

Annual Report & Financial Statements 2016



BRISCOE

R.T. BRISCOE (NIGERIA) PLC
RC 1482

www.rtbriscoe.com



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Results At A Glance

For the year ended 31 December 2016

	2016 N'000	2015 N'000	Variance %
Turnover	9,808,274	11,945,313	-18%
Loss before taxation	(2,819,299)	(4,306,120)	-35%
Taxation	(81,310)	124,479	-165%
Loss after taxation	(2,900,609)	(4,181,641)	-31%
Other comprehensive income net of tax	7,765	881,412	-99%
Total comprehensive loss for the year after tax	(2,892,844)	(3,300,229)	-12%
Share Capital	588,177	588,177	0%
Total Equity	(2,947,683)	(40,738)	7136%
Per 50K share data:			
Based on 1,176,353,605 (2015 -1,176,353,695)			
Ordinary shares of 50k each:			
Basic Loss Per Share (Kobo)	(246)	(355)	
Diluted Loss Per Share (Kobo)	(246)	(355)	
Net assets (kobo)	(251)	-3	
Dividend declared	-	-	
Dividend cover (times)	-	-	
Stock Exchange quotation at year end (kobo)	50	50	
Number of employees (group)	288	311	

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Corporate Information

Board of Directors:

- Sir Sunday Nnamdi Nwosu, KSS, GCOA, MIOB - Acting Chairman
- Mr. Clement Adekunle Olowokande [*Retired on April 27, 2017*]
- Mr. Bukola Oluseyi Onajide - Managing Director
- Alhaji Sanusi Ado Bayero [*Retired on December 29, 2016*]
- Mr. Akin Ajayi
- Ms. Adeola Adenike Ade-Ojo
- Dr. Adewale Olawoyin, SAN
- Alhaji Ali Safiyau Madugu, mni
- Mrs. Folasade Oluwatoyin Ogunde [*Appointed on April 10, 2017*]
- Mrs. Aderemi O. Akinsete-Chidi [*Alternate Director to Ms. A. A. Ade Ojo, Appointed on April 10, 2017*]

Registered Office:

18 Fatai Atere Way
Matori, Oshodi
Lagos

Registration No.:

RC 1482

Company Secretary:

Olukayode Adeoluwa & Co
18 Fatai Atere Way
Matori, Oshodi
Lagos

Independent Auditor:

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island, Lagos

Company's Bankers:

Access Bank Nigeria PLC
Diamond Bank PLC
Ecobank Nigeria PLC
Fidelity Bank PLC
First Bank of Nigeria PLC
First City Monument Bank PLC
Guaranty Trust Bank PLC
Keystone Bank Limited
Mainstreet Bank Limited
Skye 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 ("Briscoe") 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 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 Ikeja, 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 **BriscoeToyota** as one of the 8 authorised dealers of Toyota Nigeria Limited. It is also engaged in the real estate sector and deals in industrial equipments.

Business Units

The **BriscoeToyota** Division deals in the sales and servicing of Toyota motor vehicles. **BriscoeToyota** workshops 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 servicing of industrial, mining, construction and warehouse equipment as well as generating sets. The Division markets and services Toyota, BT & Raymond brands of forklifts and other material handling equipments. The Elgi brand of compressors are currently being marketed through **CAWS Technical 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 property marketing services to its vast clientele.



Directors



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1. Sir Sunday Nnamdi Nwosu, KSS, GCOA, MloD is the Acting Chairman of the Company. A well known Apostle of good corporate governance, he is the Founder of the Independent Shareholders Association of Nigeria. He is an astute investor in a sizeable number of quoted companies on the Nigerian Stock Exchange and also serves on the Board or Audit Committee of some of them. Sir Nwosu is an active member in the Federal Government Commission on Vision 20:20:20 and also a member of the Institute of Directors. He has previously served as the Chairman of the Board's Financial Controls, Systems and Risks Committee and member of the Executive Selection and Remuneration as well as the Business Strategy and Re-Engineering Committees. Sir Nwosu was appointed to the Board on March 27, 2014 and as Acting Chairman on April 27, 2017.

2. Mr. Bukola Oluseyi Onajide is the Managing Director. He 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.

3. 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 and Re-Engineering Committee, and member of the Financial Controls, Systems and Risks Committee and the Executive Selection and Remuneration Committee.

4. Ms. 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 Financial Controls, Systems and Risks Committee.

5. Dr. Adewale Olawoyin, SAN is a Legal Practitioner and Senior Lecturer in law at the University of Lagos. He is a 1987 graduate of the Law faculty of the University of Ife (now Obafemi Awolowo University), Ile-Ife and was called to the Bar in 1988. He also has a Masters degree in law (LL.M) from the



Directors contd.


London School of Economics and Political Science, UK and a PhD in law from the University of Bristol, UK. Dr. Olawoyin started his career in 1988 with a one year stint as Legal Assistant at the Nigeria Merchant Bank Limited before joining the law firm of Olawoyin & Olawoyin in 1989 where he has been actively involved in legal practice in various capacities as Associate, Senior Associate and Partner. He is currently the Managing Partner of the firm. He serves on the Boards of several private Companies including a Non-Government Organisation. He was appointed a Director of the Company in July 2009. He is the Chairman of the Board's Executive Selection and Remuneration Committee and member of the Financial Controls, Systems and Risks Committee as well as the Business Strategy and Re-Engineering Committee.

6. Alhaji Ali 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, 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 Audit Committee as well as the Board's Executive Selective & Remuneration and Business Strategy and Re-Engineering Committees.

7. Mrs. Folasade Oluwatoyin Ogunde is a Non-Executive and Independent Director of the company. She is a Fellow of the Institute of Chartered Accountants of Nigeria and also a Facility Management Professional (FMP). She obtained a Bachelor of Science degree in Economics from the University of Ife, Ile-Ife in 1984 and has attended several short term management courses locally and abroad. Mrs. Ogunde attended amongst various others the General Management Program, Ashridge Business School, Berkhamsted, Hertfordshire, UK in 2000, the Advanced Management Program, Cranfield University, Bedfordshire, UK in 2004, the Real Estate Management Program of the prestigious Harvard Business School, Boston MA, USA in October 2012 and Board Effectiveness, Strategy &

Corporate Governance programme facilitated by the International Institute for Management Development (IMD), Switzerland in 2015. In her working career which has spanned over 30 years, Mrs. Ogunde has served in various Management and Board positions as Auditor, Management Accountant, Group Treasurer, Divisional Commercial Director and Finance Director. She started her working career in 1985 as an Audit trainee in Deloitte Haskins + Sells (Chartered Accountants) (now Akintola Williams Deloitte & Co.) and left in 1991 for brief stints as Treasury Manager in a Savings & Loans company (1992-1995) and as Consultant Auditor in International Computers Limited (1995-1997) before joining the UAC Group in November 1997 as a mid-career Manager. She rose through the ranks to become Finance Director of UAC Property Development Company PLC in 2005 before her retirement in May 2016. She currently serves as a Management and Financial Consultant to companies in the private sector. She was appointed Director of R.T. Briscoe on April 10, 2017.

8. Mrs. Aderemi O. Akinsete-Chidi is 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 of R.T. Briscoe with effect from April 10, 2017.



Notice of Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING OF R.T. BRISCOE (NIGERIA) PLC will be held at the NECA HOUSE, PLOT A2, HAKEEM BALOGUN STREET, CENTRAL BUSINESS DISTRICT, ALAUSA, IKEJA, LAGOS STATE on THURSDAY, 27TH JULY, 2017 at 11.00 A.M. for the transaction of the following business:

ORDINARY BUSINESS

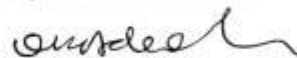
1. To lay before the meeting, the financial statements for the year ended 31st December, 2016 and the Reports of the Directors, Auditors and Audit Committee thereon
2. To re-elect Directors
3. To authorize the Directors to fix the remuneration of the Auditors
4. To elect members of the Audit Committee

SPECIAL BUSINESS

5. To fix the remuneration of the Directors
6. That the Directors be and are hereby authorised to raise additional Capital of up to N10,000,000,000 (Ten billion Naira only) via the issue of Debt Instruments, Preference shares (convertible or Non-convertible) or Ordinary Shares or a combination of any of these options whether by way of Private Placement, Rights to existing shareholders, offer for subscription or otherwise upon such terms and conditions to be determined at the discretion of the Directors and subject to any requisite regulatory approvals.
7. To authorize the company to procure goods and services necessary for its operations from related companies

Lagos, Nigeria.
April 27, 2017

By Order of the Board



Olukayode Adeoluwa
[FRC/2013/NBA/000000002108]
Olukayode Adeoluwa & Co.
Company Secretary

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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. Executed forms of proxy should be deposited at either the registered office of the Company or the office of the Registrar not less than 48 hours before the time of holding the meeting. To be effective, the proxy form should be duly stamped and signed.

Audit Committee


Any shareholder may nominate another shareholder 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.

Closure of Register

The Register of members will be closed from Monday, June 26 to Friday, June 30, 2017 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 14th of June, 2017.



Chairman's Statement

GENERAL

Fellow shareholders, it is my pleasure and a privilege to welcome you to the Annual General Meeting of our Company for the first time as Acting Chairman of your Board of Directors. I was graciously appointed Acting Chairman by my colleagues on the Board on the 27th of April, 2017 and solicit your unflinching support to succeed, particularly during these trying and difficult times that our company is passing through.

BUSINESS ENVIRONMENT

It is customary to review the business environment for the period of operations that your Board would be reporting its stewardship. You would however recall that this was dwelt upon at length at the last EGM and AGM held on the 22nd of September, 2016 and the 29th of December, 2016 respectively. It suffices to state that 2016 was a very challenging year for the company in view of the scarce foreign exchange to import our capital goods, astronomic interest rates, exorbitant costs due to inflation, and low demand for our products. The National Bureau of Statistics confirmed that for the full year 2016, the GDP contracted by 1.51%. This was quite evident as oil revenues, our country's major source of income fell significantly due to considerable drops in production levels and the collapse in oil prices to below USD\$50 per barrel.

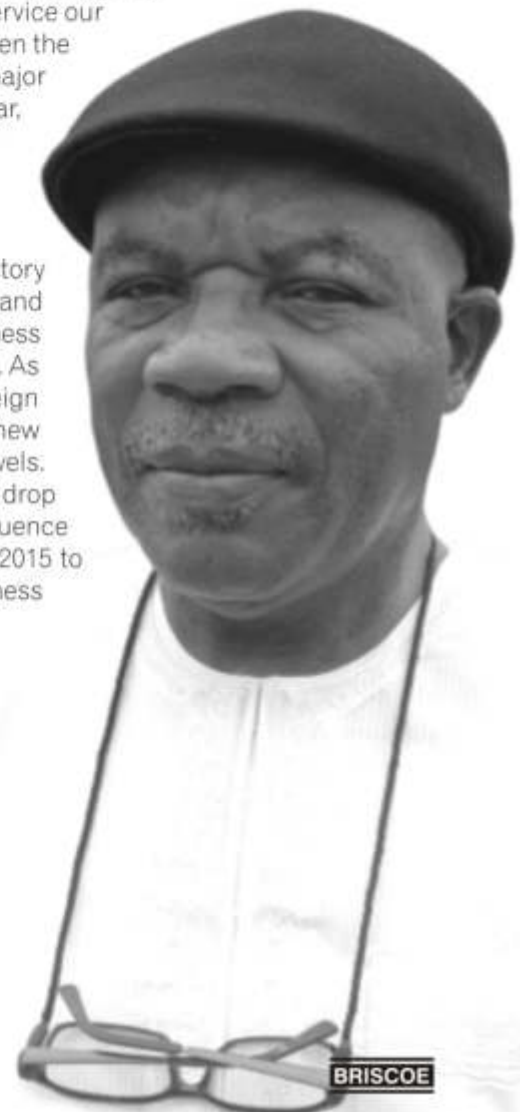
Our company continues to be confronted with the twin problems of a heavy debt burden and a petition to wind us up for our perceived inability to service our credit facilities by one of our bankers. These two issues both threaten the continued operations of our company as a going concern. The major focus of your Board since we met at the AGM in December last year, has been on how to resolve these issues and sustain our company's corporate existence.

RESULTS

The R.T. Briscoe Group and Company recorded another unsatisfactory year in 2016 with disappointing losses for the year of N2.9 billion and N3.1 billion respectively. The motor business, our core business activity was adversely affected by the harsh economic environment. As a result of the exorbitant costs and constraints in sourcing foreign exchange including the high import tariffs for imported fully built new motor vehicles, prices of vehicles escalated to unprecedented levels. This resulted in abysmally low consumer demand and a significant drop in turnover. The revenues of the group and company as a consequence both declined from N11.9 billion and N11.0 billion respectively in 2015 to N9.8 billion and N8.8 billion in 2016. The turnover of the motor business also dropped because of the amicable discontinuation of the Ford Dealership in the course of the year. Our Technical and Real Estate businesses, carried out through our fully owned subsidiaries, CAWS Technical Limited and Briscoe Properties Limited, however, fared much better with modest profit.

DIRECTORS

On April 27, 2017, my predecessor and our longstanding Chairman, Mr. Clement Adekunle Olowokande gracefully bowed out from the Board of Directors of the company.



He had served the company as its Chairman meritoriously for over 14 years and having reached the advanced age of 74 has earned a well-deserved rest.

On behalf of my colleagues on the Board, Management and Staff of the company including all Shareholders, as well as myself, I wish to express our appreciation for the valuable and unquantifiable contributions that Mr. Olowokande has made to the progress and development of the Company. I wish him happiness and good health in retirement, and success in his future endeavours.

Mrs. Folasade Oluwatoyin Ogunde, a Chartered Accountant and Facility Management Professional (FMP) was recently appointed as a non-Executive Director of the company. She retired in May 2016 as the Finance Director of UAC Property Development Co. PLC and brings to the Board a wealth of experience in accounting, finance and management positions.

Mrs. Aderemi O. Akinsete-Chidi, a professional Banker and Chartered Pension Administrator with over 25 years' experience in the Banking and Sales & Service industry was appointed Alternate Director to Ms. Adeola Adenike Ade-Ojo. Both appointments took effect from April 10, 2017.

At this meeting, two Directors Alhaji Ali Safiyanu Madugu and my humble self, retire by rotation and being eligible offer ourselves for re-election. I urge you to give us your usual support. The appointment of Mrs. Folasade Oluwatoyin Ogunde who was appointed to the Board after the last Annual General Meeting would also be coming up for approval.

