	1,712,716
Adjustment	-	(167)	633	(878)	118	-	(294)
Reclassification	-	-	-	29	(29)	-	-
Transfer	-	-	-	-	(73)	-	(73)
Charged for the year	-	17,090	5,055	15,529	3,510	-	41,184
Disposals/write offs	(3,093)	-	-	(128)	-	-	(3,221)
At 31 December 2020	281,584	526,562	331,621	444,699	165,846	-	1,750,312
At 1 January 2021	281,584	526,562	331,621	444,699	165,846	-	1,750,312
Adjustment	-	-	14	-	171	-	185
Charged for the year	-	14,355	5,357	12,286	6,775	-	38,773
Disposals	(1,004)	-	-	-	-	-	(1,004)
At 31 December 2021	280,580	540,917	336,992	456,985	172,792	-	1,788,266
Net book value							
At 31 December 2021	3,516,083	971,316	15,906	41,492	21,014	118,564	4,684,374
At 31 December 2020	3,612,028	985,671	12,194	44,053	10,328	132,041	4,796,315

Revaluation of property, plant and equipment

17.2.1 Land and Buildings of the company were revalued by Gbenga Olaniyan and Associates and the report was signed on behalf of Gbenga Olaniyan and Associates by Mr. Gbenga Olaniyan with (FRC/2013/0000000001837) on 30 December 2020. The valuation was carried out on current open market valuation basis and it resulted in a fair value gain of N343.9 million which has been recognised in other comprehensive income net of tax.

17.2.2 The adjustment to property, plant and equipment represent correction of misstatement of accumulated depreciation in the prior year.

17.2.3 Assets written off relates to Generator that caught fire and got burnt in prior year.

17.2.4 Security

The Company provided negative pledges over its assets in respect of its term loans, import finance facilities and overdraft facilities with its bankers.

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17.2.5 Capital work in progress

This represents land and building under construction at Magboro (N118.6 million).

17.2.6 Capital commitments

The Group and the Company had no authorised or contracted capital commitments at the reporting date (2019: nil).

17.3 Depreciation of buildings

The Company's leasehold land at 18 Fatai Atere road, Matori has a certificate of occupancy which expired in 2021, the building on the land is however depreciated over 100 years based on the assessment of useful life of the building carried out by a commissioned firm of Structural Engineers, People & Projects Limited, (whose Principal Partner, Engr. Stephen Adekunle's FRCN Number is FRCN/2019/00000018214) in conjunction with Lagos State Material Testing Agency, and the assumption that the lease on the land will be renewed by Lagos State Government upon the completion of the renewal process which is currently on-going.

18. Intangible assets

Intangible assets comprise computer software, the movement on the account for the year was as follows:

	Group N'000	Company N'000
Cost		
At 1 January 2020	55,419	49,365
Additions	750	750
At 31 December 2020	56,169	50,115
At 1 January 2021	56,169	50,115
At 31 December 2021	56,169	50,115
Accumulated amortisation		
At 1 January 2020	54,060	49,365
Charge for the year	679	-
Reclassification	73	73
At 31 December 2020	54,812	49,438
At 1 January 2021	54,812	49,438
Charge for the year	899	220
At 31 December 2021	55,711	49,658
Carrying amount		
At 31 December 2021	458	457
At 31 December 2020	1,357	677

The Company provided negative pledges over its assets in respect of its term loans, import finance facilities and overdraft facilities with its bankers.

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	The Company	
	2021 N'000	2020 N'000
19. Investments in subsidiaries		
Briscoe Properties Limited	155,501	155,501
CAWS Technical Nigeria Limited	1,000	1,000
	156,501	156,501
Impairment of investment in subsidiary	(1,000)	-
At 31 December	155,501	156,501

	% of ownership	Company	
		2021 N'000	2020 N'000
19.1. Group structure			
Briscoe Properties Limited	100	155,501	155,501
CAWS Technical Nigeria Limited	100	1,000	1,000
Suite Resorts Limited	0.05	75	75
Briscoe Leasing Limited*	100	2,000	2,000
Briscoe Material Handling Limited*	100	10,000	10,000
Briscoe-Ford Nigeria Limited*	100	10,000	10,000
Briscoe Garages Limited*	100	1,000	1,000
Impairment of investment in non-operational entities		(24,075)	(23,075)
		155,501	156,501

* This represents the investment in non-operational entities owned by the Company.

19.2. Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

Subsidiary	Principal activities	Country of incorporation	Percentage held	Statutory year end
Briscoe Properties Limited (Note 21.2.1)	Property development and facility management	Nigeria	100%	31 December
CAWS Technical Nigeria Limited (Note 21.2.2)	Sales and after sale service of compressors and generators	Nigeria	100%	31 December

19.2.1. Briscoe Properties Limited

Briscoe Properties Limited "the Company" was incorporated in Nigeria as a private limited liability company on 4 September 2003. The principal activities of the company are facility management, project management, property development, sale and leasing of property.

19.2.2. CAWS Technical Nigeria Limited

Caws Technical Nigeria Limited, was incorporated on 27 January 2014 in Nigeria as a private limited liability company. The principal activity of the Company are sales and after sale service of Elgi Compressor. The company commenced operations in June 2014 and has recently change its name to Briscoe Elgi Equipment Nigeria Limited with effect from 12 February 2021. On May, 2022, the name changed to Briscoe Technical Products and Services Limited.