CORPORATE GOVERNANCE

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

In his remarks to the last AGM, my predecessor Mr. C.A. Olowokande assured that the reasons behind the impairment of about N1.1 billion within the trade and other receivables account which was deemed irrecoverable by the External Auditors in their audit opinion would be properly investigated. Investigations on the matter are not yet conclusive, I am however pleased to inform you of reports that some recoveries have been made. Our Internal Auditors are still looking into the issue and I am confident that they would get to the bottom of it shortly.

I am pleased to inform you that your Company has concluded the first two stages of the Corporate Governance Rating System which is being coordinated by The Nigerian Stock Exchange and their Consultants, the Convention on Business Integrity. These are the Corporate Compliance Self-Assessment Tool and the Fiduciary Awareness Certification Test for Directors. We have now proceeded to the third and final stage which is the Corporate Integrity Assessment phase and involves a stakeholders' survey of staff, suppliers and an expert multi-stakeholder group evaluation.

Your Board has also embarked on a corporate restructuring process with the objective of strengthening and empowering the non-motor businesses of the group which have proven to be profitable with good growth potentials.

FUTURE PROSPECTS

As mentioned earlier, the preservation of the going concern status of the company has been the major pre-occupation of your Board in the past 6 months. After the EGM held in September 2016 where you were informed of the company's dire financial situation and the plans of the Board towards its recovery, your Board has been unrelenting in ensuring that this goal is achieved.

Several meetings have been held with our bankers towards reaching an amicable long term repayment plan including the restructuring of our credit facilities. The success of this would inevitably lead to the termination of the winding-up petition against our company.

Your Board has also embarked on a corporate restructuring process with the objective of strengthening and empowering the non-motor businesses of the group which have proven to be profitable with good growth potentials. The current core businesses of the company are the Toyota Sales and After Sales business, industrial compressor business (with our new Elgi dealership which has effectively replaced the Atlas Copco dealership), our materials handling business and real estate subsidiary – Briscoe Properties Limited. The motor business itself is constantly being reviewed for improvements in operational efficiency and profitability. The results of this exercise are however not likely to manifest until the current debt burden and huge interest expenses are satisfactorily settled. These measures are still ongoing and you would be informed of developments as appropriate. In the meantime, your Board is taking the necessary steps to assure our customers, suppliers and other stakeholders of our continued commitments to our various undertakings.

Towards the recapitalization of the company, your Board has secured the firm commitment of the current bloc of majority shareholders who have indicated that they have no objection to a fair and equitable capital raising exercise conducted in the best interest of the company that would result in the dilution of their majority shareholdings in the company. For added assurance to our prospective investors and regulatory authorities, fresh resolutions would be tabled at this meeting authorizing the Board to raise fresh capital by way of equity or debt, or a combination of both. This is expected to facilitate the injection of fresh funds in part settlement of the amounts due to the banks and to finance the working capital requirements of the company.

In conclusion, I wish to assure all shareholders that our company would survive its current challenges. If the economy of our nation which went through 10 months of successive contractions in 2016 is now getting better, the story of our company should not be different. The current reports as at the time of my writing this statement are that our dear country Nigeria has started coming out of its economic recession.

I wish you all a pleasant AGM.

Lagos, Nigeria
April 27, 2017



Sir Sunday Nnamdi Nwosu, KSS, GCOA, MloD
ACTING CHAIRMAN

Directors' Report

For the year ended 31 December 2016

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 2016.

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. It was listed on the Nigeria Stock Exchange on 15 March 1974.

Principal Activity and Business Review

The principal activities of the Company continues to be the sale and service of technical equipment, including forklifts, industrial compressors, mining and drilling equipment, generating sets, Toyota and Ford motor vehicles (except that on July 1, 2016 the company terminated its relationship with Ford Corporation as it relates to sales of Ford vehicles).

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
CAWS Technical Nigeria Limited	Trading of industrial equipment	100
Suites Resorts Limited	Shell Company	100
Briscoe Leasing Limited	Not operational	100
IMC Airpower Limited	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.

Operating Results

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

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Revenue	9,808,274	11,945,313	8,751,219	11,040,841
Results from operating activities	(941,756)	(2,003,594)	(1,185,073)	(2,150,560)
Net finance costs	(1,860,672)	(2,284,427)	(1,874,343)	(2,235,696)
Loss before income tax	(2,819,299)	(4,306,120)	(3,076,287)	(4,404,355)
Loss for the year	(2,900,609)	(4,181,641)	(3,076,287)	(4,247,819)
Total comprehensive loss for the year	(2,892,844)	(3,300,229)	(3,068,522)	(3,366,407)
Retained earnings, end of year	(6,810,500)	(3,918,241)	(7,232,146)	(4,163,624)

Directors and their interests

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 275 of the Companies and Allied Matters Act and as disclosed in accordance with Section 342 of that Companies and Allied Matters Act is as follows:

Directors' Report Contd.

For the year ended 31 December 2016

Ordinary Shares of 50k each as at 31 December 2016

	2016	2015
Direct Interest:		
Mr. Clement Adekunle Olowokande (Chairman)	810,001	810,001
Mr. Bukola Oluseyi Onajide (Managing Director)	648,000	648,000
Ms Adeola Adenike Ade Ojo	-	-
Alhaji Sanusi Ado Bayero [Retired on Dec 29, 2016]	24,696	24,696
Dr Adewale Olawoyin, SAN	-	-
Mr. Akin Ajayi	-	-
Alhaji Ali Safiyanu Madugu, mni	-	-
Sir Sunday Nnamdi Nwosu	10,873	10,873
Indirect Interest:		
Mr. Akin Ajayi (through Lusano Investments Limited)	50,000	50,000
Ms Adeola Adenike Ade Ojo (through Classic Motors)	97,200,000	97,200,000

Directors' interest in contracts

In accordance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interests in contracts with the Company except as disclosed in Note 25(b).

Re-election of Directors

In accordance with Section 259 of the Companies and Allied Matters Act, 1990, Alhaji Ali Safiyanu Madugu, mni and Sir Sunday Nnamdi Nwosu will retire by rotation at the next Annual General Meeting. Being eligible Alhaji Ali Safiyanu Madugu, mni and Sir Sunday Nnamdi Nwosu will offer themselves for re-election.

Appointment of new Directors

On 10 April 2017, the Board of Directors approved the appointment of Mrs. Aderemi O. Akinsete-Chidi as an Alternate Director to Ms. Adeola Adenike Ade-Ojo and Mrs. Folasade Oluwatoyin Ogunde was appointed as Non-Executive Director, their appointment became effective immediately.

Meetings of Directors

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 2016.

	Board of Directors	Audit Committee	Business Strategy and Re-Engineering Committee	Financial Controls, Systems and Risks Committee	Executive Selection and Remuneration Committee
Number of Meetings held in the year	8	6	1	2	1
Mr. C.A Olowokande	7	N/A	N/A	N/A	N/A
Mr. B.O. Onajide	8	N/A	1	2	N/A
Alhaji S. Ado Bayero	0	N/A	N/A	N/A	N/A
Ms. A.A. Ade Ojo	4	N/A	N/A	1	N/A
Dr. Adewale Olawoyin, SAN	7	5	1	2	1
Mr. Akin Ajayi	8	6	1	2	1
Alhaji A. S Madugu, mni	5	4	1	N/A	1
Sir S.N. Nwosu	6	N/A	1	2	1

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

Directors' Report Contd.

For the year ended 31 December 2016

Dates of meetings

Board of Directors	Audit Committee	Business Strategy and Re-Engineering Committee	Financial Controls, Systems and Risks Committee	Executive Selection and Remuneration Committee
30.03.2016	29.03.2016	13.06.2016	26.01.2016	14.06.2016
27.04.2016	27.04.2016	-	14.06.2016	-
24.06.2016	27.07.2016	-	-	-
27.07.2016	05.10.2016	-	-	-
22.09.2016	26.10.2016	-	-	-
05.10.2016	28.12.2016	-	-	-
26.10.2016	-	-	-	-
29.12.2016	-	-	-	-

Beneficial ownership

According to the Register of Members as at 31 December 2016, the following shareholders held more than 5% of the issued share capital of the Company.

Number of Ordinary Shares of 50k each				
	2016	2016	2015	2015
		%		%
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
Other Individual and Institution	739,221,971	62.84	739,221,971	62.84
	1,176,353,695	100.00	1,176,353,695	100.00

The analysis of distribution of shares of the Company as at 31 December 2016 was as follows:

Shareholding between:	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
1-100	608	1.41	33,349	0.00
101-500	2,697	6.24	798,047	0.07
501-1000	7,750	17.94	7,027,281	0.60
1001-2500	11,002	25.46	19,262,032	1.64
2,501-5,000	6,721	15.55	22,866,010	1.94
5,001-7,500	2,335	5.40	14,299,789	1.22
7,501-10,000	6,138	14.21	48,553,694	4.13
10,001-100,000	5,253	12.16	136,813,163	11.63
100,001-1,000,000	632	1.46	161,594,060	13.74
Above 1,000,000	74	0.17	765,105,270	65.04
	43,210	100	1,176,353,695	100

Directors' Report Contd.

For the year ended 31 December 2016

Donations

The Group donated N4,346,008 (2015: N750,000) to the following charitable institutions during the year:
Nigeria Armed Forces Resettlement Centre - N4,346,000

In accordance with Section 38(2) of CAMA, 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 significant subsequent events which could have had a material effect on the Group's and the Company's financial position as at 31 December 2016 that have not been adequately provided for or disclosed in these financial statements.

Distributors

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

Suppliers

The Company's significant suppliers are Toyota Nigeria Limited, Ford Motors Company, Atlas Copco Compressor International NV and Atlas Copco Construction and Mining AB, Sweden.

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	Authorised Share Capital		Issued and Fully Paid Up		Consideration
	Increase	Cumulative	Increase	Cumulative	
	'000	'000	N'000	N'000	
1957	-	200	200	200	Cash
					Increase in
					authorised
1963	200	400	-	200	share capital
1964	-	400	200	400	Bonus
					Increase in
					authorised
					share capital
1972	1,600	2,000	-	400	
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
					Increase in
					authorised
					share capital
1993	20,000	50,000	-	30,000	
1997	50,000	100,000	30,000	60,000	Rights Issue

Year	Authorised Share Capital		Issued and Fully Paid Up		Consideration
	Increase	Cumulative	Increase	Cumulative	
	'000	'000	N'000	N'000	
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
					Increase in authorised share capital
2014	1,250,000	3,250,000	-	588,177	

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 12 to the financial statements.

Directors' Report Contd.

Audit committee

Pursuant to section 359(3) of the Companies and Allied Matters Act, CAP 20 LFN 2004, the Company has an Audit Committee comprising of three directors and three shareholders namely:

Mr. Akin Ajayi (Director)
 Mr. Kenneth Nnabike Nwosu (Shareholders' Representative)
 Mr. Samuel Sunday Adebayo (Shareholders' Representative)
 Alhaji Ali Safiyanu Madugu (Director)
 Dr. Adewale Olawoyin (Director)
 Mr. Adeniyi Araunsi Adebisi (Shareholders' Representative)

The function of the Audit Committee are laid down in Section 359(6) of the Companies and Allied Matters Act, CAP C20, LFN 2004.

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 ensures that the financial statements comply with the Companies and Allied Matters Act, CAP C20, LFN 2004. 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.

During the year under review, the Group was managed by a Board of eight Directors consisting of seven non-Executive Directors which include the Chairman, and one Executive Director. The Board of Directors ensured that the Group's objectives were implemented through the committees constituted as below:

Committee	Membership	Status
Business Strategy and Re-engineering	Akin Ajayi B.O. Onajide Dr A. Olawoyin Alhaji A. S Madugu Sir. N. Nwosu	Chairman Member Member Member Member
Executive Selection and Remuneration	Dr A. Olawoyin Akin Ajayi Alhaji A.S. Madugu Sir. S.N. Nwosu	Chairman Member Member Member
Financial Controls, Systems and Risks	Sir. S.N. Nwosu B.O. Onajide Akin Ajayi Ms. A.A. Ade Ojo Dr A. Olawoyin	Chairman Member Member Member Member

Compliance with the Code of Corporate Governance

During the year, the Company complied with the 2011 Code of Corporate Governance for Public Companies issued by the Securities & Exchange Commission.

Securities Trading Policy

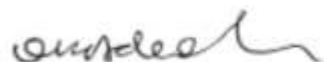
The Board has a Securities Trading Policy which is applicable to all employees, directors, audit committee members and connected employees of auditors, consultants and contractors of the company and its subsidiaries. The terms of the policy are no less exacting than the standard set in the Listing Rules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

Independent Auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Company.

In accordance with section 357(2) of the Companies and Allied Matters Act of Nigeria, CAP C20 Laws of the Federation of Nigeria, 2004 therefore, the auditor will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD



Olukayode Adeoluwa
(FRC/2013/NBA/00000002108)

Olukayode Adeoluwa & Co.
Company Secretary
18, Fatai Atere Way, Matori
Lagos, Nigeria

10 April 2017.





Statement of Directors' Responsibilities in Relation to the Financial Statements

For the year ended 31 December 2016

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Clement Olowokande (Chairman)

FRC/2013/ICAN/00000001875

10 April 2017.



Mr. Oluseyi Onajide

FRC/2013/ICAN/00000002194

10 April 2017.

Report of the Audit Committee

For the year ended 31 December 2016

In compliance with the statutory provisions of Section 359(6) of the Companies and Allied Matters Act 1990, the Rules of the Nigerian Stock Exchange and the Code of Corporate Governance issued by the Securities & Exchange Commission, 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 359(6) of the Companies and Allied Matters Act of 1990 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 also 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.
- 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 December 29, 2016; 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.

Dated this 10th day of April 2017



Mr. Akin Ajayi

FRC/2013/MULTI/00000004485
Chairman

Members:

Mr. Akin Ajayi
Mr. Kenneth Nnabike Nwosu
Mr. Samuel Sunday Adebayo
Mr. Adeniyi Araunsi Adebisi
Dr. Adewale Olawoyin, SAN
Alhaji Ali Safiyanu Madugu, mni

Independent Auditor's Report

**KPMG Professional Services**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **R.T. Briscoe (Nigeria) PLC**

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated and separate financial statements of R.T. Briscoe (Nigeria) PLC ("the Company") and its subsidiaries (together, "the group"), which comprise the consolidated and separate statement of financial position as at 31 December, 2016, the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 76.

In our opinion, except for the possible effects on the corresponding figures for the year ended 31 December 2015 of the matter described in the Basis for Qualified Opinion section in our report, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December, 2016, 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) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Qualified Opinion

Included in impairment loss for the year ended 31 December 2015 was an amount of N1.1 billion which was written off to the profit or loss account for the year then ended. We were unable to obtain sufficient appropriate audit evidence regarding the nature and accounting for the underlying transaction that related to the amount because management was unable to provide satisfactory explanations and relevant supporting documents. Our audit opinion on the financial statements for the year ended 31 December 2015 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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 Company 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 qualified opinion.