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19.3 Condensed results of consolidated entities

The consolidated results of the consolidated entities of R.T Briscoe (Nigeria) Plc are shown in Note 19.3.1-4. The R.T Briscoe Group in the condensed results includes the results of the under listed entities:

Briscoe Properties Limited
CAWS Technical Nigeria Limited

Condensed results of consolidated entities 31 December 2021

	Parent - R.T. Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	CAWS Technical Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
19.3.1 Condensed statement of profit or loss						
Revenue	11,116,678	416,974	422,617	11,956,269	(57,572)	1,898,697
Cost of sales	(9,362,933)	(301,222)	(282,157)	(9,946,312)	57,572	9,888,740
Gross profit	1,753,745	115,752	140,460	2,009,957	-	2,009,957
Other income	205,096	34,619	8,264	247,979	(118,681)	129,298
Distribution costs	(429,781)	(1,116)	(17,538)	(448,435)	-	(448,435)
Administrative expenses	(1,048,452)	(164,956)	(208,161)	(1,421,569)	119,681	1,301,888
Operating profit/(loss)	480,608	(15,701)	(76,975)	387,932	1,000	388,932
Net finance (expense)/income	(2,640,232)	21,811	(38,129)	(2,656,550)	-	(2,656,550)
Loss before taxation	(2,159,624)	6,110	(115,104)	(2,268,618)	1,000	(2,267,618)
Income tax expense	(28,304)	(1,747)	(1,078)	(31,129)	-	(31,129)
Loss after taxation	(2,187,928)	4,363	(116,182)	(2,299,747)	1,000	(2,298,747)

19.3.2 31 December 2021 Condensed statement of financial position

Assets						
Cash and cash equivalents	162,863	16,592	56,423	235,878	-	235,878
Trade and other receivables	3,410,700	541,663	310,703	4,263,066	(890,617)	3,372,449
Other current assets	102,912	5,512	5,531	113,955	-	113,955
Inventories	635,153	18,163	95,789	749,105	(73,097)	676,008
Property, plant and equipment	4,684,374	9,432	3,192	4,696,998	-	4,696,998
Intangible assets	457	-	-	457	-	457
Investment property	-	91,611	-	91,611	-	91,611
Defined benefit plan	7,331	-	-	7,331	-	7,331
Investment in subsidiary	155,501	-	-	155,501	(155,501)	-
Total assets	9,159,291	682,973	471,638	10,313,901	(1,119,215)	9,194,687
Liabilities and equity						
Trade and other payables	2,720,109	165,130	606,325	3,491,564	(893,001)	2,598,564
Current tax payable	46,445	974	35,860	83,279	(10,076)	73,203
Bank Overdraft	15,855,347	-	-	15,855,347	-	15,855,347
Deferred income	2,362,392	-	-	2,362,392	-	2,362,392
Borrowings	849,888	-	-	849,888	-	849,888
Deferred tax liability	34,399	1,691	525	36,615	-	36,615
Equity and reserves	(12,709,289)	515,178	(171,072)	(12,365,184)	(216,138)	(12,581,322)
Total liabilities and equity	9,159,291	682,973	471,638	10,313,901	(1,119,215)	9,194,687

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	Parent - R.T. Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	CAWS Technical Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
31 December 2020						
19.3.3. Condensed statement of profit or loss						
Revenue	5,905,687	273,000	342,507	6,521,194	(43,186)	6,478,008
Cost of sales	(4,752,078)	(167,023)	(264,011)	(5,183,112)	43,186	(5,139,926)
Gross profit	1,153,609	105,977	78,496	1,338,082	-	1,338,082
Other income	812,622	25,816	3,086	841,524	(116,776)	724,748
Distribution costs	(283,979)	(1,217)	(11,285)	(296,481)	-	(296,481)
Administrative expenses	(979,602)	(192,575)	(173,679)	(1,345,856)	116,776	(1,229,080)
Operating (loss)/ profit	702,650	(61,999)	(103,382)	537,269	-	537,269
Net finance (expense)/income	(1,597,537)	12,282	(31,285)	(1,616,540)	-	(1,616,540)
Loss before taxation	(894,887)	(49,717)	(134,667)	(1,079,271)	-	(1,079,271)
Income tax expense	(15,335)	(684)	(859)	(16,878)	-	(16,878)
Loss after taxation	(910,222)	(50,401)	(135,526)	(1,096,149)	-	(1,096,149)
31 December 2020						
19.3.4. Condensed statement of financial						
Assets						
Non-current assets						
Cash and cash equivalents	143,854	12,642	63,378	219,873	-	219,873
Trade and other receivables	2,550,052	381,339	232,389	3,163,779	(479,974)	2,683,805
Other financial assets	-	-	-	-	-	-
Other current assets	27,755	6,345	4,362	38,462	-	38,462
Defined benefit plan	13,246	-	-	13,246	-	13,246
Inventories	545,337	-	136,036	681,378	(73,102)	608,276
Property, plant and equipment	4,796,315	10,443	4,008	4,810,763	-	4,810,763
Intangible assets	677	679	-	1,357	-	1,357
Investment property	-	247,200	-	247,201	-	247,201
Investment in subsidiary	156,501	-	-	156,501	(156,501)	-
Total assets	8,233,737	658,648	440,173	9,332,560	(709,577)	8,622,983
Liabilities and equity						
Trade and other payables	1,592,609	146,166	459,755	2,198,534	(482,364)	1,716,170
Current tax payable	34,936	677	34,783	70,396	(10,076)	60,320
Bank Overdraft	16,603,126	-	-	16,603,126	-	16,603,126
Borrowings	486,130	-	-	486,130	-	486,130
Deferred tax liability	34,399	987	525	35,911	-	35,911
Equity and reserves	(10,517,463)	510,818	(54,890)	(10,061,537)	(217,137)	(10,278,674)
Total Liabilities and equity	8,233,737	658,648	440,173	9,332,560	(709,577)	8,622,983

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	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
20. Inventories				
Motor vehicles, parts and accessories	260,132	195,227	293,279	252,122
Industrial equipment and parts	168,779	219,240	112,959	108,717
Service work in progress	33,345	16,789	15,182	16,789
Consumables	6,282	7,632	6,282	7,632
Goods in transit	207,470	169,388	207,451	160,077
	676,008	608,276	635,153	545,337

Inventories to the value of N676.0 million (2020 : N608.3 million) are carried at net realisable value. No amount is recognised as expenses in respect of write down of inventories to net realisable value.

The Company provided negative pledges over its assets in respect of its term loans, import finance facilities and overdraft facilities with its bankers.

21. Trade and other receivables				
Trade receivables	2,718,214	2,147,182	2,225,011	1,717,627
Other receivables	3,302,872	3,201,611	3,245,365	3,163,515
Staff loans and advance	11,006	3,432	9,757	1,715
Receivable from related parties (Note 32)	36,677	-	441,061	167,135
	6,068,769	5,352,225	5,921,194	5,049,992
Allowance for Impairments (Note 21.1)	(2,696,320)	(2,668,420)	(2,510,494)	(2,499,940)
	3,372,449	2,683,805	3,410,700	2,550,052
Analysis of trade and other receivables				
Non-current***	511,152	499,071	502,427	490,347
Current	2,861,297	2,184,734	2,908,273	2,059,705
	3,372,449	2,683,805	3,410,700	2,550,052

***Non-current other receivables represent Withholding tax credit with Federal Inland Revenue Services that cannot be utilised for income tax payment purpose within the next 12 months.

The Group's exposure to credit and currency risks, and impairment losses related to trade and other receivables is disclosed in Note 6.

21.1. Allowance for Impairments				
At 1 January	2,668,420	2,657,212	2,499,940	2,516,338
Provision no longer required	(974)	(17,540)	(974)	(17,540)
Addition in the year	28,874	28,748	11,528	1,142
	2,696,320	2,668,420	2,510,494	2,499,940
At 31 December	2,696,320	2,668,420	2,510,494	2,499,940

Impairment loss represents an impairment of the Company's trade and other receivables that are either considered irrecoverable or doubtful of recovery. These balances relate to customer balances, VAT receivables, VAT input and withholding tax receivables outstanding from customers.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
As at 1 January	16,603,126	15,763,205	16,603,126	15,763,205
Interest charges during the year	2,259,569	1,641,964	2,259,569	1,641,964
Repayments during the year				
Waiver of accrued excess Interest granted by AMCON (Note 23.2)	(644,956) (2,362,392)	(206,746) (595,297)	(644,956) (2,362,392)	(206,746) (595,297)
At 31 December	15,855,347	16,603,126	15,855,347	16,603,126
The Company's exposure to credit, currency and liquidity risks related to cash and cash equivalents is disclosed in Note 6.				
23.2 Deferred income	2,362,392	-	2,362,392	-

This refers to a gain arising from a debt waiver obtained by the company from Asset Management Corporation of Nigeria (AMCON) during the year.

The recognition of this gain has been deferred owing to the need for the perfection of the legal documentation relating to the debt forgiveness, which is yet to be completed as at the date of signing the Financial Statements.

24. Borrowings

LPO finance facility (Note 24.1)	749,939	441,864	749,939	441,864
Letter of Credit (Note 24.2)	99,949	44,266	99,949	44,266
	849,888	486,130	849,888	486,130

24.1 This represents private placement of SERIES III-2021 882,683,000,000 45-Day Discount Notes from the Two Hundred Billion Naira DLM Capital Group Limited Multi-Issuer Debt Issuance Programme for the finance of the supply of 18 (Eighteen) units of Toyota Coaster and Four Units of Toyota Hiace vehicles to Nigeria LNG Limited.

24.2 This represents unallocated LC's from Fidelity Bank Plc obtained for the purchase of industrial equipments to meet customer demands. Although the equipments have been imported and supplied to customers, the bank is yet to deduct the amount from the Entity's account.

	The Group		The Company	
	Land N'000	Building N'000	Total N'000	
25. Investment properties				
Cost				
At 1 January 2020		171,426	184,196	355,622
Additions	-	-	-	-
Disposals	(48,308)	(51,586)	(99,894)	
At 31 December 2020		123,118	132,610	255,728

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



	The Group	The Company	
	Land	Building	Total
	N'000	N'000	N'000
At 1 January 2021	123,118	132,610	255,728
Additions	-	-	-
Disposals	(77,292)	(82,538)	(159,830)
At 31 December 2021	45,826	50,072	95,898
Accumulated depreciation			
At 1 January 2020	-	8,447	8,447
Charge for the year	-	3,216	3,216
Disposal	-	(3,136)	(3,136)
At 31 December 2020	-	8,527	8,527
At 1 January 2021	-	8,527	8,527
Charge for the year	-	2,018	2,018
Disposal	-	(6,258)	(6,258)
At 31 December 2021	-	4,287	4,287
Carrying amounts			
At 31 December 2021	45,826	45,785	91,611
At 31 December 2020	123,118	124,083	247,201

25.1 Investment property comprises of residential housing units located at Orchid Court, Ikeja GRA Lagos state which are on rental and are fully occupied as at year end. The fair value of investment property as at 31 December 2021 was determined by the Company's internal valuer, having appropriately recognised professional qualifications and recent experience in the location and category of property valued. The fair value of the investment property as at 31 December 2021 amounts to N125 million (2020 : 355 million).

	The Group		The Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
26. Share capital and reserves				
26.1 Authorised shares:				
6,500,000,000 ordinary shares of 50 kobo each	3,250,000	3,250,000	3,250,000	3,250,000
26.2 Issued and fully paid				
1,176,354,000 ordinary share of 50k each	588,177	588,177	588,177	588,177
26.3				
In line with the company's regulations of 2020 released by the Corporate Affairs Commission in December 2020, a company that has unissued shares in its capital shall not later than 30th June 2021 fully issue such shares. However, based on the communiqué issued by the Corporate Affairs Commission the date has been extended till 31 December 2022.				
27. Share premium				
At 31 December	409,862	409,862	409,862	409,862

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



All shares rank equally with regards to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

28. Revaluation reserve

At 1 January	3,174,364	2,864,778	3,174,364	2,864,778
Deferred tax on revaluation surplus (Note 28.1)	-	(34,399)	-	(34,399)
Revaluation surplus in the year	-	343,985	-	343,985
At 31 December	3,174,364	3,174,364	3,174,364	3,174,364

28.1 This represents deferred tax on revaluation surplus in the year. This has been charged at 10% of the revaluation surplus in the year.