Material Uncertainty Related to Going Concern

Without further qualifying our opinion, we draw attention to Note 29(a) and Note 32 to the financial statements. Note 29(a) describes the uncertainty related to the outcome of the lawsuit filed against the Company by Diamond Bank Plc, while Note 32 indicates that the Company incurred a loss of N3.1 billion during the year ended 31 December 2016 and, as of that date, the Company's current liabilities exceeded its current assets by N7.9 billion, while the total liabilities of the Company exceeded total assets by N3.4 billion. These conditions, along with other matters as set forth in Note 32, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

Key Audit Matters

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, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters below to be Key Audit Matters to be communicated in our report.

a. Revenue Recognition	
Refer to Significant accounting policies (Note 3(k)) and Revenue (Note 6) on pages 41 and 48 respectively of the financial statements.	
The key audit matter	How the matter was addressed in our audit
Revenue is an important measure and it impacts most of the key performance indicators on which the Company and its directors are assessed. Its significance makes revenue a matter of focus in our audit.	<p>We performed the following procedures among others:</p> <ul style="list-style-type: none"> - We evaluated the design, implementation and the operating effectiveness of manual internal controls over the approval of goods sold and services rendered. - For sale of vehicles and services rendered to customers during the year, we compared, on a sample basis, postings into the revenue ledger to appropriate basis such as delivery waybills acknowledged by customers. - We assessed the accuracy of a sample of manual journal entries relating to revenue by checking them to supporting documentation, such as approved credit notes to customers with respect to sales returns. - We scanned the postings in sales ledger subsequent to year end to understand the basis of any significant/unusual credit notes. - We performed cut-off procedures by checking that revenue transactions occurring prior to, and immediately after the year end date were recognized in the correct period.
b. Impairment of trade receivables	
Refer to Significant accounting policies (Note 3(h)) and Trade and other receivables (Note 18) on pages 38 and 59 respectively of the financial statements.	
The key audit matter	How the matter was addressed in our audit
Management performs an assessment of the recoverability of trade receivables in order to determine impairment allowance. In making this assessment management makes significant judgments based on historical loss experience. The significant judgment involved in estimating the recoverability of trade receivable makes impairment allowance an area of significance in our audit.	<p>We performed the following procedures among others:</p> <ul style="list-style-type: none"> - We selected a sample of receivable balances with risk factors such as magnitude and the current level of overdue balances; and re-performed the impairment allowance. - We challenged the assumptions applied in determining the impairment allowance by comparing the assumptions to history of customer performance and our expectations based on knowledge of the Company and its industry. - We also considered the cash received from customers subsequent to year end in evaluating the impairment allowance recorded in the books. - We compared the outcome of our procedures with the impairment amount recorded by the Company.

Other Information

The Directors are responsible for the other information which comprises the R.T. Briscoe's Corporate Profile, Board of Directors, Corporate Information, Results at a glance, Notice of meeting, Directors' Report, Statement of Directors' responsibilities in relation to the Financial Statements, Shareholders' Information, Report of the Audit Committee and Other national disclosures, which we obtained prior to the date of this auditor's report (but does not include the consolidated and separate financial statements and our audit report thereon). It also includes financial and non-financial information such as the Chairman's Statement, shareholders' information, amongst others, which are expected to be made available to us after that date ("the outstanding reports").

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will 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 appears to be materially misstated. If, based on the work we have performed on the other information that we have 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.

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and Audit Committee.

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Independent Auditor's Report contd.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 and Company 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors and 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 provide Board of Directors and Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors and Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe 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

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Goodluck C. Obi, FCA

FRC/2012/ICAN/00000000442

For: KPMG Professional Services

Chartered Accountants

11 May 2017

Lagos, Nigeria



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Registered in Nigeria No BN 900025

Partners:

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Olusufemi O. Awofeso

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Afolake O. Oloriola
Chibuzor N. Ayanechi
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Adelunke A. Etebute
Ayodele A. Soyinka
Goodluck C. Obi
Mohammed M. Adams
Oluwale O. Olayinka
Ogunlajo I. Ogunbemis

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Ayodele H. Othman
Bilal M. Adegboye
Oladapo R. Oluwadayo
Oluwagun A. Sowande
Victor U. Oyeniga

Associate Partners:
Nneka C. Dume

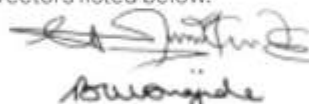
Temilope A. Onitiri

Consolidated and separate statements of financial position

As at 31 December

			Group		Company
	Notes	2016	2015	2016	2015
		N '000	N '000	N '000	N '000
Non-current assets					
Property, plant and equipment	12	4,596,553	4,780,037	4,581,635	4,767,141
Intangible assets	13	3,953	27,966	2,284	25,185
Goodwill	14	33,999	33,999	-	-
Other receivables	18	246,114	115,857	246,114	115,857
Prepayments	19	4,555	14,259	4,555	14,259
Investment in subsidiaries	16	-	-	183,576	169,475
Total non-current assets		4,885,174	4,972,118	5,018,164	5,091,917
Current assets					
Inventories	17	1,814,908	5,624,695	1,349,141	4,602,979
Trade and other receivables	18	1,268,629	2,659,279	1,313,960	2,725,288
Other investments	15	140,000	140,000	140,000	140,000
Prepayments	19	63,243	60,469	44,366	54,138
Cash and bank balances	20	732,049	482,894	398,494	430,249
Total current assets		4,018,829	8,967,337	3,245,961	7,952,654
Total assets		8,904,003	13,939,455	8,264,125	13,044,571
Equity					
Share capital	26(a)	588,177	588,177	588,177	588,177
Share premium	26(b)	409,862	409,862	409,862	409,862
Revaluation reserve	26(c)	2,864,778	2,864,778	2,864,778	2,864,778
Retained earnings		(6,810,500)	(3,918,241)	(7,232,146)	(4,163,624)
Equity attributable to owners of the Company		(2,947,683)	(55,424)	(3,369,329)	(300,807)
Non-controlling interests		-	14,686	-	-
Total equity		(2,947,683)	(40,738)	(3,369,329)	(300,807)
Liabilities					
Employee benefits	21	137,452	123,827	137,452	123,827
Loans and borrowings	24	300,566	435,689	300,566	435,689
Deferred tax liabilities	22	2,143	1,463	-	-
Non-current liabilities		440,161	560,979	438,018	559,516
Current liabilities					
Current tax liabilities	10(d)	126,358	214,664	46,717	182,024
Trade and other payables	23	1,386,427	2,466,397	1,249,979	1,873,023
Bank overdrafts	20	5,744,149	4,752,160	5,744,149	4,744,822
Loans and borrowings	24	4,038,056	5,904,946	4,038,056	5,904,946
Dividend payable	27	116,535	81,047	116,535	81,047
Total current liabilities		11,411,525	13,419,214	11,195,436	12,785,862
Total liabilities		11,851,686	13,980,193	11,633,454	13,345,378
Total equity and liabilities		8,904,003	13,939,455	8,264,125	13,044,571

These financial statements were approved by the board of directors on 10 April, 2017 and signed on its behalf by the directors listed below:



Mr. Clement Olowokande (Chairman) FRC/2013/ICAN/00000001875



Mr. Oluseyi Onajide (Managing Director) FRC/2013/ICAN/00000002194

Additionally certified by:



Mr. Segun Adebayo (Chief Financial Officer) FRC/2013/ICAN/00000002198

The notes on pages 31 to 76 form an integral part of these financial statements.

2015

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2016

	Notes	Group		Company	
		2016	2015	2016	2015
		N '000	N '000	N '000	N '000
Revenue	6	9,808,274	11,945,313	8,751,219	11,040,841
Cost of Sales	7(d)	(8,248,494)	(10,820,855)	(7,564,654)	(10,181,138)
Gross profit		1,559,780	1,124,458	1,186,565	859,703
Other Income	7(a)	345,946	220,767	341,980	209,535
Other Expenses	7(b)	-	(215,920)	-	(215,920)
Impairment loss	7(c)	(1,134,177)	(1,286,255)	(1,134,177)	(1,286,255)
Selling and distribution expenses	7(d)	(186,534)	(282,456)	(184,589)	(260,957)
Administrative expenses	7(d)	(1,526,771)	(1,564,188)	(1,394,852)	(1,456,666)
Results from operating activities		(941,756)	(2,003,594)	(1,185,073)	(2,150,560)
Finance income		196,829	67,035	183,834	103,905
Finance costs		(2,057,501)	(2,351,462)	(2,058,177)	(2,339,601)
Net finance costs	8	(1,860,672)	(2,284,427)	(1,874,343)	(2,235,696)
Loss before minimum tax		(2,802,428)	(4,288,021)	(3,059,416)	(4,386,256)
Minimum tax	10(d)	(16,871)	(18,099)	(16,871)	(18,099)
Loss before income tax	9(a)	(2,819,299)	(4,306,120)	(3,076,287)	(4,404,355)
Income tax expense	10(a)	(81,310)	124,479	-	156,536
Loss for the year		(2,900,609)	(4,181,641)	(3,076,287)	(4,247,819)
Other comprehensive income, net of tax: Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability	21(b)	7,765	23,801	7,765	23,801
Revaluation of property plant and equipment	12(c)	-	857,611	-	857,611
Total other comprehensive income		7,765	881,412	7,765	881,412
Total comprehensive loss for the year		(2,892,844)	(3,300,229)	(3,068,522)	(3,366,407)
Loss attributable to:					
Owners of the Company		(2,900,609)	(4,183,006)	(3,076,287)	(4,247,819)
Non-controlling interests		-	1,365	-	-
		(2,900,609)	(4,181,641)	(3,076,287)	(4,247,819)
Total comprehensive loss attributable to:					
Owners of the Company		(2,892,844)	(3,301,594)	(3,068,522)	(3,366,407)
Non-controlling interests		-	1,365	-	-
		(2,892,844)	(3,300,229)	(3,068,522)	(3,366,407)
Earnings per share:					
Basic and diluted loss per share (kobo)	11	(247)	(355)	(262)	(361)

*Total other comprehensive income has been recognised at gross because the criteria for recognition of the corresponding deferred tax asset was not met (Note 22a).

The notes on pages 31 to 76 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

Group	Attributable to equity holders of the Group						Non-controlling interest	Total equity
	Share capital N '000	Share premium N '000	Revaluation reserve N '000	Retained earnings N '000	Total N '000		N '000	N '000
Balance as at 1 January 2015	588,177	409,862	2,007,167	240,964	3,246,170		10,881	3,257,051
Loss for the year	-	-	-	(4,183,006)	(4,183,006)		1,365	(4,181,641)
Other comprehensive income	-	-	857,611	23,801	881,412		-	881,412
Total comprehensive income for the year	-	-	857,611	(4,159,205)	(3,301,594)		1,365	(3,300,229)
Transactions with owners, recorded directly in equity								
Dilution in group holdings (Note 16(b))	-	-	-	-	-		2,440	2,440
Balance at 31 December 2015	588,177	409,862	2,864,778	(3,918,241)	(55,424)		14,686	(40,738)
Balance as at 1 January 2016	588,177	409,862	2,864,778	(3,918,241)	(55,424)		14,686	(40,738)
Total comprehensive income for the year:								
Loss for the year	-	-	-	(2,900,609)	(2,900,609)		-	(2,900,609)
Other comprehensive income	-	-	-	7,765	7,765		-	7,765
Total comprehensive loss for the year	-	-	-	(2,892,844)	(2,892,844)		-	(2,892,844)
Transactions with owners, recorded directly in equity								
Changes in ownership interest:								
Acquisition of NCI without a change in control (Note 16c)	-	-	-	585	585		(14,686)	(14,101)
Balance at 31 December 2016	588,177	409,862	2,864,778	(6,810,500)	(2,947,683)		-	(2,947,683)

The notes on pages 31 to 76 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2016

Company	Attributable to equity holders of the Company				
	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	N '000	N '000	N '000	N '000	N '000
Balance as at 1 January 2015	588,177	409,862	2,007,167	60,394	3,065,600
Loss for the year	-	-	-	(4,247,819)	(4,247,819)
Other comprehensive income	-	-	857,611	23,801	881,412
Total comprehensive income for the year	-	-	857,611	(4,224,018)	(3,366,407)
Balance at 31 December 2015	588,177	409,862	2,864,778	(4,163,624)	(300,807)
Balance as at 1 January 2016	588,177	409,862	2,864,778	(4,163,624)	(300,807)
Loss for the year	-	-	-	(3,076,287)	(3,076,287)
Other comprehensive income	-	-	-	7,765	7,765
Total comprehensive loss for the year	-	-	-	(3,068,522)	(3,068,522)
	588,177	409,862	2,864,778	(7,232,146)	(3,369,329)

The notes on pages 31 to 76 form an integral part of these financial statements.

Consolidated and Separate Statements of Cash Flows

For the year ended 31 December 2016

	Notes	Group		Company	
		2016	2015	2016	2015
		N '000	N '000	N '000	N '000
Cash flows from operating activities					
Loss for the year		(2,900,609)	(4,181,641)	(3,076,287)	(4,247,819)
Adjustments for:					
Interest on commercial papers & import facility	8	1,210,641	1,179,432	1,211,317	1,167,571
Finance income	8	(196,829)	(67,035)	(183,834)	(103,905)
Income tax expense	10	81,310	(124,479)	-	(156,536)
Minimum tax		16,871	18,099	16,871	18,099
Employee benefit plan charge	9(b)	38,623	48,871	38,623	48,871
Depreciation of Property, plant & equipment	12	260,077	439,653	251,185	432,773
Amortisation of Intangible assets	13	24,013	1,756	22,901	644
Gain on sale of Property, plant & equipment	9(a)	(13,914)	(2,136)	(13,684)	(1,543)
		(1,479,817)	(2,687,480)	(1,732,908)	(2,841,845)
Changes in:					
Other receivables		(130,257)	39,911	(130,257)	39,911
Inventories		3,809,787	2,939,378	3,253,838	2,523,974
Trade and other receivables***		1,392,793	2,452,604	1,414,617	2,982,528
Prepayments		6,930	39,736	19,476	38,100
Trade and other payables**		(835,929)	600,495	(379,003)	579,993
Cash generated from operating activities		2,763,507	3,384,644	2,445,763	3,322,661
Employee benefits paid		(17,233)	(43,503)	(17,233)	(43,503)
Income taxes paid		(152,462)	(43,703)	(134,080)	-
VAT paid*		(244,041)	(73,159)	(244,041)	(44,214)
Net Cash generated from operating activities		2,349,771	3,224,279	2,050,409	3,234,944
Cash flows from investing activities					
Finance income received	8	196,829	67,035	183,834	103,905
Proceeds from sale of property, plant and equipment		17,882	12,462	17,652	5,937
Acquisition of intangible assets	13	-	(2,146)	-	(2,146)
Acquisition of property, plant and equipment**		(80,561)	(51,182)	(69,647)	(49,869)
Net cash used in investing activities		134,150	26,169	131,839	57,827
Cash flows from financing activities					
Interest on loans capitalized	8	(1,210,641)	(1,179,432)	(1,211,317)	(1,167,571)
Acquisition of non-controlling interests	16(c)	(14,101)	-	-	-
Net decrease in borrowings during the year		(2,002,013)	(3,525,585)	(2,002,013)	(3,525,585)
Net cash used in financing activities		(3,226,755)	(4,705,017)	(3,213,330)	(4,693,156)
Net decrease in cash and cash equivalents		(742,834)	(1,454,569)	(1,031,082)	(1,400,385)
Cash and cash equivalents at 1 January		(4,269,266)	(2,814,697)	(4,314,573)	(2,914,188)
Cash and cash equivalents at 31 December	20	(5,012,100)	(4,269,266)	(5,345,655)	(4,314,573)

* Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables.