29. Loss sustained

At 1 January	(14,451,078)	(13,346,214)	(14,689,866)	(13,770,933)
Other comprehensive loss arising from remeasurement of defined benefit obligation	(3,898)	(8,711)	(3,898)	(8,711)
Loss for the year	(2,298,748)	(1,096,153)	(2,187,928)	(910,222)
At 31 December	(16,7753,724)	(14,451,078)	(16,881,692)	(14,689,866)

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
30. Defined benefit plan				
Defined benefit obligation (gratuity) liability (Note 30.2)	65,809	56,495	65,809	56,495
Gratuity liability at the end of the year	65,809	56,495	65,809	56,495
Planned asset at 1 January	(69,741)	(65,963)	(69,741)	(65,963)
Funding during the year	-	-	-	-
Actual return on planned assets	(3,399)	(3,778)	(3,399)	(3,778)
Planned asset as at 31 December	(73,140)	(69,741)	(73,140)	(69,741)
	(7,331)	(13,246)	(7,331)	(13,246)

The Company's defined benefit end of service gratuity obligation represents the estimated amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. In determining the liability under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover. The recognised liability is determined by an independent actuarial valuation performed by **Giant Consultants Limited** using the projected unit credit method. The report was signed on behalf of the firm by Femi Odutola Odulana (FRC/2013/NAS/00000001320).

The Company also operates a long service award scheme for all permanent employees to reward their meritorious service during employment. The Company's obligations in respect of this scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The recognised liability is determined by an independent actuarial valuation performed by the same firm using the projected unit credit method.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



The subsidiaries do not operate long service award scheme and defined benefit end of service gratuity obligation.

During the year, the Entity funded the planned asset with GTL Trustees Limited. The planned asset at 31 December 2021 is N73,139,548 (31 December 2020 : N69,740,583).

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
30.1. Movement in present value of the defined benefit obligation (gratuity)				
At 1 January	56,495	50,585	56,495	50,585
Included in profit or loss				
Current service cost	4,367	3,692	4,367	3,692
Interest cost	5,084	6,323	5,084	6,323
	9,451	10,015	9,451	10,015
Included in other comprehensive income				
Net actuarial losses/(gain) recognised in other comprehensive income	3,898	8,711	3,898	8,711
Benefits paid by the plan	(4,035)	(12,816)	(4,035)	(12,816)
Balance at 31 December	65,809	56,495	65,809	56,495
30.2. Recognised in other comprehensive income:				
Actuarial losses on defined benefit obligation recognised during the year	3,898	8,711	3,898	8,711

30.3. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages) fall under two broad categories. Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published jointly by the Institute and Faculty of Actuaries in the United Kingdom (UK).

Financial assumptions	2021	2020
The principal actuarial assumptions used were:		
Discount rate	9%	9%
Future salary increases	10%	10%
Future rate of Inflation	12%	12%
Benefit increase rate (Per annum)	0%	0%

These assumptions depict management's estimate of the likely future experience of the Company. The same assumptions has been used for both defined benefit obligation and Long Service Award.

Demographic assumptions

Assumptions regarding future mortality are based on published statistics and mortality tables.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths in a year out of 10,000 lives	
	2021	2020
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from Service

We have assumed a withdrawal rate for the current valuation that starts at 5% up to age 40 years and decreases to nil withdrawal from age 51 years and above as indicated below.

Age Band (years)	Withdrawal Rate (%)	
	2021	2020
Up to 30	5%	5%
31-35	5%	5%
36-40	5%	5%
41-45	2%	2%
46-50	2%	2%
51 and above	Nil	Nil

	The Group		The Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
31. Trade and other payables				
Trade creditors	1,501,713	872,014	1,285,037	671,202
Other payables (Note 31.1)	893,117	538,709	828,428	490,311
Dividend payable (Note 31.2)	96,447	96,447	96,447	96,447
Non income taxes	88,529	81,267	11,885	28,087
Due to related parties	-	118,141	486,232	298,068
Pension Contribution (Note 31.3)	18,759	9,593	12,080	8,494
	2,598,565	1,716,171	2,720,109	1,592,609
31.1. Other payables				
Deferred Income	32,727	29,202	32,727	28,787
Staff deductions	58,091	98,973	49,177	91,386
Withholding tax payable	98,327	90,101	75,383	76,330
Sundry creditors	5,541	102,264	5,541	102,264
Long service award (Note 31.4)	30,629	31,533	30,629	31,533
Payable on facility management	5,492	3,760	1,401	-
Accrued expenses	648,310	182,876	619,570	160,011
Rent payable	14,000	-	14,000	-
	893,117	538,709	828,428	490,311

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



31.2. Dividend Payable

This represents the value of unclaimed dividend in the company's books, out of which N68.5m (2020 : N61.41m) was statute barred as at 31 December 2021.

31.3. Pension contribution

At 1 January	9,593	12,441	8,494	11,342
Additions in the year	45,244	-	33,882	-
Remittances in the year	(36,078)	(2,848)	(30,296)	(2,848)
At 31 December	18,759	9,593	12,080	8,494

31.4. Movement in the present value of the long service award

At 1 January	31,533	23,513	31,533	23,513
Included in profit or loss				
Current service cost	1,134	850	1,134	850
Interest cost	2,798	2,951	2,798	2,951
	3,932	3,801	3,932	3,801
Included in other comprehensive income				
Actuarial loss recognised in profit or loss	(1,586)	5,769	(1,586)	5,769
Benefits paid by the plan	(3,250)	(1,550)	(3,250)	(1,550)
At 31 December	30,629	31,533	30,629	31,533

32. Related Parties

During the year, the Company entered into contractual relationships with its related parties. Transactions with the related party are mainly in the nature of payments for expenses on behalf of each other and sale of goods.

Related Parties	Nature of Transaction	Relationship	Transaction value during the year		Balance outstanding as at 31 December	
			31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Caws Technical Nigeria Limited	Service provision	Sister Company	34,400	(469)	201,535	167,135
Briscoe Properties Ltd.	Service provision	Sister Company	(103,456)	(20,688)	(283,383)	(179,927)
Other related parties:						
R.T Briscoe Employee's Gratuity Fund			-	-	-	-
Toyota Nigeria Limited	Purchase of goods		154,818	561,592	36,677	(118,141)
			85,762	540,435	(45,171)	(130,933)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



Related party transactions disclosed is inclusive of the relevant value added tax applicable on the transactions. The amounts outstanding are unsecured and will be settled in cash. No provisions have been made for doubtful debts in respect of the amounts owed by related parties as the amounts are deemed to be recoverable.

Long term compensation to key management personnel

The remunerations of the company's key management personnel are as disclosed in note 34.3 below.