** Acquisition of property, plant and equipment in prior year (2015) excludes a sum of N73.5million of addition to land which does not involve cash movement during the year, and is adjusted for in deriving the change in trade and other payables above.

*** Withholding tax utilized during the year has been adjusted for in deriving the change in trade and other receivables.

The notes on pages 31 to 76 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

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Notes to the Financial Statements

1 Reporting entity

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'). 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

(a) Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C20, laws of the federation of Nigeria, 2004 and the Financial Reporting Council (FRC) of Nigeria Act, 2011. They were authorised for issue by the Board of Directors on 10 April 2017.

(b) Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for defined benefit liability measured at the present value of the defined benefit obligation, inventories measured at the lower of cost and net realisable value property plant and equipment (land and building) measured at fair value as described in note 4 to the financial statements. Financial assets and liabilities are measured initially at fair value/less transaction cost and subsequently measured at amortised cost.

(c) Functional and presentation currency

These consolidated and separate financial statements have been presented in Nigerian Naira, which is the Company's functional currency. All amounts have been rounded to the nearest thousands, except when otherwise indicated.

(d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 16 – Consolidation; whether the group has de facto control over an investee

Note 6 – Revenue: whether the Group acts as an agent in the transaction rather than as a principal

Note 10 – Tax expense; whether the amount provided for prior year back-duty assessment is adequate.

Note 22 – unrecognised of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used.

Note 29 – Contingencies key assumptions about the likelihood and magnitude of an outflow of resources.

Note 32 – The Company's ability to continue as a going concern.

(ii) Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2016 is included in the following notes:

Note 7 – recognition of impairment of receivables; assumptions about the likelihood and magnitude of an outflow of resources

Note 14 – Goodwill impairment testing; key assumptions of underlying recoverable amounts.

Note 21 – measurement of defined benefit obligation; Key actuarial assumptions.

(iii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Significant valuation issues are reported to the Group's Board of Directors and Audit Committee. The Board has established a process in respect to the measurement of fair values especially level 3 fair values where an independent valuation specialist is engaged who reports directly to the chief finance officer.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 12: Property plant and equipment.

(e) Change in accounting estimate

During the year, the Company reviewed the estimated useful life of its leasehold land as unlimited on the basis that it is reasonably certain that the Government will usually renew the lease upon expiration and that the substance of the lease is that the Company has ownership of the land, not a right to use the land for a predefined period. This change in accounting estimate was applied prospectively in accordance with IAS 8 - {Accounting Policy and Changes in Accounting Estimates and Error} Further information on the impact of the change in accounting estimate is included in Note 3(e)(iii) and 12.



Notes to the Financial Statements contd.

3 Significant accounting policies

The Group has consistently applied the significant accounting policies set out below to all periods presented in these financial statements.

(a) 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.

(b) 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.

(c) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Once a Group entity becomes party to such a contract, the financial instrument is recognised either as a financial asset or as a financial liability. The Group classifies non-derivative financial assets into the loans and receivables category. The Group classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities - Recognition and derecognition

The Group initially recognises loans and receivables on the date they are originated. All other financial assets and financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets-measurement

The Company's non-derivative financial assets are classified as loans and receivables and cash and cash equivalents.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables comprises trade and other receivables.

Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group/Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

(iii) Non-derivative financial liabilities- measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The Group has the following other financial liabilities: loans and borrowings, bank overdrafts and trade and other payables. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management which are included as a component of cash and cash equivalents in the statement of cash flows. Cash and cash equivalents are measured at amortised cost.

(d) 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.

Retained earnings: This represents the Company's accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period adjustments. A negative amount of retained earnings is also known as deficit or accumulated deficit.

(e) 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.

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.

(ii) 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.

(iii) 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	-	Lease period
Plant & Machinery, 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 leasehold land as unlimited on the basis that it is reasonably certain that the various State Governors who are the lessors of these properties, will usually renew the lease upon expiration and that the substance of the lease is that the Company has ownership of these lands, and not just a right to use the lands for a predefined period. Consequently, the Company has discontinued depreciation of leasehold land.

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 of 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.

(f) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill represents the excess of the consideration over the fair value of the net identifiable assets of an acquired entity at the date of the acquisition. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.



Notes to the Financial Statements contd.

The excess of the purchase price over the carrying amount of non-controlling interest, when the Group increases its interest in an existing subsidiary, is recognised in equity. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination.

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. Goodwill is not amortised.

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.

(g) 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.

Spares 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.

(h) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(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.



Notes to the Financial Statements contd.

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.

(i) 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.

(j) 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.

(k) 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.



Notes to the Financial Statements contd.

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.

(l) 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.

(m) 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.

(n) 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:

- i. 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
- ii. 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
- iii. temporary differences arising on the initial recognition of goodwill.

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(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.

(o) 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.

(p) Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Grants related to income are recognized as deferred income and allocated into profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grant is intended to compensate.

The benefit of a government loan at below market rate of interest is treated as a government grant related to income.

The fair value of the government loan at below market rate of interest is estimated as the present value of all future cash flows discounted using the prevailing market rate(s) of interest for a similar instrument with a similar credit rating. The benefit of the government grant is measured as the difference between the fair value of the loan and the proceeds received.

(q) 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.

(r) 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.

(s) 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.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability."

(t) 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.

(u) Standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st January 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the Group/Company are set out below. The extent of the impact of these standards is yet to be determined. The Group/Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

- **Amendments to IAS 7 Disclosure Initiative- effective for periods beginning 1 January 2017**
The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances arising from financing activities.
The Company will adopt the amendments for the year ending 31 December 2017.
- **Amendments to IAS 12 Disclosure Initiative- effective for periods beginning 1 January 2017**
The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.
The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.
Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.
Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.
The amendment is not expected to have any significant impact on the financial statements of the Company. The Company will adopt the amendments for the year ending 31 December 2017.
- **IFRS 9- Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted).**
On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.
- IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements- It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.



Notes to the Financial Statements contd.

The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 9 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018.

— **IFRS 15 Revenue from Contracts with Customers- effective for annual periods beginning 1 January 2018 .**

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue — Barter of Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Group (or Company), which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The Company is yet to carry-out an assessment to determine the impact that the initial application of IFRS 15 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2018.

— **IFRS 16- Leases effective for annual periods beginning 1 January 2019**

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

- a. assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- b. depreciation of lease assets separately from interest on lease liabilities in the profit or loss.

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is yet to carry out an assessment to determine the impact that the initial application of IFRS 16 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2019.

(v) New currently effective requirement

New IFRS Standards and amendments to existing standards that became effective for annual periods commencing on 1 January 2016 have been applied in preparing the financial statements and resulted in additional disclosures (where applicable) but had no significant impact on the amounts and disclosures on this financial statement. The new IFRS standard and amendments to existing standards is as follows:

- *Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*
- *Disclosure Initiative (Amendments to IAS 1)*

4 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 28 (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

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Fair value for short-term receivables with no stated interest rate is measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and for disclosure purposes, at each annual reporting date.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For other non-derivative financial liabilities where the impact of discounting is not material, their carrying amounts are fair approximations of their fair values, hence no further fair value disclosures are made.

5 Segment Reporting

a 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.

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

b Information about reportable segments

Group

31 December 2016

	Segment Revenue	Cost of sales	Gross profit
	N'000	N'000	N'000
Motor vehicles and accessories	7,100,347	(6,454,809)	645,538
Industrial equipment	772,229	(577,579)	194,650
Aftersales services and parts	1,064,280	(619,729)	444,551
Property development & facility management	871,418	(596,377)	275,041
Total	9,808,274	(8,248,494)	1,559,780

Notes to the Financial Statements contd.

Group			
31 December 2015	Segment Revenue	Cost of sales	Gross profit
	N'000	N'000	N'000
Motor vehicles and accessories	8,946,822	(8,639,836)	306,986
Industrial equipment	1,088,228	(886,020)	202,208
Aftersales services and parts	1,209,510	(790,172)	419,338
Property development & facility management	700,753	(504,827)	195,926
	11,945,313	(10,820,855)	1,124,458
Company			
31 December 2016	Segment Revenue	Cost of sales	Gross profit
	N'000	N'000	N'000
Motor vehicles and accessories	7,100,347	(6,454,809)	645,538
Industrial equipment	567,686	(477,205)	90,481
Aftersales services and parts	1,083,186	(632,641)	450,545
	8,751,219	(7,564,655)	1,186,564
Company			
31 December 2015	Segment Revenue	Cost of sales	Gross profit
	N'000	N'000	N'000
Motor vehicles and accessories	8,946,821	(8,639,836)	306,985
Industrial equipment	876,583	(746,770)	129,813
Aftersales services and parts	1,217,437	(794,532)	422,905
	11,040,841	(10,181,138)	859,703

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 10% 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.

6 Revenue

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Sale of goods	8,630,815	10,035,050	8,426,272	10,705,890
Rendering of services	324,947	1,209,510	324,947	334,951
Sale of property units	690,307	549,750	-	-
Facilities Management fees	162,205	151,003	-	-
	9,808,274	11,945,313	8,751,219	11,040,841

7 Income and expenses

(a) Other income

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Rental income from property sub-lease	22,376	61,198	20,126	54,448
Commission received	6,658	-	6,658	-
Insurance claims received	61,817	12,727	61,817	12,727
Gain on disposal of property, plant and equipment	13,914	2,136	13,684	1,543
Bad debts recovered	235,376	127,380	235,376	127,380
Sale of scrap items & other sundry income	5,805	17,326	4,319	13,437
	345,946	220,767	341,980	209,535

(b) Other expenses

Other expenses represent back-duty assessment by the FIRS in respect of withholding and Value added taxes levied on the company during 2015.

(c) Impairment loss

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.

Analysed as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
VAT receivable write-offs	738,285	1,072,049	738,285	1,072,049
Other receivables written off	136,544	-	136,544	-
Allowance for doubtful receivables (trade, VAT and WHT)	563,866	214,206	563,866	214,206
Write-back of excess impairment of Inventories	(304,517)	-	(304,517)	-
	1,134,177	1,286,255	1,134,177	1,286,255

(d) Analysis of expenses by nature

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Cost of motor vehicles, accessories and parts	7,652,117	10,011,316	7,564,654	9,876,425
Personnel costs	629,153	829,439	517,566	747,938
Directors fees	1,100	1,100	1,100	1,100
Depreciation and amortisation	284,087	440,765	274,085	432,773
Rental expense	64,695	139,208	44,634	86,204
Maintenance expenses	42,538	50,009	44,247	48,867
Travelling expenses	48,190	72,658	42,299	69,327
Legal and professional fees	188,048	161,847	173,508	142,249
Bank charges	7,194	58,190	5,459	54,202

Notes to the Financial Statements contd.

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Rates and taxes	25,952	7,082	25,952	7,082
Gifts and donations	4,626	2,816	4,556	2,710
Business premises	257,604	122,485	240,693	111,758
Advertising expenses	6,702	48,066	4,756	26,079
Entertainment expenses	11,139	16,343	10,929	16,132
Security expenses	38,546	40,714	37,912	40,125
Vehicle expenses	83,508	63,033	81,890	61,762
Meeting expenses	19,302	15,019	19,302	15,019
Stationery expenses	9,256	11,906	9,216	11,646
Cleaning expenses	17,537	17,138	17,152	16,828
Insurance premiums	27,213	29,256	24,185	26,184
Impairments	1,136,587	1,328,998	1,134,177	1,328,998
Foreign exchange losses	-	61,608	-	61,608
Facility management expenses	22,370	18,495	-	-
Property development expenses	518,512	406,263	-	-
Total cost of sales, selling and distribution and administrative expenses	11,095,976	13,953,754	10,278,272	13,185,016
Analysed as follows:				
Cost of sales	(8,248,494)	(10,820,855)	(7,564,654)	(10,181,138)
Impairment loss	(1,134,177)	(1,286,255)	(1,134,177)	(1,286,255)
Selling and distribution expenses	(186,534)	(282,456)	(184,589)	(260,957)
Administrative expenses	(1,526,771)	(1,564,188)	(1,394,852)	(1,456,666)
	(11,095,976)	(13,953,754)	(10,278,272)	(13,185,016)

8 Net finance costs

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Interest on bank deposits	31,716	41,700	18,721	37,376
Investment income - Farapark	25,335	25,335	25,335	25,335
Interest on short term loan to related parties	5,435	-	5,435	41,194
Gains on foreign exchange translations	134,343	-	134,343	-
Finance income	196,829	67,035	183,834	103,905
Interest on bank overdrafts	(846,860)	(1,172,030)	(846,860)	(1,172,030)
Interest on commercial papers & import facility	(1,210,641)	(1,179,432)	(1,211,317)	(1,167,571)
Finance cost	(2,057,501)	(2,351,462)	(2,058,177)	(2,339,601)
Net finance costs	(1,860,672)	(2,284,427)	(1,874,343)	(2,235,696)

Notes to the Financial Statements contd.