	2021 Number	2020 Number	2021 Number	2020 Number
33. The number of full time employees as at 31 December was as follows:				
Managerial staff	27	24	19	17
Senior staff	116	106	81	75
Junior staff	63	69	44	51
Total number of employees	206	199	144	143

33.1. Employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following

N300,001- N350,000	-	-	-	-
N350,001- N400,000	-	-	-	-
N400,001- N450,000	-	-	-	-
N500,000 and above	206	199	144	143
	206	199	144	143

	Group		Company	
	2021 Number	2020 Number	2021 Number	2020 Number
34. Information relating to Directors				
34.1. Directors' mix				
Executive Directors	2	2	2	2
Non-executive Directors	5	6	5	6
	7	8	7	8
	N'000	N'000	N'000	N'000
34.2. Directors' remuneration				
The aggregate emolument of the Directors was:				
Directors' fees	800	950	800	950
Remuneration-executive director(s)	28,660	28,084	28,660	28,084
Sitting allowance	5,550	6,525	4,275	4,925
Chairman emoluments (excluding pension contribution)	4,800	4,800	4,800	4,800
	39,810	40,359	38,535	38,759

The emolument (excluding pension contributions and certain benefits) of the highest paid director was N23,284,000 (2020: N23,284,000).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



34.3 Key management personnel and compensation

The company has 144 employees as at 31 December 2020 (31 December 2020 : 143 employees). While the group has 206 employees as at 31 December 2021 (31 December 2020: 199 employees).

	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000
Key Management Personnel Annual Remunerations:		
Short term benefits	66,837	66,837
Post employment benefits	10,826	10,818
Total	77,663	77,655
Count	Number 11	Number 11

The key management personnel of the group are the members of the executive management committee which is made up of the Executive Directors, the Chief Financial Officer, heads of business units and departments within the group.

34.4 The number of other directors (excluding the Chairman and highest paid director) who received emoluments excluding pension contributions and certain benefits were within the following ranges:

	The Company	
	2021 Number	2020 Number
N 50,001- N100,000	-	-
N100,001- N150,000	6	7
	6	7

34.5 Non-Audit Services

There was no non-audit service rendered by the firm of external auditors in the course of the year.

35. Contingencies

a) Ongoing litigation with Diamond Bank (Nigeria) Plc and others

There is an on-going winding up petition case as disclosed in note 2.3.1 between Diamond Bank Plc (now Access Bank) and R.T. Briscoe. Other parties also joined in the winding up proceedings. Diamond Bank Nigeria Plc filed a motion dated 23/05/2019 for leave to discontinue the case and an in application dated 26/10/2019 for change of the Diamond Bank Nigeria Plc name. When the matter came up in court on 28/11/2019 for hearing of all pending applications, Diamond Bank Nigeria Plc withdrew the aforesaid application for leave to discontinue and subsequently moved the application for change of name from Diamond Bank to Access Bank. The matter was adjourned to 21/01/2020 for hearing of the petition.

When the matter came up in January 2020, the court having heard the substantive winding up petition, adjourned the matter till February 27, 2020 for judgement on which date the court did not sit. Prior to the adjournment however, Asset Management Corporation of Nigeria (AMCON), having taken over the debts and liabilities of Polaris Bank (one of the creditor banks) had in exercise of its statutory powers appointed a Receiver for the company. AMCON through its Lawyer, filed an application in the Winding Up petition, praying the court to be joined as a party.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



This application was heard by the court on March 19, 2020, and was further adjourned till April 24, 2020 for hearing of the AMCON petition. But due to the lockdown occasioned by the COVID-19 pandemic, the court could not sit on this date and no new date has been advised by the court.

b) Contingent assets and liabilities

The company is engaged in various lawsuits that have arisen in the normal course of business. The actual value of contingent liabilities in respect of pending litigations and claims amounted to N41.9 million as at 31 December 2021 (2020 N329.6 million). The contingent assets in respect of pending litigations and claims as at 31 December 2021 amounted to N129.93 million (2020 - N25.57 million). In the opinion of the directors, and based on independent legal advice, the company is not expected to suffer any material loss arising from these claims. Thus, no provision has been made in these consolidated financial statements.

c) Financial commitments

As at the end of year, the Company has no financial commitments to any counterparty. The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

36. Impact of COVID-19 on the Company's operation

(i) Corona Virus pandemic/economic situation

The COVID-19 pandemic continued to threaten normal existence and the functioning of economies, however, global containment efforts remained high, thereby limiting demand-driven expansion of major industries, drastic reduction in many service sector operations, disruptions to global supply chains, lower demand for imported goods and services.

For R.T. Briscoe, the management of the company had at the outset of the pandemic carried out detailed analysis of the possible impacts of the pandemic on the company's businesses and articulated various strategies aimed at minimizing the possible negative impacts and taking advantage of the various opportunities that the pandemic had thrown up. The advent of COVID-19 has ushered in several dynamic ways of conducting business transactions, but more importantly, it boosted digitization and the use of online platforms to push our products and services. Inevitably, consumers' expectations and demand for commodities on online platforms received a significant boost in enquiries. For example, in relation to our Motor business which contributes over 75% of the group turnover, the paradigm shifts from the conventional brick and mortar retail showrooms to our more interactive online platforms was inevitable, this also gave us a competitive edge over our peers in the industry.

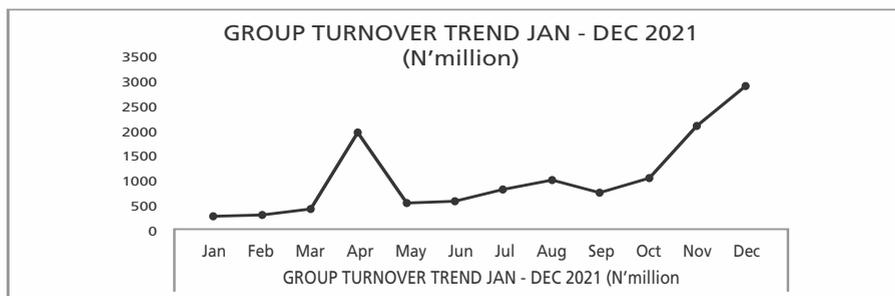
(ii) Performance in 2021

Notwithstanding the negative effects that pervades the market, the company was able to record an encouraging performance in 2021. The group achieved a turnover of N11.89 billion over the period against a budget of N7.79 billion. This translates to 53% above the budgeted turnover. This positive performance was due to various strategic initiatives orchestrated by the management which has led to an improved performance over previous years, despite the existence of COVID-19.

(The consolidated turnover trend for FY 2021 is presented in the chart below to buttress the impressive growth trajectory of the business over the period).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2021



v) Conclusion

While the results indicate an impressive performance, some challenges witnessed during the course of the business year includes Forex scarcity and resultant price volatility of commodity goods, inability to access credit from Trade partners, and extant liquidity challenges continue to constrain our ability to meet up with large purchase orders from notable blue chips.

To surmount these challenges and maintain operational profitability, Management resorted to alternative funding sources, albeit relatively expensive, to ensure that orders from reputable organizations were fulfilled where possible. We also improved on our performance across the other business units and all units continue to be profitable at the operational level. The company has also continued its cost optimization drive across the enterprise to align the cost with the business activity level. This has provided liquidity assurance and buffers to exploit opportunities regardless of the daunting business environment. In addition, significant progress is expected to be made across the strategic initiatives such as establishment of new brands for affordable vehicles, property development etc.

Additionally, the real estate subsidiary would venture into large scale new development of medium priced housing units and also expand its facility management mandates.

We expect the demand for essential goods to continue to thrive as consumers shift focus to these items. This will indirectly lead to increase in demand by these companies for productive asset, creating demand for Briscoe products especially compressed air and material handling products and services, which are critical for the production and distribution of these essential item. The company will continue to explore products and services that will capture emerging opportunities in these sectors. More buoyant demand is expected for our automobile segment as we go into the electioneering season of the country.

37. Events after the reporting date

By an offer letter dated September 9 2021, Asset Management Corporation of Nigeria (AMCON) granted to the company a debt waiver to the tune of N2.36 billion, by offering to accept the sum of N2 billion payable over a 24 month period, in full and final settlement of the company's indebtedness to the Corporation. One of the conditions precedent to this waiver, is the signing of a terms of settlement by both parties, which must be filed in court as a consent judgement. In May 2022, the company received the Terms of Settlement from AMCON, execute and returned the same to the Corporation for filing in Court. This process is currently on- going and upon completion will enable the company to book the sum of N2.36billion which is currently deferred as a earned income in its 2022 Financial Statements. The Directors are of the opinion that there are no other significant transactions that have occurred subsequent to the reporting date, which could have had a material effect on these Consolidated and separate financial statements as at 31 December 2021 that have not been adequately provided for or disclosed in these consolidated and separate financial statements.

38. Comparative figures

Where necessary comparative figures have been reclassified to ensure proper disclosure and uniformity in the current year's presentation. This re-classification have no net impact on these consolidated and separate financial statements.



VALUE ADDED STATEMENT

For the year ended 31 December 2021

	Group				Company			
	2021 N'000	%	2020 N'000	%	2021 N'000	%	2020 N'000	%
Revenue	11,898,697		6,478,009		11,116,678		5,905,687	
Other operating income	129,297		724,741		205,096		812,622	
Finance income	25,383		46,250		41,702		65,253	
	12,053,377		7,249,000		11,363,476		6,783,562	
Deduct:								
Outside purchases of services and products:								
- Local	(10,377,462)		(5,626,013)		(9,724,360)		(4,930,605)	
- Import	(632,922)		(445,814)		(576,504)		(576,504)	
Value added	1,042,993	100	1,177,173	100	1,062,612	100	1,276,453	100
Distributed as follows:								
To pay employee:								
Salaries and labour related expenses	576,574	55	547,076	46	501,309	47	467,366	37
To provider of capital:								
Interest	2,681,934	257	1,662,789	141	2,681,934	252	1,662,790	130
To pay Government:								
- Company taxes	31,129	3	16,877	1	28,304	3	15,335	1
To provide for replacement of assets and future expansion of business:								
- Depreciation of property plant and equipment	51,205	5	45,905	4	38,773	4	41,184	3
- Amortisation of intangible assets	899	-	679	-	220	-	-	-
Loss transferred from income statements	(2,298,748)	(220)	(1,096,153)	(93)	(2,187,928)	(206)	(910,222)	(71)
	1,042,993	100	1,177,173	100	1,062,612	100	1,276,453	100

The value added represents the wealth created through the use of the group's asset by its own its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government, and that retained for future creation of wealth.

FINANCIAL SUMMARY - THE COMPANY

31 DECEMBER 2021



	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Profit or loss account					
Revenue	11,116,678	5,905,687	6,261,101	4,594,287	3,882,611
Loss before income tax	(2,159,624)	(894,887)	(1,261,713)	(2,165,085)	(3,161,252)
Income tax expense	(28,304)	(15,335)	(31,874)	(11,796)	-
Loss for the year	(2,187,928)	(910,222)	(1,293,587)	(2,176,881)	(3,161,252)
Other comprehensive (loss)/ income	(3,898)	300,875	(10,668)	(20,868)	64,495
Total comprehensive loss for the year	(2,191,826)	(609,347)	(1,304,255)	(2,197,749)	(3,096,757)
Employment of funds					
Property, plant and equipment	4,684,374	4,796,315	4,488,679	4,516,579	4,536,473
Intangible assets	457	677	-	-	-
Investment in subsidiaries	155,501	156,501	156,501	156,576	160,576
Defined benefit plan	7,331	13,246	15,378	-	-
Non-current prepayments	-	-	-	-	-
Other non-current receivables	502,427	490,347	439,910	383,618	381,773
Net current (liabilities)/assets	(18,024,980)	(15,940,150)	(15,008,581)	(13,604,543)	(11,504,843)
Loans and borrowings	-	-	-	-	-
Non-current liabilities	(34,399)	(34,399)	-	(56,088)	(40,065)
Net liabilities	(12,709,289)	(10,517,463)	(9,908,113)	(8,603,858)	(6,466,086)
Funds employed					
Ordinary shares	588,177	588,177	588,177	588,177	588,177
Share premium account	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	3,174,364	3,174,364	2,864,778	2,864,778	2,864,778
Loss sustained	(16,881,692)	(14,689,866)	(13,770,930)	(12,466,675)	(10,328,903)
	(12,709,289)	(10,517,463)	(9,908,113)	(8,603,858)	(6,466,086)
Basic/diluted loss per share (Naira)	(1.86)	(0.77)	(1.10)	(1.85)	(2.69)
Net liabilities per share (Naira)	(10.80)	(8.94)	(8.42)	(7.31)	(10.99)

Loss per share are based on loss after tax divided by the issued and fully paid ordinary shares at the end of each financial year.