9 Loss before income tax

(a) Loss before income tax is stated after charging/(crediting) the following items:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Depreciation of property, plant and equipment (Note 12)	260,077	439,653	251,185	432,773
Amortisation of intangible assets (Note 13)	24,013	1,756	22,901	644
Auditors' remuneration	22,800	19,800	17,800	14,800
Directors' remuneration (Note (c))	29,691	29,691	17,200	17,200
Personnel expenses (Note (b(i)))	629,153	829,439	517,566	747,938
Lease rental	64,695	139,208	44,634	86,204
Gain on disposal of property, plant and equipment	(13,914)	(2,136)	(13,684)	(1,543)

(b) Personnel expenses

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
(i) Personnel expenses comprise of:				
Salaries, wages and other employee costs	558,691	601,884	447,104	523,596
Contributions to compulsory pension fund scheme	26,196	85,787	26,196	82,574
Expenses related to benefit plans	38,623	48,871	38,623	48,871
Staff training	5,643	92,897	5,643	92,897
	629,153	829,439	517,566	747,938

(ii) The number of full time employees as at 31 December 2016 was as follows:

	Group		Company	
	2016	2015	2016	2015
	Number	Number	Number	Number
Managerial staff	18	29	16	26
Senior staff	143	179	115	140
Junior staff	127	103	79	72
Total number of employees	288	311	210	238

(iii) 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 ranges:

	Group		Company	
	2016	2015	2016	2015
	Number	Number	Number	Number
N300,001 - N350,000	1	1	-	-
N350,001 - N400,000	11	9	-	-
N400,001 - N450,000	4	6	-	-
N500,000 and above	272	295	210	238
	288	311	210	238

Notes to the Financial Statements contd.

(c) Directors' remuneration

Directors' remuneration, excluding certain benefits of directors of the Company, who discharged their duties mainly in Nigeria is as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Directors' fees	1,100	1,100	1,100	1,100
Remuneration - executive director(s)	28,591	28,591	16,100	16,100
	29,691	29,691	17,200	17,200

The emolument (excluding pension contributions and certain benefits) of the highest paid director was N16,100,000 (2015: N16,100,000).

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:

	2016	2015
	Number	Number
N 50,001- N100,000	-	-
N100,001- N150,000	6	6
N150,001- N200,000	-	-
N200,001- N12,300,000	-	-
N12,300,001 - N12,500,000	-	-
	6	6

10 Tax expense

(a) 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:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Current tax expense				
Income tax – current year	75,439	31,492	-	-
Tertiary education tax	5,191	1,148	-	-
Prior year under-provision of income tax	-	163,914	-	163,914
	80,630	196,554	-	163,914
Deferred tax (credit)/expense				
Origination and reversal of temporary differences	680	(321,033)	-	(320,450)
Total tax expense	81,310	(124,479)	-	(156,536)

The Company did not make provision for company income tax in current and prior years as it has no taxable income. The minimum tax of approximately N17million (2015:N18million) has been adequately accrued for.

Notes to the Financial Statements contd.

(b) Reconciliation of effective tax rate

		Group		Company	
		2016	2015	2016	2015
	%	N'000	%	N'000	%
Loss for the year		(2,900,609)		(4,181,641)	
Total income tax expense		81,310		(124,479)	
Loss before income tax		(2,819,299)		(4,306,120)	
Income tax using the domestic tax rate	30	(845,790)	30	(1,291,836)	30
Effect of expenses not deductible in determining taxable profit	(6)	157,566	(12)	510,354	(5)
Prior year under provision	-	-	(4)	163,914	-
Tertiary education tax	-	5,191	-	-	-
Movement in deferred tax assets not recognised	(27)	764,343	(11)	493,089	(25)
Total tax expense	(3)	81,310	3	(124,479)	3

(c) No income tax arising from actuarial gain/ loss based on the remeasurement of define benefit liability has been recognised in other comprehensive income, because there was no taxable income in the year (2015: Nil) and the criteria for the recognition of the corresponding deferred tax asset was not met(see Note 22(a)) .

(d) Movement in current tax liability balance

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Balance, beginning of the year	214,664	102,360	182,024	39,660
Prior year under provision	(13,622)	163,914	-	163,914
Current year charge	80,630	32,640	-	-
Minimum tax charge**	16,871	18,099	16,871	18,099
Payments during the year	(152,462)	(43,703)	(134,080)	-
With-holding tax utilised during the year	(19,723)	(58,646)	(18,098)	(39,649)
Balance, end of year	126,358	214,664	46,717	182,024

** In line with the provisions of section 28a of the Companies Income Act 1979, minimum tax charge has been computed using gross profit and turnover in excess of N500,000.

11 Earnings Per Share

Basic and diluted earnings per share for the Group and Company is based on the loss after tax for the year of N2.9 billion and N3.1 billion (2015: Group: N4.2 billion and Company: N4.2 billion) and on 1,176,353,695 (2015: 1,176,353,695) ordinary shares of 50 kobo each being the number of ordinary in issue during the year.

The Group and Company did not have any instrument that had a dilutive potential at the end of the year.

Notes to the Financial Statements contd.

12 Property, plant and equipment

(a) The movement for the year was as follows:

Group

	Leasehold land	Office buildings	Plant and machinery, furniture and fittings	I.T equipment	Motor vehicle and transport equipment	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost:							
At 1 January 2015	2,802,641	1,118,293	420,534	174,984	560,856	273,279	5,350,587
Additions	73,504	-	10,500	6,137	8,773	25,772	124,686
Reclassifications	273,279	-	17,913	(7,817)	(10,096)	(273,279)	-
Revaluations	460,184	397,427	-	-	-	-	857,611
Disposals/write offs	-	-	-	-	(21,760)	-	(21,760)
At 31 December 2015	3,609,608	1,515,720	448,947	173,304	537,773	25,772	6,311,124
At 1 January 2016	3,609,608	1,515,720	448,947	173,304	537,773	25,772	6,311,124
Additions	2,000	197	5,505	3,828	9,770	59,261	80,561
Reclassifications	-	-	9,678	-	-	(9,678)	-
Revaluations	-	-	-	-	-	-	-
Disposals/write offs	-	-	-	-	(11,067)	-	(11,067)
At 31 December 2016	3,611,608	1,515,917	464,130	177,132	536,476	75,355	6,380,618
Accumulated depreciation:							
At 1 January 2015	259,411	77,045	295,015	131,309	340,088	-	1,102,868
Depreciation for the year	25,264	254,493	60,793	15,217	83,886	-	439,653
Reclassifications	-	-	(13,552)	5,227	8,325	-	-
Disposals/write offs	-	-	-	-	(11,434)	-	(11,434)
At 31 December 2015	284,675	331,538	342,256	151,753	420,865	-	1,531,087
At 1 January 2016	284,675	331,538	342,256	151,753	420,865	-	1,531,087
Depreciation for the year	-	151,950	33,340	11,029	63,758	-	260,077
Reclassifications	-	-	-	-	-	-	-
Disposals/write offs	-	-	-	-	(7,099)	-	(7,099)
At 31 December 2016	284,675	483,488	375,596	162,782	477,524	-	1,784,065
Carrying amounts :							
At 31 December 2015	3,324,933	1,184,182	106,691	21,551	116,908	25,772	4,780,037
At 31 December 2016	3,326,933	1,032,429	88,534	14,350	58,952	75,355	4,596,553

(b) The movement for the year was as follows:

Company

	Leasehold land	Office buildings	Plant and machinery, furniture and fittings	I.T equipment	Motor vehicle and transport equipment	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost:							
At 1 January 2015	2,802,641	1,118,294	410,460	166,615	520,134	273,279	5,291,423
Additions	73,504.00	-	9,479	5,845	8,773	25,772	123,373
Reclassifications	273,279	-	17,913	(7,817)	(10,096)	(273,279)	-
Transfers	-	-	-	-	-	-	-
Revaluations	460,184	397,427	-	-	-	-	857,611
Disposals/write offs	-	-	-	-	(14,460)	-	(14,460)
At 31 December 2015	3,609,608	1,515,721	437,852	164,643	504,351	25,772	6,257,947

Notes to the Financial Statements contd.

	Leasehold land N'000	Office buildings N'000	Plant and machinery, furniture and fittings N'000	I.T equipment N'000	Motor vehicle and transport equipment N'000	Capital Work in progress N'000	Total N'000
At 1 January 2016	3,609,608	1,515,721	437,852	164,643	504,351	25,772	6,257,947
Additions	2,000	197	5,218	2,971	-	59,261	69,647
Reclasifications	-	-	9,678	-	-	(9,678)	-
Revaluations	-	-	-	-	-	-	-
Disposals/write offs	-	-	-	-	(8,267)	-	(8,267)
At 31 December 2016	3,611,608	1,515,918	452,748	167,614	496,084	75,355	6,319,327
Accumulated depreciation:							
At 1 January 2015	259,411	77,045	289,511	124,854	317,278	-	1,068,099
Depreciation for the year	25,264	254,493	59,569	14,181	79,266	-	432,773
Reclasifications	-	-	(13,552)	5,227	8,325	-	-
Disposals/write offs	-	-	-	-	(10,066)	-	(10,066)
At 31 December 2015	284,675	331,538	335,528	144,262	394,803	-	1,490,806
At 1 January 2016	284,675	331,538	335,528	144,262	394,803	-	1,490,806
Depreciation for the year	-	151,950	32,184	10,095	56,956	-	251,185
Reclasifications	-	-	-	-	-	-	-
Disposals/write offs	-	-	-	-	(4,299)	-	(4,299)
At 31 December 2016	284,675	483,488	367,712	154,357	447,460	-	1,737,692
Carrying amounts							
At 31 December 2015	3,324,933	1,184,183	102,324	20,381	109,548	25,772	4,767,141
At 31 December 2016	3,326,933	1,032,430	85,036	13,257	48,624	75,355	4,581,635

(c) Revaluation of Property, plant and equipment

In 2015, the Company carried out a revaluation of the leasehold land and building asset category of property, plant and equipment. The Company engaged an independent valuer, Gbenga Olaniyan and Associates (FRC/2013/00000000001837) to carry out the revaluation. The effective date of the revaluation was 31 December 2015. No revaluation was carried out in 2016 as management consider that there has been no material change in fair value of the properties during the year.

The carrying amount that would have been recognised had the revalued land and building been carried under cost model is shown below:

Group and Company Asset Category

	Leasehold land and building	
	2016	2015
	N'000	N'000
Cost		
At 1 January	1,400,337	1,053,554
Additions	2,197	73,504
Transfers	-	273,279
At 31 December	1,402,534	1,400,337

Notes to the Financial Statements contd.

Accumulated depreciation

At 1 January	358,424	336,456
Depreciation for the year	151,950	21,968
At 31 December	510,374	358,424
Carrying amount at 31 December	892,160	1,041,913

No revaluation surplus was recognised during the year (2015: N857.6 million).

	2016	2015
	N'000	N'000
Balance as at 1 January	2,864,778	2,007,167
Revaluation surplus (Note 12(b))	-	857,611
	2,864,778	2,864,778

(d) Security

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

(e) Capital work in progress

This represents an item of plant and machinery which was yet to be available for use as at the end of the year.

(f) Capital commitments

The Group and the Company had no authorised or contracted capital commitments at the reporting date (2015: nil).

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13 Intangible assets

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

	Group	Company
	N'000	N'000
Cost		
At 1 January 2015	51,667	47,219
Additions	2,146	2,146
At 31 December 2015	53,813	49,365
At 1 January 2016	53,813	49,365
Additions	-	-
At 31 December 2016	53,813	49,365
Accumulated amortisation		
At 1 January 2015	24,091	23,536
Charge for the year	1,756	644
At 31 December 2015	25,847	24,180
At 1 January 2016	25,847	24,180
Charge for the year	24,013	22,901
At 31 December 2016	49,860	47,081
Carrying amount		
At 31 December 2015	27,966	25,185
At 31 December 2016	3,953	2,284

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

14 Goodwill

Effective 30th October 2011, R.T Briscoe (Nigeria) PLC, ("The Company"), acquired controlling shares in Briscoe Properties Limited. The goodwill on acquisition is the excess of purchase consideration over the net assets acquired. For the purpose of impairment testing, goodwill has been allocated to Briscoe Properties Limited. Goodwill is tested for impairment annually. Impairment is determined by comparing the carrying amount of the cash generating unit with the recoverable amount. The useful life of goodwill at the reporting date is assessed to be indefinite with no impairment losses. As at 31 December 2016 the carrying value of the goodwill is N33.9million (2015: N33.9million)

Cash Generating Units

The recoverable amount of the cash generating units is determined based on the value in use calculation which uses cash flow projections based on five year projection of current year EBITDA and an average cost of capital of 11% per annum (2015: 11% per annum).

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts of the cash generating unit."

Key forecast assumptions

The key assumptions used in the value in use calculations for the cash generating units are as follows:

- Discount rate: 11% (2015: 11%). The discount rate was a post-tax measure estimated based on the historical industry average weighted- average cost of capital, with a possible market interest rate of 11%.
- Net cash flow: The Net cash flow is based on 5-year forecast using 2016 as the base year.
- Budgeted EBITDA growth rate: The growth rate of 10% (2015: 10%) has been applied based on management expectations of improvement in performance of the Company.
- Inflation rate: Inflation rate is based on forecast consumer price indices during the period for the Country. An inflation rate of 18% is has been applied for the current year (2015: 13%). The value assigned to the key assumption is consistent with the external sources of information.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

15 Other investments

Other investments relates to the Company's investment in 'equity notes' in Fara Park Limited classified as loans and receivables, with a guaranteed return of 18% per annum. Management has commenced procedures to redeem these notes.

The information about the Group's exposure to credit and market risks, and fair value measurements, is included in Note 28.

Notes to the Financial Statements contd.

16 Investments in subsidiaries

(a) Investments in subsidiaries comprise

Set out below is the Company's investment in subsidiaries

	Company	
	2016	2015
	N'000	N'000
Briscoe Properties Limited	155,501	141,400
CAWS Technical Nigeria Limited	1,000	1,000
Suite Resorts Limited	4,075	4,075
Briscoe Leasing Limited*	2,000	2,000
IMC Airpower Limited*	10,000	10,000
Briscoe-Ford Nigeria Limited*	10,000	10,000
Briscoe Garages Limited*	1,000	1,000
	183,576	169,475

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

(b) Group structure

Subsidiary	Direct and Indirect Holding	
	%	%
	2016	2015
Briscoe Properties Limited - See note 16 (c)	100	96
CAWS Technical Nigeria Limited	100	100
Suite Resorts Limited	100	100
Briscoe Leasing Limited	100	100
IMC Airpower Limited	100	100
Briscoe-Ford Nigeria Limited	100	100
Briscoe Garages Limited	100	100

(c) Acquisition of Non-Controlling Interest (NCI)

During the year, the company bought over the 4% shares held by the non-controlling interest holders in its subsidiary, Briscoe Properties Limited for the sum of N14.1million, thereby increasing the Company's interest in the subsidiary from 96% to 100%. The carrying amount of Briscoe Properties Limited's net assets on the date of acquisition was N404.5million. The Group recognised a decrease in NCI of N14.7million and an increase in retained earnings of N585,000.

	N'000
Carrying amount of NCI acquired	14,686
Consideration paid	(14,101)
Increase in equity attributable to owners of the Company	585

17 Inventories

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Motor vehicles, parts & accessories	696,819	4,292,841	696,819	4,292,841
Industrial equipment & parts	442,865	735,366	372,632	639,551
Service work in progress	50,468	46,042	50,468	46,042
Trading properties	395,534	925,901	-	-
Consumables	5,169	4,359	5,169	4,359
Inventories in transit	299,837	487	299,837	487
	1,890,692	6,004,996	1,424,925	4,983,280

Notes to the Financial Statements contd.

Less: Allowance for obsolete spares
and slow moving stock

(75,784)	(380,301)	(75,784)	(380,301)
1,814,908	5,624,695	1,349,141	4,602,979

The cost of inventory recognised in the Company's cost of sales amounted to N7.6 billion (2015: N10.1 billion).

In current year, there were no write-down of inventories to net realisable value (2015: N42.7 million). The Company provided negative pledges over its assets in respect of its term loans, import finance facilities and overdraft facilities with its bankers.

18 Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Trade receivables	493,387	766,042	364,770	667,673
Staff loans and advance	56,197	42,675	55,411	41,892
Due from related parties (Note 25)	131,700	181,090	316,303	385,232
Other receivables	93,958	37,447	93,958	12,851
Deposits with Company's registrars for dividend	56,955	36,245	56,955	36,245
Advances to suppliers	-	617,917	-	617,918
	832,197	1,681,416	887,397	1,761,811
Value added tax receivables	96,833	671,796	95,842	657,411
Withholding tax receivables	585,713	421,923	576,835	421,923
	1,514,743	2,775,135	1,560,074	2,841,145
Non-current	246,114	115,857	246,114	115,857
Current	1,268,629	2,659,279	1,313,960	2,725,288
	1,514,743	2,775,136	1,560,074	2,841,145

The Group's exposure to credit and currency risks, and impairment losses related to trade and other receivables is disclosed in Note 28.

19 Prepayments

Prepayments representing prepaid rent and insurance comprise:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Prepaid rent	38,778	58,945	38,778	58,945
Other prepaid expenses	29,020	15,783	10,143	9,452
	67,798	74,728	48,921	68,397
Non-current	4,555	14,259	4,555	14,259
Current	63,243	60,469	44,366	54,138
	67,798	74,728	48,921	68,397

Notes to the Financial Statements contd.

20 Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Cash in hand	3,479	6,013	2,274	5,290
Bank balance	728,570	476,881	396,220	424,959
Cash and bank deposits in the statement of financial position	732,049	482,894	398,494	430,249
Bank overdrafts used for cash management purposes	(5,744,149)	(4,752,160)	(5,744,149)	(4,744,822)
Cash and cash equivalents in the statement of cash flows	(5,012,100)	(4,269,266)	(5,345,655)	(4,314,573)

Included in cash and cash equivalents are unclaimed dividend amounting to N59 million held in separate bank account in accordance with the guidelines issued by the Securities and Exchange Commission. This amount is restricted from use by the Company.

The Company's exposure to credit, currency and liquidity risks related to cash and cash equivalents is disclosed in Note 28.

21 Employee benefits Group and Company

	2016	2015
	N'000	N'000
Defined benefit (gratuity) liability (note (b))	79,572	81,747
Long service award benefit obligation (note (a))	57,880	42,080
Total employee benefit liabilities	137,452	123,827

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 using the projected unit credit method by the same firm.

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

Notes to the Financial Statements contd.

(a) Movement in the present value of the long service awards obligation

Group and Company

	2016	2015
	N'000	N'000
Balance at 1 January	42,080	27,531
Charged to profit or loss	16,300	15,399
Payments during the year	(500)	(850)
Balance at 31 December	57,880	42,080

This represents the present value of the long service award scheme obligation in respect of the Company's employees as at year end.

(b) Movement in present value of the defined benefit gratuity obligation

Group and Company

	2016	2015
	N'000	N'000
Balance at 1 January	81,747	114,729
Included in profit or loss		
Current service costs	13,174	15,235
Interest costs on obligation	9,149	18,237
	22,323	33,472
Included in other comprehensive income		
Actuarial gain recognised in other comprehensive income	(7,765)	(23,801)
	(7,765)	(23,801)
Other		
Benefits paid	(16,733)	(42,653)
Balance at 31 December	79,572	81,747

(c) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages) fall under two broad categories. 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.

Financial Assumptions

	2016	2015
Discount rate (p.a.)	15%	12%
Future salary increase (p.a.)	13.5%	13.5%
Future rate of inflation (p.a.)	10%	10%
Benefit increase rate (p.a.)	12%	12%

Demographic assumptions

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

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. This is due to unavailability of published reliable demographic data in Nigeria.

Notes to the Financial Statements contd.

Sample age	Number of deaths in a year out of 10,000 lives	
	2016	2015
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from Service

Withdrawal from service means retirement; voluntary or compulsory disengagement from service.

Age Band	Rate	
	2016	2015
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 calculation of the defined benefit obligation is sensitive to the mortality assumptions set out above. As the actuarial estimates of mortality continue to be refined, an increase of one year in lives shown above is considered reasonably possible in the next financial year.

(d) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the employee benefit obligation as shown below.

Defined benefit liability	Rate	N'000	N'000
		2016	2015
Discount rate	-1%	79,606	84,581
	1%	79,554	80,893
Future Salary increase rate	-1%	79,558	80,938
	1%	79,595	82,808

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

22 Deferred taxation

(a) 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.

Notes to the Financial Statements contd.

In thousands of naira	2016	2015
Property, plant and equipment	(420,932)	(490,826)
Employee benefits	41,236	37,148
Unrealised exchange loss	-	18,482
Impairment allowance on trade receivables	113,908	-
Unabsorbed capital allowance carry-forward	138,457	106,106
Unrelieved tax losses carried forward	1,445,467	882,882
	1,318,135	553,792

(b) Movement in deferred tax balances (Group)

Deferred tax liabilities are attributable to the following:

2016

In thousands of naira	Balance 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2016	Deferred tax liabilities	Deferred tax assets
Property, plant and equipment	(1,463)	(680)	-	(2,143)	-	(2,143)
	(1,463)	(680)	-	(2,143)	-	(2,143)

2015

Property, plant and equipment	(1,116,909)	255,232	(860,214)	(1,463)	-	(1,463)
Employee benefits	42,678	(52,095)	(9,417)	-	-	-
Unrelieved tax loss	236,542	(236,542)	-	-	-	-
Allowance for doubtful debts	118,573	(118,573)	-	-	-	-
Stock obsolescence allowance	191,422	(191,422)	-	-	-	-
Unrealised exchange gain	3,105	(3,105)	-	-	-	-
Unabsorbed capital allowance carry-forward	202,093	(202,093)	-	-	-	-
	(322,496)	(548,598)	(869,631)	(1,463)	-	(1,463)

23 Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Trade payables	316,053	683,623	274,251	594,553
Accrued expenses	240,616	574,273	152,229	334,801
Deposit by customers	429,661	920,882	429,661	613,982
Pension payable (Note a)	8,957	10,412	8,957	9,528
Non income taxes	261,798	267,812	255,539	267,812
Other payables	129,342	9,395	129,342	9,395
Amounts due to related parties	-	-	-	42,952
	1,386,427	2,466,397	1,249,979	1,873,023

The Group and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 28.

Notes to the Financial Statements contd.

(a) The movement in pension payable is as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Balance at 1 January	10,412	6,037	9,528	5,048
Contribution for the year	45,157	47,875	42,657	42,029
Payments during the year	(46,613)	(43,500)	(43,229)	(37,549)
Balance at 31 December	8,957	10,412	8,957	9,528

24 Loans and borrowings

Loans and borrowings at the year end is analysed as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Current borrowings:				
Term loan facility due within 1 year	2,050,381	384,867	2,050,381	384,867
Import finance facilities due within 1 year	1,979,957	5,491,774	1,979,957	5,491,774
Commercial papers due within 1 year	7,718	28,305	7,718	28,305
	4,038,056	5,904,946	4,038,056	5,904,946
Non Current borrowings:				
Term loan facility due after 1 year	300,566	435,689	300,566	435,689
Total loans and borrowings	4,338,622	6,340,635	4,338,622	6,340,635

(I) Terms and conditions of outstanding loans were as follows:

				2016	2015
	Currency	Nominal interest Rate (%)	Year of maturity	Carrying amount N'000	Carrying amount N'000
Secured term loan facility	NGN	18.90 - 20.00	2018	2,350,947	820,556
Secured import finance facility	NGN	16.50 - 19.00	2016	1,979,957	5,491,774
Unsecured Commercial papers	NGN	10.00 - 14.00	2016	7,718	28,305
Total Interest bearing liabilities				4,338,622	6,340,635

The bank facilities are secured with a negative pledge over the Company's assets.

25 Related party transactions

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.

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Amount due from related parties (Note 18)	131,700	181,090	316,303	385,232
Amount due to related parties (Note 23)	-	-	-	(42,952)
	131,700	181,090	316,303	342,280

Notes to the Financial Statements contd.

Related party	Nature of transaction	Transaction value		Balance receivable/(payable)	
		2016	2015	2016	2015
		N'000	N'000	N'000	N'000
<i>Subsidiaries:</i>					
Briscoe properties Limited	Sale of goods and services, loans and related interests and others.	15,736	68,109	6,349	43,872
CAWS Technical Nigeria Limited	Purchase of goods and services and Inter Company loan	92,528	107,395	178,254	117,318
Others	Investment in subsidiaries	14,101	-	-	-
<i>Other related parties:</i>					
Olawayin & Olawayin	Legal services	750	1,150	-	-
Toyota Nigeria Limited	Purchase of goods	2,800,712	4,730,016	131,700	181,090
				316,303	342,280

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.

(b) Key management personnel compensation comprised:

In addition to their salaries, the Group and Company also provides non-cash benefits to directors and executive officers, and operates a post-employment defined benefit scheme on their behalf. In accordance with the terms of the plan, directors and executive officers are entitled to receive post employment benefits.

Key management personnel compensation comprised:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Short-term employee benefits	65,961	67,211	53,893	54,720
Contribution to compulsory pension fund scheme	6,520	6,331	5,314	5,394
	72,481	73,542	59,206	60,114

26 Capital and reserves

(a) Share capital is analysed as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Authorised ordinary shares of 50 kobo each				
At 1 January	3,250,000	3,250,000	3,250,000	3,250,000
Additions	-	-	-	-
At 31 December	3,250,000	3,250,000	3,250,000	3,250,000

Notes to the Financial Statements contd.

Issued, allotted and fully paid ordinary shares of 50 kobo each

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
At 1 January	588,177	588,177	588,177	588,177
At 31 December	588,177	588,177	588,177	588,177
(b) Share Premium				
At 1 January	409,862	409,862	409,862	409,862
At 31 December	409,862	409,862	409,862	409,862

All shares rank equally with regard 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.

(c) Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment as shown in Note 12(c).

	2016	2015
	N'000	N'000
Group and Company		
Balance as at 1 January	2,864,778	2,007,167
Revaluation surplus (Note 12(b))	-	857,611
	2,864,778	2,864,778

27 Dividend Payable

Dividend payable represents unclaimed dividend from prior years. The movement on this account was as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Balance at 1 January	81,047	81,047	81,047	81,047
Unclaimed dividend**	35,488	-	35,488	-
Balance at 31 December	116,535	81,047	116,535	81,047

** Amount represents dividend payments not yet forwarded to shareholders.

28 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.

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.

Notes to the Financial Statements contd.

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	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Trade and other receivables*	775,242	1,027,254	830,442	1,107,648
Cash and bank balances	732,049	482,894	398,494	430,249
Other investments	140,000	140,000	140,000	140,000
	1,647,291	1,650,148	1,368,936	1,677,897

* 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.

Notes to the Financial Statements contd.

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

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Trade receivables	1,548,683	766,042	1,420,066	667,673
Staff loans and advance	56,197	42,675	55,411	41,892
Amounts due from related parties	131,700	181,090	316,303	385,232
Other receivables	93,958	37,447	93,958	12,851
	1,830,538	1,027,254	1,885,738	1,107,648

Impairment losses

The ageing of trade receivables at the reporting date was:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Not past due	401,039	264,267	272,422	165,898
Past due 91-180 days	21,897	83,496	21,897	83,496
Past due 181-360 days	41,716	150,200	41,716	150,200
Past due above 360 days	1,084,031	304,324	1,084,031	304,324
	1,548,683	802,287	1,420,066	703,918

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Balance at 1 January	(841,423)	(635,031)	(841,423)	(635,031)
Additional allowance for the year	(563,866)	(186,255)	(563,866)	(186,255)
Amount written off	(237,179)	(20,137)	(237,179)	(20,137)
Balance at 31 December	(1,642,468)	(841,423)	(1,642,468)	(841,423)

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.

Other investments

The Company held 'equity notes' amounting to N140 million which represents its maximum credit exposure on this asset. The Company has consistently earned interest income at the agreed rate and so far there is no indication of impairment on this asset.

(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.

Notes to the Financial Statements contd.

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.

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

Group

31 December 2016

	Note	Carrying amount N'000	Contractual cash flows N'000	1 year or less N'000	1 to 2 years N'000
Non-derivative financial liabilities					
Trade and other payables		1,257,084	1,257,084	1,257,084	-
Loans and borrowings	24	4,338,622	4,338,622	4,038,056	300,566
Bank overdrafts	20	5,744,149	5,744,149	5,744,149	-
		11,339,855	11,339,855	11,039,289	300,566

31 December 2015

Non-derivative financial liabilities					
Trade and other payables		2,198,585	2,198,585	2,198,585	-
Loans and borrowings	24	6,340,635	6,340,635	5,904,946	435,689
Bank overdrafts	20	4,752,160	4,752,160	4,752,160	-
		13,291,380	13,291,380	12,855,691	435,689

Company

	Note	Carrying amount N'000	Contractual cash flows N'000	1 year or less N'000	1 to 2 years N'000
Non-derivative financial liabilities					
Trade and other payables		1,124,903	1,124,903	1,124,903	-
Loans and borrowings	24	4,338,622	4,338,622	4,038,056	300,566
Bank overdrafts	20	5,744,149	5,744,149	5,744,149	-
		11,207,674	11,207,674	10,907,108	300,566

31 December 2015

Non-derivative financial liabilities					
Trade and other payables		1,605,211	1,605,211	1,605,211	-
Loans and borrowings	24	6,340,635	6,340,635	5,904,946	435,689
Bank overdrafts	20	4,744,822	4,744,822	4,744,822	-
		12,690,668	12,690,668	12,254,979	435,689

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.