Net liabilities per share are based on net liabilities divided by the issued and fully paid ordinary shares at the end of each financial year.

FINANCIAL SUMMARY - THE GROUP

31 DECEMBER 2021



	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Profit or loss and other comprehensive income					
Revenue	11,898,697	6,478,009	6,939,393	5,182,459	4,376,859
Loss before income tax	(2,267,619)	(1,079,276)	(1,239,861)	(2,168,845)	(3,145,649)
Taxation	(31,129)	(16,877)	(36,794)	(19,921)	(14,893)
Loss for the year ended	(2,298,748)	(1,096,153)	(1,276,655)	(2,188,766)	(3,160,542)
Other comprehensive (loss)/ income	(3,898)	300,875	(10,668)	(20,868)	64,495
Total comprehensive loss for the year	(2,302,646)	(795,278)	(1,287,323)	(2,209,634)	(3,096,047)
Employment of funds					
Property, plant & equipment	4,696,998	4,810,763	4,495,178	4,525,257	4,545,159
Investment property	91,611	247,201	347,175	350,845	355,622
Defined benefit plan	7,331	13,246	15,378	-	-
Other non current asset	511,610	500,428	444,523	428,216	385,048
Net current liabilities	(17,852,256)	(15,814,402)	(14,784,139)	(13,442,662)	(11,287,351)
Non-current liabilities	(36,615)	(35,911)	(1,512)	(57,730)	(42,208)
Net liabilities	(12,581,321)	(10,278,675)	(9,483,397)	(8,196,074)	(6,043,730)
Funds employed					
Ordinary shares	588,177	588,177	588,177	588,177	588,177
Share premium account	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	3,174,364	3,174,364	2,864,778	2,864,778	2,864,778
Loss sustained	(16,753,724)	(14,451,078)	(13,346,214)	(12,058,891)	(9,906,547)
	(12,581,321)	(10,278,675)	(9,483,397)	(8,196,074)	(6,043,730)
Basic/diluted (loss) per share (Naira)	(1.95)	(0.93)	(1.09)	(1.86)	(5.37)
Net liabilities per share (Naira)	(10.70)	(8.74)	(8.06)	(6.97)	(10.28)

Loss per share are based on (loss) after tax divided by the issued and fully paid ordinary shares at the end of each financial year.

Net liabilities per share are based on net liabilities divided by the issued and fully paid ordinary shares at the end of each financial year.

E-Dividend/Unclaimed Dividends

The Securities and Exchange Commission Nigeria ("SEC") as the apex regulator of the Nigerian Capital Market and in furtherance of its investor protection and market development mandate had directed the discontinuance of the issuance of physical dividend warrants by public companies with effect from December 31, 2020. The payment of dividends are now to be done solely by e-dividend whereby payments will be made electronically to the bank accounts of the concerned shareholders. All shareholders who are not registered for e-dividend are advised to fill the E-Dividend Mandate Activation Form in this report and submit same to the Registrars for the collection of their unclaimed dividends and subsequent dividends electronically. We advise all shareholders with unclaimed dividends to write our Registrars for their unclaimed dividends. The list of unclaimed dividends are available on our Registrar's web site – www.meristemregistrars.com

Electronic Dispatch of Annual Reports

To ensure that our shareholders receive their annual reports as early as possible and within a reasonable time before the Annual General Meeting, arrangements have been put in place for electronic copies to be forwarded timeously to shareholders' e-mail addresses. Hard copies would be dispatched in advance to the Shareholders' Associations registered by SEC and also made available on the day of the AGM. Shareholders are requested to provide our Registrars with their e-mail addresses to facilitate the prompt delivery of their annual reports.

Complaints Management Policy

The Complaints Management Policy is available on the company's website – www.rtbriscoe.com

The unclaimed dividend as at 31st December 2021 are as follows:

Dividend	Date Paid	N'000
24	25/04/2008	23,500,134.37
25	15/05/2009	22,979,685.15
26	28/05/2010	7,061,627.78
27	27/05/2011	8,000,784.06
28	29/06/2012	12,888,235.37
TOTAL		74,430,430.73

S/N	Sript No.	Date of Issue
1	01	29.08.75
2	02	18.10.76
3	03	14.10.77
4	04	31.10.80
5	05	30.11.81
6	06	29.10.82
7	07	24.04.03
8	08	29.04.04
9	09	26.04.07
10	10	24.04.08
11	11	01.04.09
12	12	21.04.10
13	13	29.04.11
14	14	26.06.12

For further information, we advise that you get in touch with either of the following:

The Acting Company Secretary
R. T. Briscoe (Nigeria) Plc.
18, Fatai Atere Way, Matori, Lagos.

The Registrar
Meristem Registrars and Probate Services Ltd.
213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.

Telephone Lines:
01– 4537694, 01– 4537695

Telephone Lines:
+234 (1) 2809250-3

e-mail address:
Briscoemail@rtbriscoe.com

e-mail address
info@meristemregistrars.com

Website:
www.rtbriscoe.com

Website:
www.meristemregistrars.com



E-DIVIDEND MANDATE ACTIVATION FORM

Affix Current Passport
 (To be stamped by Bankers)
 Write your name at the back of your passport photograph



This service cost N150:00 per approved Mandate per Company.