Notes to the Financial Statements contd.

(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 manages 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.

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 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 December 2016				31 December 2015			
	Euro	USD	JPY	GBP	Euro	USD	JPY	GBP
Amounts in thousands								
Trade and other receivables	8	812	6	-	-	355	-	-
Cash and cash equivalents	2	259	-	2	32	19	-	-
Trade and other payables	(146)	(40)	-	-	(24)	(543)	-	-
Net exposure	(136)	1,031	6	2	8	(169)	-	-

The following significant exchange rates applied during the year;

	Average rate		Year end spot rate	
	2016	2015	2016	2015
Euro	325.00	213.98	322.11	217.86
United States Dollars (USD)	315.00	198.00	305.00	199.12
GBP	380.00	275.58	375.18	291.93
JPY	1.70	1.58	1.65	1.65

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.

Notes to the Financial Statements contd.

Effect in thousands of Naira

(Increase)/
decrease
in profit
or loss
2016

Euro (20% weakening of the Naira)
USD (20% weakening of the Naira)

9,230
(62,871)

2015

Euro (20% weakening of the Naira)
USD (20% weakening of the Naira)

(354)
6,710

A 20 percent strengthening of the Naira against the above currencies at the reporting date would have had the equal but opposite effect to the amounts shown above.

(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.

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

	Group		Company	
	Carrying Amount		Carrying Amount	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Variable rate instruments				
Bank overdrafts	5,744,149	4,752,160	5,744,149	4,744,822
Fixed rate instruments				
Loans and borrowings	4,338,622	6,340,635	4,338,622	6,340,635

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.

Cash flow sensitivity analysis for variable rate instruments

A decrease of 100 basis points (BP) in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	Profit or loss		Profit or loss	
	2016	2015	2016	2015
	100 BP	100 BP	100 BP	100 BP
	N'000	N'000	N'000	N'000
Variable rate instruments	9,478	7,841	9,478	7,829
Cash flow sensitivity (net)	9,478	7,841	9,478	7,829

An increase of 100 basis points (BP) in interest rates at the reporting date would have had the equal but opposite effect to the amounts shown above.

Notes to the Financial Statements contd.

(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.

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

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Total liabilities	11,851,686	13,980,193	11,633,454	13,345,378
Less: cash and cash equivalents	(732,049)	(482,894)	(398,494)	(430,249)
Net debt	11,119,637	13,497,299	11,234,960	12,915,129
Total equity	(2,947,683)	(40,738)	(3,369,329)	(300,807)
Debt to adjusted capital ratio	(4)	(331)	(3)	(43)

Due to the position above, management is exploring various options as detailed in Note 32 to achieve a better debt to equity ratio.

Notes to the Financial Statements contd.

(g) Accounting classification and fair values

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

Group

31 December 2016	Carrying amount		
	Loans and receivables	Other financial liabilities	Total
	N'000	N'000	N'000
Financial assets not measured at fair value			
Trade and other receivables	775,242	-	775,242
Other investments	140,000	-	140,000
Cash and cash equivalents	732,049	-	732,049
	1,647,291	-	1,647,291
Financial liabilities not measured at fair value			
Trade and other payables	-	1,257,084	1,257,084
Bank overdrafts	-	5,744,149	5,744,149
Loans and borrowings*	-	4,338,622	4,338,622
Dividend payable	-	116,535	116,535
	-	11,456,390	11,456,390

* Included in loans and borrowings are two (2) facilities with tenures of 24 months each, amounting to a total of N2.35 billion, the fair value as at the reporting date based on amortised cost is N2.35 billion.

31 December 2015	Carrying amount		
	Loans and receivables	Other financial liabilities	Total
	N'000	N'000	N'000
Financial assets not measured at fair value			
Trade and other receivables	1,107,648	-	1,107,648
Other investments	140,000	-	140,000
Cash and cash equivalents	430,249	-	430,249
	1,677,897	-	1,677,897
Financial liabilities not measured at fair value			
Trade and other payables	-	2,198,585	2,198,585
Bank overdrafts	-	4,752,160	4,752,160
Loans and borrowings	-	6,340,635	6,340,635
Dividend payable	-	81,047	81,047
	-	13,372,427	13,372,427

Notes to the Financial Statements contd.

Company	Carrying amount		
	Loans and receivables	Other financial liabilities	Total
	N'000	N'000	N'000
31 December 2016			
Financial assets not measured at fair value			
Trade and other receivables	830,442	-	830,442
Other investments	140,000	-	140,000
Cash and cash equivalents	398,494	-	398,494
	1,368,936	-	1,368,936
Financial liabilities not measured at fair value			
Trade and other payables	-	1,124,903	1,124,903
Bank overdrafts	-	5,744,149	5,744,149
Loans and borrowings*	-	4,338,622	4,338,622
Dividend payable	-	116,535	116,535
	-	11,324,209	11,324,209

* Included in loans and borrowings are two (2) facilities with tenures of 24 months each, amounting to a total of N2.35 billion, the fair value as at the reporting date based on amortised cost is N2.35 billion.

31 December 2015

Financial assets not measured at fair value			
Trade and other receivables	1,107,648	-	1,107,648
Other investments	140,000	-	140,000
Cash and cash equivalents	430,249	-	430,249
	1,677,897	-	1,677,897
Financial liabilities not measured at fair value			
Trade and other payables	-	1,124,903	1,124,903
Bank overdrafts	-	4,744,822	4,744,822
Loans and borrowings	-	6,340,635	6,340,635
Dividend payable	-	81,047	81,047
	-	12,291,407	12,291,407

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.

29 Contingencies

(a) Ongoing litigation with Diamond Bank (Nigeria) PLC

During the year, one of the Company's bankers, Diamond Bank Nigeria PLC (DBN) on the basis that the Company was unable to liquidate and/or offset the various facilities granted it by the bank;

- petitioned the Federal High Court Lagos to wind up the Company and
- applied for and obtained an Ex-parte Order restraining the Company from dealing with its properties and/or withdrawing any of its funds with DBN and other financial institutions in Nigeria.

Ex-parte Order

The Company applied to the Court on 22 June 2016 to set aside the Interim Order (Ex-parte Order) on the ground that the Petitioner suppressed material facts in obtaining the Order. The Application was heard on 8 July 2016 and the Court ruled in the Company's favour and set aside the Ex-parte Order. Having been dissatisfied with the Court ruling of 8 July 2016, the Petitioner (DBN) on 15 July 2016 appealed to the Court of Appeal.

Winding-up Case

At the resumed hearing of the case on 27 September 2016, First Bank of Nigeria Limited, Skye Bank PLC and United Bank for Africa PLC (other creditors and bankers of the Company) were represented in Court as interested parties. The Court however directed the parties to try to reach an amicable resolution of the matter. Unfortunately, they were unable to agree on settlement terms consequent upon which the matter proceeded in Court.

On 13 March 2017, the Court heard the Bank's application for advertisement of the petition and granted same. The matter was thereon adjourned to 15 May 2017 for hearing of the substantive application. In the meanwhile the Petitioner has since advertised the petition in some national newspapers.

The directors are optimistic that a settlement will be reached although, the final outcome is uncertain.

(b) Pending litigation and claims

The Group and Company are defendants in various law-suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation at year end amounted to N202 million (2015: N120 million) in addition to claims of N1.52billion for under payment of Value Added Tax made against the company by the Federal Inland Revenue Service respectively, which is being disputed by the company. In the opinion of the directors, the Group and Company's liability is not likely to be significant, thus no provision has been made in these 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.

30 Operating leases

The Group and Company lease business premises and employee accommodation under operating lease agreements which typically run for a period of one to four years, with an option to renew at the expiration of the initial lease periods. Leases are paid for in advance and amounts expensed have been disclosed in note 9.

31 Subsequent events

There were no significant subsequent events which could have had a material effect on the Group's and the Company's financial position as at 31 December 2016 that have not been adequately provided for or disclosed in these financial statements.

32 Going Concern

The Company incurred a loss of N3.1 billion (2015: N4.2 billion) during the year ended 31 December 2016 and as of that date, the Company's current liabilities exceeded its current assets by N7.9 billion (2015: N4.8 billion), while its total liabilities exceeded its total assets by N 3.4 billion (2015: total liabilities exceeded total assets by N0.3 billion) as at 31 December 2016. Because the Company has incurred losses over the past five (5) years, the shareholders' fund has reduced significantly from N3.0 billion as at 31 December 2012 to the deficit of N 3.4 billion as at 31 December 2016.

The loss for the year was mainly attributable to the decline in the Company's revenue from N11.0 billion in 2015 to N8.8 billion and generally increased cost of operations in current year; finance costs also remain high at N2.1 billion during the current year (2015 : N2.3 billion).

The decline in revenue has contributed to the Company's inability to generate sufficient cash from its operations to settle its obligations and hence has resulted in:

- Delays in remittance of some statutory government deductions.
- Difficulty in meeting its obligations with respect to its import finance/stock replacement finance and overdraft facilities with the Company's bankers which in some instances led to penalty charges and increased finance costs and litigation (Note 29(a)).
- Delays in settlement of its obligations to suppliers and other service providers contrary to the terms of agreement.

These 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 undertaken a number of activities aimed at returning the Company to profitability as follows:

- General restructuring of the company's operations for greater efficiency and profitability, and positioning the various component business units to attract potential investors;
- Plan to commence comprehensive marketing campaign primarily to drive sales.
- Plan to expand on the non – auto businesses in order to achieve better sales margins.
- Downsizing the business operations due to the current widespread low demand for capital goods with the following measures:
 - Drastic reduction in overhead costs
 - Closure of all unprofitable business units
 - Improved sales of inventories to reduce bank borrowings and interest expenses
- Subject to the outcome of the pending court case Note 29(a)), disposal of some items of property plant and equipment identified to be surplus to current business requirements,
- Actively exploring the raising of additional equity capital of N10 billion.

The Directors believe that the above plan will be successful and remains 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.

2016

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• OTHER NATIONAL DISCLOSURES •

BRISCOE

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Value Added Statement

For the year ended 31 December 2016

		Group				Company			
	2016		2015		2016		2015		
	N'000		N'000		N'000		N'000		
Revenue	9,808,274		11,945,313		8,751,219		11,040,841		
Bought in materials and services									
- Imported	(3,796,893)		(4,624,165)		(3,407,198)		(4,298,639)		
- Local	(6,402,711)		(8,294,125)		(6,096,293)		(7,939,041)		
	(391,330)		(972,977)		(752,272)		(1,196,839)		
Other income	345,946		220,767		341,980		209,535		
Finance income	196,829		67,035		183,834		103,905		
Value added/(eroded)	151,445		(685,175)		(226,458)		(883,399)		
Distribution of Value Added		%		%		%		%	
To Government as:									
Taxation	81,310	54	(124,479)	18	-	-	(156,536)	18	
To Employees:									
Salaries, wages, fringe and end of service benefits	629,153	415	829,439	(121)	517,566	(229)	747,938	(85)	
To Providers of Finance:									
- Finance costs	2,057,501	1,359	2,351,462	(343)	2,058,177	(909)	2,339,601	(265)	
Retained in the Business									
To maintain and replace;									
- property, plant and equipment	260,077	172	439,653	(64)	251,185	(111)	432,773	(49)	
- intangible assets	24,013	16	1,756	-	22,901	(10)	644	(0)	
To deplete reserves	(2,900,609)	(1,916)	(4,183,006)	610	(3,076,287)	1,359	(4,247,819)	481	
Value added/(eroded)	151,445	100	(685,175)	100	(226,458)	100	(883,399)	100	

Group**Statement of profit or loss and other comprehensive income**

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
	N'000	N'000	N'000	N'000	N'000
Revenue	9,808,274	11,945,313	20,942,572	21,768,366	21,980,201
Loss before income tax	(2,819,299)	(4,306,120)	(1,435,068)	(151,602)	(228,503)
Income tax expense	(81,310)	124,479	(386,774)	59,586	(319,670)
Loss for the year	(2,900,609)	(4,181,641)	(1,821,842)	(92,016)	(548,173)
Total comprehensive loss for the year	(2,892,844)	(3,300,229)	(207,297)	(84,242)	(290,856)
Loss per share	(247)	(355)	(155)	(8)	(32)

Statement of financial position

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	4,596,553	4,780,037	4,247,719	1,177,588	1,956,763
Intangible assets	3,953	27,966	27,576	12,966	19,447
Goodwill	33,999	33,999	33,999	33,999	33,999
Deferred tax assets	-	-	-	523,010	38,877
Non current prepayments	4,555	14,259	-	-	-
Other non current receivables	246,114	115,857	155,768	586,087	157,758
Net current liabilities	(7,392,696)	(4,451,877)	(743,255)	1,214,112	1,048,848
Employee benefits	(137,452)	(123,827)	(142,260)	(124,774)	(122,504)
Loans and borrowings	(300,566)	(435,689)	-	-	-
Deferred tax liabilities	(2,143)	(1,463)	(322,496)	(373,234)	-
Net(liabilities)/assets	(2,947,683)	(40,738)	3,257,051	3,049,754	3,133,188

Equity

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
	N'000	N'000	N'000	N'000	N'000
Share capital	588,177	588,177	588,177	588,177	588,177
Share premium	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	2,864,778	2,864,778	2,007,167	-	-
Retained earnings	(6,810,500)	(3,918,241)	240,964	2,043,548	2,127,702
Non-controlling interest	-	14,686	10,881	8,167	7,447
	(2,947,683)	(40,738)	3,257,051	3,049,754	3,133,188

Financial summary

Company

Statement of profit or loss and other comprehensive income

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
	N'000	N'000	N'000	N'000	N'000
Revenue	8,751,219	11,040,841	19,457,880	21,618,130	21,093,788
Loss before income tax	(3,076,287)	(4,404,355)	(1,552,544)	(215,033)	(377,923)
Income tax expense	-	156,536	(319,670)	111,246	(4,102)
Loss for the year	(3,076,287)	(4,247,819)	(1,872,214)	(103,787)	(382,025)
Total comprehensive loss for the year	(3,068,522)	(3,366,407)	156,925	(96,013)	(392,162)
Loss per share	(262)	(361)	(159)	(9)	(32)

Statement of financial position

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	4,581,635	4,767,141	4,223,324	1,160,696	1,118,416
Intangible assets	2,284	25,185	23,683	12,966	19,447
Investment in subsidiary	183,576	169,475	169,475	141,475	952,325
Deferred tax assets	-	-	-	521,409	41,595
Non current prepayments	4,555	14,259	-	-	-
Other non current receivables	246,114	115,857	155,768	586,087	157,758
Net current (liabilities)/assets	(7,949,475)	(4,833,208)	(1,043,940)	978,982	837,188
Employee benefits	(137,452)	(123,827)	(142,260)	(124,774)	(122,504)
Loans and borrowings	(300,566)	(435,689)	-	-	-
Deferred tax liabilities	-	-	(320,450)	(368,166)	-
Net(liabilities)/assets	(3,369,329)	(300,807)	3,065,600	2,908,675	3,004,225

Equity

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
	N'000	N'000	N'000	N'000	N'000
Share capital	588,177	588,177	588,177	588,177	588,177
Share premium	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	2,864,778	2,864,778	2,007,167	-	-
Retained earnings	(7,232,146)	(4,163,624)	60,394	1,910,636	2,006,186
	(3,369,329)	(300,807)	3,065,600	2,908,675	3,004,225

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• SHAREHOLDERS' INFORMATION •

BRISCOE

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Complaints Management Policy

1. PURPOSE

The purpose of this Complaints Management Policy is to ensure that R.T. Briscoe achieves excellence in complaints management. This policy applies to all participants in the Complaints Management process, including R.T. Briscoe, its staff and agents, its shareholders, customers and interested third parties. The purpose of this Policy is to:

- provide an avenue for customer communication and feedback;
- recognise, promote and protect the customer's rights, including the right to comment and provide feedback on service;
- provide an efficient, fair and accessible framework for resolving complaints and monitoring feedback to improve service delivery;
- inform customers on the customer feedback handling processes; and
- provide staff with information about the customer feedback process.

2. DEFINITION OF A COMPLAINT

A complaint is an expression of dissatisfaction made to R.T. Briscoe related to its products, services or the performance, behaviour and conduct of staff, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected. A complaint may be made in person, by phone, fax, email or in writing.

3. POLICY STATEMENT

3.1 R.T. Briscoe is committed to resolving complaints by applying the following principles through the complaints handling process in an equitable, objective and unbiased manner –

- Openness to ensure both R.T. Briscoe staff and complainants understand the complaints handling process;
- Impartiality to ensure a balanced consideration of all information and evidence is undertaken before a complaint can be resolved without fear or favour;
- Confidentiality to ensure the complainants and customer's identities are protected;
- Accessibility to ensure all parties concerned are aware of the complaints handling process and the lodged complaints progress;
- Completeness to ensure all available information and evidence has been collected from both sides;
- Equity to ensure equal treatment to all people; and
- Sensitivity to ensure each case is considered on its merits, paying due care to individual differences and needs.

3.2 The Complaint Management Policy is based on the following principles:

- Complainants should be encouraged to voice their concerns at the point of service as soon as they feel unsatisfied. Staff may then be able to resolve the matter without delay;
- wherever possible, complaints should be resolved at the point from which they originate;
- information about how and where to complain should be well publicized to customers, shareholders, staff and other interested parties;
- Complaint management mechanisms should be easily accessible to all complainants; and
- The process should be easy to find, use and understand.

4. IMPLEMENTATION

4.1 Responsibilities

All staff of R.T. Briscoe shall be responsible for receiving customer feedback and are to give priority to assist in the resolution of customer complaints. They will resolve minor verbal complaints where appropriate or refer more serious verbal or written complaints directly to their immediate Supervisor.

4.2 General Managers

General Managers shall ensure that the Complaints Management Policy is implemented in their respective Divisions and –

- advise the Managing Director of the nature of any major complaints and action taken or to be taken;
- document all complaints received and how they were resolved, including any changes that may be required to delivery of service; and
- Review and investigate all unresolved complaints.


4.3 Managing Director

The Managing Director will take overall responsibility for any complaints and have them addressed through General Managers as appropriate.

4.4 Electronic Complaints Register

R. T. Briscoe shall maintain an electronic Complaints Register of complaints by shareholders which shall be updated monthly contain the following details:

- Name of the complainant
- Nature of complaint
- Status and dates of resolution of the complaint



General Mandate For Transactions With Related Parties Or Interested Persons

The Rules governing transactions with related parties or interested persons issued by The Nigerian Stock Exchange require the company to make the following disclosures when seeking a general mandate for transactions with interested persons.

Class of Persons

The Company will be transacting business with suppliers of motor vehicles and technical equipment which include Toyota Nigeria Limited, the authorized sole importer and distributor of Toyota vehicles in Nigeria. An interested person connected to a controlling shareholder in R.T. Briscoe (Nigeria) PLC also has significant interest and is connected with a controlling shareholder in Toyota Nigeria Limited.

Nature of Transaction

The transactions contemplated under the general mandate sought include the purchase of Toyota motor vehicles and parts from Toyota Nigeria Limited by R.T. Briscoe (Nigeria) PLC.

Rationale and Benefit

The rationale and benefit of the proposed interested person transactions are that they are indispensable to the business activities of the company in view of the volume of business involved and the position of Toyota Nigeria Limited as the sole authorized importer and distributor of Toyota vehicles into the country.

Methods or Procedures for Determining Transaction Prices

Transaction prices are determined in accordance with normal commercial terms and ordinary course of business in the auto industry and more particularly, the provisions of the Dealership agreement between Toyota Nigeria Limited and R.T. Briscoe (Nigeria) PLC. The methods or procedures for determining transaction prices are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of the company and its minority shareholders. The Company shall obtain a fresh mandate from shareholders if the methods or procedures for determining transaction prices become inappropriate.

Voting on Interested Transactions

An interested person shall abstain, and undertake to ensure that its associates shall abstain from voting on a resolution approving an interested person transaction. In compliance with the Rules of The Nigerian Stock Exchange on General Meetings, an interested person or its associate shall abstain from voting on a resolution at the Annual General Meeting for the approval of a general mandate concerning transactions with that interested person.

Disclosures

Disclosures in the notes to the accounts include the aggregate values of transactions conducted with related parties in the course of the financial year together with the names of the related party, nature of the transaction and the transaction value.

Definitions

"Interested person" means a director, chief executive officer, or controlling shareholder of the company or any person connected to such director, chief executive officer, or controlling shareholder.

"Interested person transaction" means a transaction between the company and an interested person.

Unclaimed Dividends

The unclaimed dividend as at 31st December, 2016 are as follows:

Dividend	Date Paid	N'000
24	25.04.08	25,218,720.16
25	15.05.09	25,117,377.03
26	28.05.10	8,083,571.33
27	27.05.11	9,087,257.37
28	29.06.12	14,666,694.46
TOTAL		44,826,611.30

S/N	Script 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

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UNCLAIMED DIVIDENDS

We wish to notify our shareholders that a number of dividend warrants have been returned unclaimed because the addresses on them could not be traced. The shareholder concerned had either changed his or her address or did not collect them from the post office in good time.

We advise all affected shareholders to write to our registrars, **Meristem Registrars Limited**, 213, Herbert Macauley Way, Adekunle, Yaba, P. O. Box 51585 Falomo, Ikoyi, Lagos State for their unclaimed dividends.

The list of unclaimed Dividend are also available at the Registrar's website – www.meristemregistrars.com



E-dividend and E-bonus

Dear Shareholder,

Experience has shown that despite our tradition of despatching your dividend and mandate warrants the day after they are approved at the Annual General Meeting, many shareholders still do not receive their dividend warrants weeks and in some cases even months after the dividend warrants were dispatched.

To forestall this and facilitate the prompt receipt of your future dividends and bonus certificates, the e-dividend and e-bonus were introduced a few years ago. They provide a fast, reliable and efficient way of receiving your dividends and scrips directly into your bank and personal accounts with the Central Securities Clearing System (CSCS).

To benefit from the e-dividend and e-bonus system, you will be required to have a bank account as well as a CSCS account to be opened with the assistance of a stockbroker of your choice. The mandate form on the next page was designed with the purpose in mind. Please fill it as appropriate and forward to our Registrars for further action.

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


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

Telephone Lines:
01- 2703477
01- 2703487

e-mail address:
Briscoemail@rtbriscoe.com

Website:
www.rtbriscoe.com

Yours faithfully,


Olukayode Adeoluwa
(FRC/2013/NBA/00000002108)
Olukayode Adeoluwa & Co.
Company Secretary

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba, Lagos.

Telephone Lines:
+234 (1) 2809250-3
0700MERIREG

e-mail address
info@meristemregistrars.com

Website:
www.meristemregistrars.com

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E-dividend Mandate Activation Form

**Affix
Current
Passport**

(To be stamped by Bankers)

Write your name at the back of
your passport photograph

Only Clearing Banks are acceptable



213, Herbert Macaulay Way, Adekunle, Yaba

P.O. Box 51585, Folorunso Ikoyi, Lagos.

Phone: +234 (1) 2809250-3, 0700MERIREG

Fax: 01-2702361 e-mail: info@meristemregistrars.com

Website: www.meristemregistrars.com

Instruction

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

The Registrar

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

I\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**

Please
Affix
Postage
Stamp

THE REGISTRARS,



213, Herbert Macaulay Way, Adekunle, Yaba
P.O. Box 51585, Folorunso Ikoyi, Lagos.
Phone: +234 (1) 2609250-3, 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 27th of July, 2017 at NECA HOUSE, PLOT A2, HAKEEM BALOGUN STREET, CENTRAL BUSINESS DISTRICT, ALAUSA, IKEJA, LAGOS.

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

**
or failing him/her, Sir S. N. Nwosu or failing him, Mr. B. O. Onajide as my/our proxy to vote for me/us at the General Meeting of the Company to be held on 27th July, 2017 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....., 2017.

Signed:.....

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

To be effective, this proxy form should be duly completed and stamped by the Commissioner for Stamp Duties in accordance with the Stamp Duties Act before posting it to reach the address below not less than 48 hours before the time for holding the Meeting.

NUMBER OF SHARES HELD:		
Resolutions	For	Against
To re-elect as Directors: 1. Alhaji Ali Safiyanu Madugu 2. Sir Sunday Nnamdi Nwosu		
To approve the appointment of: Mrs. F. O. Ogunde		
To authorise the Directors to fix the remuneration of the Auditors.		
To elect members of the Audit Committee.		
To fix the remuneration of the Directors.		
To raise additional capital of up to N10 billion		
To authorise the company to procure goods and services necessary for its operations from related companies.		
Please indicate with 'X' in the appropriate square how you wish your vote to be cast on the resolutions set out above.		

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

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 27th of July, 2017 at NECA HOUSE, PLOT A2, HAKEEM BALOGUN STREET, CENTRAL BUSINESS DISTRICT, ALAUSA, IKEJA, LAGOS.

Name of Shareholder

.....
If you are unable to attend the Meeting, please note that:

A member (Shareholder) who is unable to attend the Company's General Meeting is allowed by law to vote on a poll by proxy. The representative of any Corporation, which is a member, may also vote on a show of hands. The above proxy form has been prepared to enable you to exercise your right to vote, in case you cannot personally attend the above Annual General Meeting.

Following the normal practice, the names of two directors of the Company have been entered on the form to ensure that someone will be at the Meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked **) the name of any person, whether a member of the Company or not, who will attend and vote on your behalf instead of one of the directors.

Please sign the above proxy form, have it stamped by the Commissioner for Stamp Duties and then post it so as to reach the address on the reverse side of the proxy not less than 48 hours before the time for holding the Meeting.

Please
Affix
Postage
Stamp

THE REGISTRARS,



213, Herbert Macauley Way, Adekunle, Yaba
P.O. Box 51585, Folorunso Ikoyi, Lagos.
Phone: +234 (1) 2609250-3, 0700MERIREG
Fax: 01-2702361 e-mail: info@meristemregistrars.com
Website: www.meristemregistrars.com

ORCHID COURT

I K E J A G R A , L A G O S

Michael Ogun Street

FOR SALE

4 BEDROOM
TERRACED HOUSE
+ SERVANT'S
QUARTERS

3 BEDROOM
SEMI-DETACHED
HOUSE (DUPLEX)
+ SERVANT'S
QUARTERS

3 BEDROOM
APARTMENT
+ SERVANT'S
QUARTERS



RENT also available:
4B/R Terraced House



BRISCOE PROPERTIES LIMITED

PROPERTY DEVELOPMENT ■ FACILITY MANAGEMENT ■ PROJECT MANAGEMENT ■ PROPERTY SALES & LEASING

Enquiries
Endurance 0817 458 9355,
0802 898 6930

bpl@rbriscoe.com
www.briscoeproperties.com

FOR SALE



**HELLICONIA
COURT,
YABA**



DESCRIPTION:
3B/R serviced terraced House+BQ
(@) Connal Road, Off Herbert
Macaulay Way, Yaba.

BPL
BRISCOE PROPERTIES LIMITED

PROPERTY DEVELOPMENT • FACILITY MANAGEMENT • PROJECT MANAGEMENT • PROPERTY SALES & LEASING

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BRISCOE

R.T. BRISCOE (NIGERIA) PLC
INC-40

... is MORE than you THINK.

Briscoe is not just about automobiles as many think. Briscoe has five divisions that offer products and services to enhance the lifestyle and living condition of millions of Nigerians.

Briscoe Toyota:

Briscoe Toyota, with a proud pedigree of experience in the Nigerian automobile industry, remains one of the foremost Toyota dealers in Nigeria providing unrivalled support to the brand and all its models.

Our After Sales Service won the first "Toyota Service Award for Excellence" in West Africa from TMC, Japan.



Briscoe Industrial Equipment:

Merits and provides second to none after sales service for top class brands. The ELGI mining and drilling equipment, ELGI Diesel Powered Screw Air Compressors that combines efficiency and optimal performance.

- Lifetime Assurance
- ELGI Genuine Spares
- World Best Energy Saving System
- Low Operating Cost
- Affordable Annual Maintenance Plan



Material Handling Equipment:

It partners with Toyota Material Handling Co. and IT Material Handling Co. to provide the sales and service of World Class material handling equipment with high productivity and genuine spare parts.

- Durability
- Operation-Friendly Equipment
- Gas/Electric/Diesel Engine
- Easy Maintenance
- High Stability
- Excellent Maneuverability
- Quality After Sales Maintenance available



Briscoe Properties Ltd.:

Briscoe Properties Limited, a fully owned subsidiary is involved in facilities management, property development, project management and estate management services.

BPL has developed a number of residential properties in Nigeria and presently manages a large portfolio of commercial and residential properties in Lagos, Victoria Island, Agege, Ikeja, Ybe, Alimosho, Lagos etc. It also provides property marketing services to its vast clientele.



In our over 60 years of existence, we have established a strong reputation for performance and delivery. The future is promising with much more expectation. Come along with us.

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