Only Clearing Banks are acceptable

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar

Meristem Registrars And Probate Services Limited
 213, Herbert Macaulay Way
 Adekunle-Yaba
 Lagos State

We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint/Company's Signatories

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4

TICK	NAME OF COMPANY	SHARE A/C NO
	AELLA FINANCIAL SOLUTION BOND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG. PLC	
	CASAFINA CAPITAL LIMITED BOND	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	ENERGY COMPANY OF NIG. PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FBN HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPT PLC	
	FTN COCOA PROCESSORS PLC	
	GDL INCOME FUND	
	GEO-FLUIDS PLC	
	GEREGU POWER PLC	
	IMPERIAL AFRICA PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	JUBILEE LIFE MORTGAGE BANK LIMITED	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INTERNATIONAL PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	RADIX HORIZON FUND	
	RAEDIAL FARMS LIMITED BOND	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	TRANSPORT SERVICES LIMITED BOND	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY PLC	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	



Meristem Registrars And Probate Services Limited
 Web: meristemregistrars.com; email: info@meristemregistrars.com

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THE REGISTRARS,

RC No: 489029

MERISTEM
REGISTRARS AND PROTECTIVE SERVICES LIMITED

213, Herbert Macaulay Way, Adekunle, Yaba
P.O. Box 51585, Falomo Ikoyi, Lagos.
Phone: +234 (1) 2809250-3, 0700MERIREG
Fax: 01-2702361 e-mail: info@meristemregistrars.com

Website: www.meristemregistrars.com



PROXY AND ADMISSION FORMS

R. T. BRISCOE (NIGERIA) PLC (RC: 1482)

ANNUAL GENERAL MEETING to be at held at 11.00 a.m. on Thursday, the 20th of October, 2022 at 18, FATAI ATERE WAY, MATORI, LAGOS.

I/We*

 being a member/members of R. T. BRISCOE (NIGERIA) PLC hereby appoint

**Sir Sunday Nnamdi Nwosu or failing him, Mr. Bukola Oluseyi Onajide or failing him, Dr. Olorunfemi Abidemi Eguaihide or failing him, Mr. Akin Ajayi or failing him, Alhaji Ali Safiyanu Madugu, mni or failing him, Mr. Adeniyi A. Adebisi or failing him, Mr. Kanayo Anthony Katchy or failing him, Mr. Matthew Akinlade or failing him, Dr. Anthony Omojola or failing him, Mrs. Efunbose Ayotunde Shopeju or failing her, Mrs. Adebisi Oluwayemisi Bakare or failing her, Mr. Kenneth Nnabike Nwosu or failing him, Mr. Jinadu Mustapha or failing him, Alhaja Kudaisi or failing her, Mr. Temi Durojaiye or failing him, Mr. Wahab Abisoye Ajani or failing him, Mr. Michael Obinna Omotayo Nwosu as my/our proxy to vote for me/us at the Annual General Meeting of the Company to be held on 6th October, 2022 at 11:00 a.m. and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

Dated this.....Day of..... 2022.

Signed:.....

* In the case of joint Shareholders, anyone of such may complete the form, but the names of all joint holders must be stated.

**Please delete the inapplicable names.

Before posting the above form, please cut off this part and retain it.

NUMBER OF SHARES HELD:		
Resolutions	For	Against
To re-elect as directors: 1. Sir Sunday Nnamdi Nwosu 2. Mrs. Folasade Oluwatoyin Ogunde		
To authorise the Directors to fix the remuneration of the Auditors.		
To elect members of the Audit Committee.		
To disclose the Compensation of the Managers of the Company.		
To fix the remuneration of the Directors.		
Renewal of General mandate from shareholders for related party transactions.		
Please indicate with 'X' in the appropriate square how you wish your vote to be cast on the resolutions set out above.		

R. T. BRISCOE (NIGERIA) PLC
 18, FATAI ATERE WAY, MATORI, OSHODI, P. O. BOX 2104, LAGOS.
ADMISSION FORM

R. T. BRISCOE (NIGERIA) PLC (RC: 1482)

ANNUAL GENERAL MEETING to be at held at 11.00 a.m. on Thursday, the 20th of October, 2022 at 18, FATAI ATERE WAY, MATORI, LAGOS.

Name of Shareholder

Due to the COVID-19 pandemic and the attendant regulatory directives, the attendance by shareholders would only be by proxies. A proxy form is included with this notice. Proxy forms are available at our website and that of our Registrars. Members are required to appoint a proxy to represent them from the following proxies – **1.** Sir Sunday Nnamdi Nwosu (Chairman) **2.** Mr. Bukola Oluseyi Onajide (Group Managing Director) **3.** Dr. Olorunfemi Abidemi Eguaihide (Executive Director) **4.** Mr. Akin Ajayi (Non-Executive Director) **5.** Alhaji Ali Safiyanu Madugu, mni (Independent Director) **6.** Mr. Adeniyi A. Adebisi (Shareholders' Representative on the Audit Committee) **7.** Mr. Kanayo Anthony Katchy (Shareholders' Representative on the Audit Committee) **8.** Mr. Kenneth Nnabike Nwosu (Shareholders' Representative on the Audit Committee) **9.** Mr. Matthew Akinlade (Minority Shareholder) **10.** Dr. Anthony Omojola (Minority Shareholder) **11.** Mrs. Efunbose Ayotunde Shopeju (Minority Shareholder) **12.** Mrs. Adebisi Oluwayemisi Bakare (Minority Shareholder) **13.** Mr. Jinadu Mustapha (Minority Shareholder) **14.** Alhaja Kudaisi (Minority Shareholder) **15.** Mr. Temi Durojaiye (Minority Shareholder) **16.** Mr. Wahab Abisoye Ajani (Minority Shareholder) **17.** Mr. Michael Obinna Omotayo Nwosu (Minority Shareholder).

The company has made arrangements at its own cost for stamp duties to be paid on the proxy forms.

Please
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THE REGISTRARS,

RC No: 489029

MERISTEM
REGISTRARS AND PROTECTIVE SERVICES LIMITED

213, Herbert Macaulay Way, Adekunle, Yaba
P.O. Box 51585, Falomo Ikoyi, Lagos.
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Website: www.meristemregistrars.com



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BRISCOE

R.T. BRISCOE (NIGERIA) PLC
RC 1482

18, Fatai Atere Way, Matori, Oshodi, P.O. Box 2104, Lagos.
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